

Things to Remember When Trading with a Partner Based in the Middle East

Cultural differences are of truly paramount importance, as many internationally-based members of FCIB will attest. The following are among the integral things to keep in mind when opening a business relationship with a counterpart based in the Middle East, especially those operating under the constraints of Sharia Law.

Building Trust: It is said that trust is simply not automatically given from many businesses or government officials based in the Middle East. It must be earned through demonstrated performance, both of the product and of commitment to the relationship. While technology is helpful, face-to-face contact is seen as a necessary show of respect, especially at the onset of a relationship. Moreover, said in-person contact should come from someone of similar ilk (see “Appearances Matter” below). Additionally, credit professionals identify someone who over promises and under delivers as one of the greatest pet peeves of Middle East business people. Failure to meet a deadline, especially early in the relationship, will result in rough (if not impossible) sledding for the indefinite future with that client from a trust-perspective.

Presence on the Ground: Having some employees, representatives or consultants in the region of the Middle East where you are trying to do business is important in that it often illustrates, in their perception, that your business actually feels a sense of commitment. Besides, there are often gray areas that someone more familiar with the language, culture, etc. can help navigate without inadvertently committing a faux pas.

Appearances Matter: Being prepared and knowing the product inside and out are absolute necessities to do business with most Middle Eastern companies. These are not situations suited for sending a newer member of the credit or sales team. It will often be taken as a show of disrespect. It can send the message, whether real or perceived, that “they are sending me the new hire because I’m not an important customer.”

Holidays: The business climate really changes around religious holidays, even more than in the United States. During these periods, patience is important. Remember: there could be stretches of days when nobody answers the phone. Aside from honoring religious beliefs, there are also issues like fasting to contend with—and doing so in the blazing heat of this part of the world can have a profound effect on even the heartiest of business people. You have to be flexible and dynamic to these changes and disruptions.

Negotiating: Negotiation is part of the culture. Even if there is a contract in place, the belief exists that there is always wiggle room. Do not take offense or react with negativity or shock as that could cause your Middle East partner to take offense.

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