

Throw out the old rules in marketing to Mideast

Forging effective business partnerships with Middle Eastern companies requires American business to be sensitive to a whole range of cultural, religious, political and economic conditions.

The situation is a similar position to that of the early 1980s with Japan, when business relationships with corporations were being built and the rules of conduct had to be learned by U.S. business people along the way.

Know the target markets, the geography, climate and population size and characteristics of each Gulf country. Study existing market profiles, information on import and exchange control, marketing and distribution.

Develop a working knowledge of documentation requirements, including labeling, packaging, custom duties, shipping and handling.

Arabs place enormous importance on first impressions. To make yours a good one, be honest and straightforward, two qualities which are vital to building trust.

This trust is often gauged according to "chemistry," or what sense your new contact gets from you. American business people should have a direct, forthright style.

Be forewarned that Arab businessmen take time to reach decisions and do not like aggressive salesmanship.

While contacts are helpful in any business situation, they are a must in doing business in the Middle East. Without direct or indirect reliable contacts, you'll make little progress.

American business people must come to appreciate the Arab cultures and not make the mistake of romanticizing them as modern equivalents of "Lawrence of Arabia."

Consider the Gulf businessman as shrewd and intelligent. It is not an uncommon prejudice to find Americans who perceive Arabs as having greater financial wealth than business sense. But Gulf businesses have generations of experience in conducting international business.

The political arena is both heated and complicated. Learn from history and the news so you are well-informed on issues affecting the people and business trends in the region.

But don't ridicule Arab leaders or political systems, or openly express your political opinions on Gulf political matters. You will lose the trust of your potential partners.

Though English is widely spoken in the business community, Arabic is the official language of the Gulf region. If you are considering pursuing business with a Gulf country, your first investment should be a business consultant with a thorough knowledge of technical Arabic cultures and religion.

A consultant might also be useful in helping you make business contacts, locating potential buyers and assisting you in all aspects of export management.

Legal systems are different in each Gulf country so be sure to investigate the standards to which your company will be expected to adhere.

Arab nations maintain strict adherence to Islamic principles in social and business practices. In Saudi Arabia, alcohol is banned, and there are severe penalties for importing alcoholic beverages.

Throughout the Gulf region, the importation, sale or use of narcotics is illegal and penalties are severe.



AFTERMATH IN THE GULF

Walid Farhoud

Photography is discouraged, and photographing defense installations and airports is prohibited.

The right to buy real estate and hold stock in Middle Eastern firms is severely restricted.

Religious practices have daily impact on business practices. All offices are expected to stop work for about 20 minutes during Muslim prayer times — sun-

rise, midday, afternoon, sunset and evening — depending on time of year.

Business hours are normally from 8 a.m. to 1 p.m. and 5 p.m. to 8 p.m.

Working to your advantage is the excellent reputation of U.S.-made products. Arab businessmen put great value on the quality of U.S. work, including back-up support and maintenance.

It is possible for you to export your products or services to any interested buyer. You can establish an "agent" relationship for a joint venture with a local partner.

To submit a bid for a government project, you should submit a detailed package in English accompanied by an accurate Arabic translation. Copies should go to

the committee or agency authorized by the government to oversee the project.

These proposals are scrutinized carefully. You may encounter inflexibilities in handling contracted bids.

As your company deliberates whether to do business in the Middle East, view it as a commitment to the marketplace.

Be confident in your product and, most importantly, invest the time and effort in establishing a healthy connection that will serve your continued dealings with Middle East enterprises. □

Walid Farhoud is the CEO of Middle East International in Seattle, specializing in export management.