

Doing business in the Middle East

Cases and personal experiences

Michael Horup



Intro – about me..

1999: Project Manager

2012: Vice President –
Broadband and Fixedline



2001: Program Manager
2003: Head of Wholesale
2006: Head of Consumer
Marketing LV/LT
2007: Head of Marketing LV



2010: General Manager-
Strategic Marketing and
Branding



VIVA



2008: Marketing Director



So, why am I here?

Shopping for:

- ❑ Loyalty program consultants
- ❑ Customer analytics and insights – Solutions and Consultants
- ❑ Data Warehouse
- ❑ Market Research
- ❑ Devices (Phones, Dongles, etc)
- ❑ Social media analytical tools
- ❑ Web-shop
- ❑ Creative agency and media buying
- ❑ Events, Merchandize, Signage..

Peppers&Rogers

nielsen

IBM

Leo Burnett

tns

Y&R

TERADATA



TBWA \ ZEENAH

Why would you like to bring your business to the Middle East?

What do you expect?

Some cases..

Case 1: New Data Warehouse

- Operator is in need for a Data Warehouse across all units: Commercial, Network, Finance, etc..
- 6 months of scoping internally
- Multiple presentations from international vendors
- +Million Euro project
- Submitted for Tenderboard in May
- What's next?
- What timeframe?
- What challenges do you imagine?

Case 1: New Data Warehouse (2)

- Tenderboard ask for clarifications over 9 months
- Tender floated – March
- Bids submitted: - 2 months process.
- Bids Reviews and Clarification starts
- More than 1 year passed
- Are you ready for that?
- Do you have the funding?
- What are the local regulations?
- Business Contingency

Case 2: Advertising Agency

- Operator in need of advertising agency to run advertising, media buying, branding, etc
 - Open tender for a 1 or 2 year contract
 - Standard proces:
 - Scoring of proposals based on defined parameters
 - 4 companies selected for next round
 - 2 made it to final MB presentation
 - 2 presentations to tender team and 1 to Management Board
- What timeframe?
 - What challenges?

Case 2: Advertising Agency (2)

- 1 Jordanian company had great creatives -> but was removed..
- 2 locally present companies made it to the finals
- Management Board decided on the company
- The winning company had a clear advertising strategy (long term), good creatives and a very local approach...
- Everyone is happy ...Contract work to begin.
- Lack of plan for local operation
- Tender process versus decision power
- Localized approached

Case 2: Advertising Agency (3)

- Scope was clear for main services
- Sharp price
- Winner bid assumed 200 hours/monthly... Challenge started..
- Got the contract...
- Took on a lot of work – we asked them!
- Winner estimated too low – needed 600 hours
- Contract problematic
- Struggle for payments
- Make sure scope, commitment and price is right

Case 3: Customer Analytics

- Company in need of a software to enhance customer analytics
- Software easy to integrate –tap into existing systems
- Requires servers, integration and regular load of customer data to work
- Team scope out requirements
- Multiple presentations by vendors pre- tender
- Closed Tender opened in October
- Company selected in February
- All clear?
- What's the challenges?

Case 3: Customer Analytics (2)

- Contract done fast and in parallel with preparations
- Hit the ground running April
- Vendor fly in team from Europe for workshops
- Project team from commercial, IT teams and consultants run a series of workshops
- Vendor anticipated that work could be done from Europe
- Planned launch July
- Winner had local representative
- European and Middle East work week was a challenge
- IT not ready with the servers
- IT Policies – No VPN work...
- Local project management needed from vendor

Case 3: Customer Analytics (3)

- Due to servers - work scoped in 2 phases
- Part of development work done in Europe
- Deployment with programmers on site for weeks
- 1st phase launched in November
- 2nd phase January
- Data not to be taken out of country
- Project not anchored properly in organisation
- Vendor had high cost on project management, and travels
- Usage of system...?

Personal experiences..

Business is Personal

- Ensure you get to the right people
- Use "Wasta"
- Build relationships
- Be patient
- Be present – also ongoing
- Be patient 😊



The Process – Get it right

- What is the procurement process?
 - Limits?
 - Stateowned versus private?
 - TenderBoard/Open/Closed?
 - Qualifications and scoring?
 - What are local requirements?
- Who makes the decision?
- Culture plays a major role
- Build contingencies for other business
- Time, Time, Time.....



What are you willing to commit?

Have you considered.....

- ❑ Local partner as representative
- ❑ Local sales office/presence
- ❑ Local registated company
- ❑ Hire local staff
- ❑ Rental of premises
- ❑ What's in it for me...?



What's your pricing strategy?

Ensure your margin

- Arabs are traders by origin
- Who are your competitors?
- The whole world is doing business in the Middle East
- Quality versus price
- Watch out for extra travel, project work, development, implementation
- Local taxation rules

Where's the money?

- ❑ Clear scope and deliverables
- ❑ Solid contract
- ❑ Clear payment terms



- ❑ Expect delayed payments
- ❑ Expect resubmitting invoices
- ❑ Extra signatures and docs
- ❑ Personal follow up

What can you bring to the ME..

- ▣ Flexible and adaptable to the situation
- ▣ Innovative
- ▣ Cost-effective
- ▣ Business is personal

Wrap up!

- Be visible locally
- Business **is** personal – make the connections
- Be culturally aware
- Entry at the right level
- Understand organisation and competence level
- Be aware of the process
- Scope, commitment and contracts...
- Local regulations and (IT)policies depending on industry
- Enjoy the ride.....



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