

BOSSit:

TALES OF A JORDANIAN INFORMATION TECHNOLOGY START UP¹

TEACHING NOTE

Abstract

This case presents the cross-cultural encounters of an American marketing professional working inside a Jordanian start up information technology firm that offers customer relationship services to its clients. BOSSit, an acronym for “Back Office Support Services via Information Technology,” was in business for a year but still had few clients. Its managing director brought in an American marketing professional to launch a formal Western-style marketing campaign, even though he himself preferred to win business “the old fashioned way,” following Jordanian traditional practice.

Course Usage

This case makes a strong cross-cultural addition to courses in Marketing, Organizational Behavior, International Business or Cross-Cultural Management. It explores the suitability of Western approaches to management and marketing in an Arab cultural setting, taking a close look at the operational differences between Arab and American ways. It profiles the work environment and marketing efforts of a high tech firm in a traditional society, as seen through the eyes of a surprised American. It teaches that even though this society blends Jordanian and Western ways, Arab traditions continue to play a pivotal role.

Questions for Discussion

1. What is the nature of BOSSit’s service and how applicable is it to Jordanian society? How big is its potential market?
2. How was BOSSit’s work environment a different cultural experience for Ali?
3. What American ways were particularly welcome in Jordan? Which were not? Should some American-style professional management practices be introduced into, or imposed on, the Jordanian workplace?
4. What do you think of Jordan’s aspiration to become a high tech center in the region?
5. What is the traditional approach to marketing in Jordan? What is the role of wastah in this society?
6. Will Western-style professional marketing take hold in Jordan? Should it? What is the best way to combine American and Jordanian ways?

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Answers to the Questions for Discussion

1. *What is the nature of BOSSit's service and how applicable is it to Jordanian society? How big is its potential market?*

BOSSit's founders were intrigued by the promise of Customer Relationship Management (CRM) for the businesses in their region, and excited about introducing the call center concept – now well-established in the English-speaking world – as an Arabic-language service. They were avid readers of Western business press and high tech magazines and they saw opportunity in copying the success of English-language call centers based in India. Entrepreneurs around the world were looking for similar opportunities. A Dominican Republic entrepreneur, for example, launched a Spanish-language call center service for the Spanish-speaking customers of U.S. corporate clients. Why not an Arabic-language call center to service the Arab world? Make it bilingual – Arabic and English – and potentially it could serve a much larger market. Seemed like a very promising idea, but the slow startup raises questions about its applicability to Jordan.

CRM enables companies to provide better and more individualized customer service and support. By better understanding customer needs and addressing them conscientiously, companies aim to develop more responsive and profitable customer relationships, thereby increasing customer satisfaction, retention and loyalty. The technology can help companies identify their most profitable and loyal customers, track current and historical customer activity and analyze customer spending habits. The information can help firms further boost revenue by making customized recommendations to customers based on prior purchasing behavior, such as Amazon.com's suggestive selling of books to customers. Combining CRM with a call center operation, firms could offer tailored products and services to customers via the telephone.

Recent trade press in the US noted that only 5% of small businesses have yet made use of CRM. Presumably there is much potential for its use in Jordan as well, once its effectiveness has been demonstrated.

To make this business operational, BOSSit needed hardware and software to process client customer data and a call center with trained staff to interact with customers over the telephone. The aim was to provide an IT-enhanced customer service, integrating computer-based customer information with a telephone and email interface to target services to individual customer needs.

In the mean time, BOSSit decided to gain experience by offering outsourced customer support using existing telephone and email technology. The managing director's rationale was that BOSSit could provide basic telephone and e-mail support to customers now using existing SMS resources, without extensive spending on software. They could then implement the more technically advanced CRM solution later on, using powerful software that integrates all aspects of a customer relationship into one package and that enables more tailor-made, customer-specific services.

BOSSit's first client was the Aqaba Special Economic Zone Authority (ASEZA). It utilized BOSSit's call center capability, but it required human mastery of investment details pertaining to the Aqaba investment opportunity by BOSSit's customer service representatives. It was essentially a telephone and email-based information service without any computer-based analysis of customer or investment opportunity data.

The information intensive aspects of this business raise questions about how many clients the company can handle effectively. Learning the technical details of a client's business can be taxing. This was certainly true with the Aqaba economic zone. Is this level of knowledge about a client's business repeatable with other clients? Perhaps customer service representatives will specialize in inquiries pertaining to one or just a few clients.

Whatever the promise of the business, the company's name is misleading, even paradoxical. Customer service and customer relationship management are not "back office" functions in the usual sense of the term. To experienced data processing professionals, "back office" refers to bulk operations centers that do nighttime batch processing of the day's transactions, bringing all accounts up to date, or some other computer-intensive work that should be kept out of sight of company customers. For example, a bank's back office is its "factory" where checks are processed and accounts get updated in daily production runs at remote computer centers. The "back office" performs transaction processing, not marketing support, so the suggestion that a cutting edge customer interface was going to be performed by a new "back office support services" in Jordan sounds paradoxical.

Do call centers and CRM have a place in a traditional society that so highly values personal contacts and human trust? This is a legitimate concern. The company seeks to offer a state-of-the-art, customer-centric service – CRM – but its founder ultimately relies on age-old, face-to-face, relationship-based approaches to grow his business. At the end of the case, he walks out the door, planning to visit the targeted clients, leaving all the new marketing brochures on the table.

2. What aspects of BOSSit's work environment made it a different cultural experience for Ali?

This question explores the noted differences between Jordanian and American ways. Recount the encounters described in the case: First time meetings focused on relationship building – "get-acquainted schmoozing" – rather than getting down to business. The company was busy servicing its first real client without a signed contract in place. Scheduled appointments were a polite formality, not a guide to action. Wishing to present only positive news, a vendor made promises but repeatedly failed to deliver. His eventual response came without the requested details, accompanied by a barrage of excuses where he placed blame on others in his organization. Even local representatives of leading North American high tech firms demonstrated such behavior. In North America, only a "can do" attitude is acceptable.

At the office, employee attendance was irregular and showed haphazard respect for work hours. Frequently absences were due to religious observances and family issues, but they made project schedules difficult to implement. Use of personal connections ("wastah")

cut through bureaucratic delays, secured government information, and won clients with no need for a formal marketing campaign. Though the Aqaba investment group agreed to be featured in press releases advocating BOSSit services, other companies did not want such publicity, saying they would rather not draw attention to their dependence on an outside service. These and other differences are summarized in the table below.

Exhibit TN-1
Work-related Differences Identified in the Case

Management Issue	Jordanian Approach	American Approach
<i>Embracing Innovation</i>	Respecting Tradition	Enthusiasm for the New
<i>Business Launch</i>	Researching and discussion	Goal setting and taking action
<i>Task Orientation</i>	Focus on Relationships	Focus on Results
<i>Workplace Attendance</i>	Erratic attendance	Required attendance
<i>Work Hours</i>	Flexible hours	Clear start and end times
<i>Schedules</i>	Polite formality	Guide to action
<i>Content of Meetings</i>	Focus on Relationships	Focus on Tasks
<i>Scheduling Appointments</i>	Require face-to-face reminders	Dictate daily agenda
<i>Gathering Information</i>	Use personal connections	Search internet or purchase reports
<i>Seeking Govt Services</i>	Use connections or wait a long time	Equal access prescribed by law
<i>Business Promotion</i>	Word of mouth	Marketing campaign
<i>Client Pitch</i>	Informal discussion among friends	Formal presentation and proposal
<i>Client Engagement</i>	Oral agreement	Signed contract
<i>Client Follow Up</i>	Tell them what they want to hear	Deliver on promises
<i>Endorsements</i>	Keep private	Celebrate publicity

The table below further highlights some of the cultural differences observed by the case author working in a Jordanian environment.

Exhibit TN-2
Cultural Styles of Persuasion

	Arabs	North Americans
<i>Primary negotiating style and process</i>	Affective: Appeals made to emotion	Factual: Appeals made to logic
<i>Conflict: opponent's arguments countered with ...</i>	Subjective feelings	Objective facts
<i>Making concessions</i>	Concessions made throughout as part of the bargaining process	Small concessions made early to establish relationship
<i>Response to</i>	Almost always	Usually reciprocate

<i>opponent's concessions</i>	reciprocate opponent's offers	opponent's concessions
<i>Relationship</i>	Long term	Short term
<i>Authority</i>	Broad	Broad
<i>Initial Position</i>	Extreme	Moderate
<i>Deadline</i>	Casual	Very important

Academic References

These assertions are consistent with the observations and recommendations of Richard Lewis (When Cultures Collide: Managing Successfully Across Cultures (Third Edition), London: Nicholas Brealey, 2000) and Philip Harris and Robert and Sarah Moran (Managing Cultural Differences: Global Leadership Strategies for the 21st Century (6th Ed.), London: Butterworth-Heinemann, 2004).

Further explanation of Arab mentality and behavior patterns appears in the book by Margaret K. Omar Nydell, Understanding Arabs: A Guide for Westerners (3rd Ed.), Yarmouth, ME: Intercultural Press, 2002. Regarding sales effectiveness, Nydell notes that “A good personal relationship is the most important single factor in doing business successfully with Arabs... The best salesmen were not necessarily the most knowledgeable, eager or efficient, but instead were those who were relaxed, personable, and patient enough to establish friendly relations with their clients.” (pp. 35-36).

Hofstede’s dimensions of culture further support these observations by highlighting differences between Jordanian and North American ways (Geert Hofstede, Cultures Consequences, Thousand Oaks, CA: Sage, 1980; Culture and Organizations: Software of the Mind, New York: McGraw Hill, 1996). Examining the five dimensions of culture identified in his research, Jordanian society differs considerably from North American cultural patterns.

Exhibit TN-3 Dimensions of Culture

	Jordanians	North Americans (US / Canada)
<i>Power Distance</i>	70	40 / 39
<i>Individualism-Collectivism</i>	30	91 / 80
<i>Masculinity</i>	45	62 / 52
<i>Uncertainty Avoidance</i>	65	46 / 48
<i>Long Term Orientation</i>	30	29 / 23

These figures confirm the more authoritarian nature of Jordanian organizations, their stronger collectivist orientation, their stronger emphasis on relationships rather than achievement, and their preference for specific guidelines for action. Encounters in the case storyline illustrate many of these dimensional differences.

3. *What American ways were particularly welcome in Jordan? Which were not? Should some American management practices be imposed on the Jordanian workplace?*

There were some American-style behaviors that were welcome contributions to BOSSit's operation. In particular, the "make it happen" instincts of the visiting retired American executive helped the fledgling firm overcome its tendency to do endless research. Though many Jordanians start businesses, the players in this case made little progress until an action-oriented American joined them to "get the ball rolling." John Whiting's urgency for results was essential to begin the operation.

BOSSit's managing director began taking daily attendance to insure that all his staff came to work. The result was an attendance standard not matched by its sister organization, SMS, whose effectiveness was clearly impaired by employee absenteeism.

There were also situations where American-style behaviors were less than welcome in the workplace. The young American was admonished because his planned professional marketing pitches were not the right way to get business in Jordan. Press releases, marketing kits, informative product demonstration presentations were not the centerpiece of marketing in Jordanian society. Building business based on close relations with others was more central.

Some Jordanian-style behaviors were not appreciated by the visiting American. He was frustrated by recurring delays in performing tasks due to the erratic attendance of employees. He was disappointed that scheduling appointments was not enough to insure a meeting. He was confused and angered by a company representative who told him what he wanted to hear, but then failed to deliver on promises. He was amazed at the zippy response he received when he mentioned well-regarded individuals as the source of his requests. He was disappointed by the inadequacy of information provided by the government, which was out-of-date, obsolete and inaccurate. He was hamstrung trying to explain the power of his firm's services over informal social encounters. He was frustrated by client reticence about admitting use of BOSSit customer services since they did not want to admit weaknesses.

The case raises the question whether he (or anyone else) should impose American ways on this work setting. Should American practices be introduced to help people "clean up their act" so to speak, from an American perspective? Attendance was a major concern, and then a rule demanding regular attendance did improve the situation. How about other activities and performance standards?

Even if one is inclined to respect traditional ways in this society, multinational organizations often have legitimate needs to impose some management practices on remote settings. This is certainly true for ethical issues, such as standing by a warranty promise or

declining to bribe an official. Local branches of multinational organizations receive operating directions from corporate headquarters and implement corporate strategy across all locations around the world. Ideally local offices are exemplars in the local community of the company's commitment to customers and ethical principles. Headquarters cannot tolerate substandard conduct in a subsidiary operation or blithely accept activities that fall down on the job, that fail to measure up in some way to the standards of the entire firm.

BOSSit's mixed encounters with CRM providers raise questions as to whether local ways should be left untouched. Corporate reputations can be severely tarnished by lackluster performance in the field. Simply being a part of a North American company may not be enough to overcome local tendencies. The Nortel representative assembled his proposal based on input from his regional headquarters in Dubai, United Arab Emirates (UAE), one of the most cosmopolitan cities in the Arab World. Still, the response was unacceptably delayed, finally arriving after weeks of false promises.

4. What do you think of Jordan's aspiration to become a high tech center in the region?

Jordan has a national aspiration to become a regional center for high technology. This has been clearly articulated by King Abdullah who seeks to capitalize on Jordan's well-educated workforce – finding economic value in the country's brain power. He routinely asks for initiatives from the private sector and encourages the embrace of new technology.

BOSSit's CRM services certainly fit within this national development game plan. CRM enables companies to provide better and more individualized customer service and support. By using information and communications technology to better understand customer needs and address them conscientiously, companies aim to develop more loyal and profitable customer relationships, thereby increasing customer satisfaction, loyalty and retention.

As it turns out, the company's prospects are severely hampered by the limited telecommunications infrastructure of the country. Network design and implementation at the organizational level were difficult to achieve but of limited numbers of skilled professionals, and the required telecommunications flexibility to route calls was either technically unavailable or cost prohibitive.

5. What is the traditional approach to marketing in Jordan? What is the role of wastah in this society?

Wastah in a positive sense is capitalizing on personal credibility. Wastah in the negative sense it is the use of personal influence for personal gain.

Some argue that wastah (or "leveraging personal connections") is essential for startup and fledgling businesses. Maher Mouasher noted that "marketing a service is very much about personal credibility. A start-up depends on personal credibility. Later, companies will develop a track record and be able to leverage this to secure a broad client base. The personal credibility of the person who makes the contact determines the number of initial clients."

Wastah thus can be a real aid to a startup. What is not clear is how companies without wastah can overcome this disadvantage.

Critics might say that this very restrictive practice must be brought into the limelight. They argue that it is necessary to challenge wastah and other archaic business practices because they ultimately confine economic growth. How can anyone get in the door and then rise to the top without much needed connections? There is ample evidence over the years that wastah is responsible for placing unqualified people in critical positions of authority in government and the private sector. Further discussion of this phenomenon can be found in Robert B. Cunningham and Yasir Sarayrah's book Wastah: The Hidden Force in Middle Eastern Society (Praeger, 1993).

The smaller the community, the more personal contacts play a role. An individual's ability to influence government is a function of the size of the community. Jordan is still a very small community, so personal influence is more pervasive.

There were several instances in the case where the use of wastah led to successful outcomes: obtaining information from a Government Ministry, getting Aqaba Economic Zone (ASEZA) as a client, and later (described below) getting IBM Jordan as a client.

6. *Will Western-style professional marketing take hold in Jordan? Should it? What is the best way to combine American and Jordanian ways?*

Professional marketing as practiced in North America and Europe typically includes specific actions and elements such as the following:

- Market research – collecting data on prospective customers, monitoring industry developments, conducting focus groups;
- Public relations – crafting and distributing press releases to trigger news stories on products, services and accomplishments;
- Pricing – choosing prices based on complete assessment of costs and what the market will bear, often after segmenting the market;
- Product demonstration – making an informative presentation to demo product or service capabilities;
- Conference displays – arranging and staffing eye-catching formal displays that inform potential customers at industry trade shows.

A Marketing Kit was developed by Ali and his team for the purpose of informing potential customers about BOSSit's services. The kit included a company brochure, catalog, Powerpoint presentation, and other marketing materials such as articles on the benefits of outsourcing. Complementing the kit was the recent completion of the new BOSSit website, with an enhanced look and feel that in itself was a statement of the company's technological sophistication and user-friendliness.

At the end of the case, Faris exits to court potential clients without even taking Ali's marketing kit with him. Ali feels very discouraged. Will professional marketing ever take

hold and play a significant role in Jordan's business community, or in the entire region, where wastah is such a major force in doing business? Was Faris being old-fashioned, or sensibly pragmatic, in his reliance on the power of wastah? Were Ali's efforts largely of little consequence?

One would expect the Jordanian characters in the case to be ideal candidates to combine Jordanian and American ways. They met and even conceived of the business in a sports bar setting reminiscent of their college days in the U.S. Presumably they have in the past fully adjusted themselves to American ways. Now back in Jordan they can sensibly choose some hybrid pattern of behavior that sensibly combines the best of both worlds.

It is entirely plausible to pursue both marketing systems in tandem. They could use traditional, relationship-oriented marketing (a la Faris), while also utilizing approaches cultivated in Western settings (brought by Ali). Better yet, they could explore synergies and devise ways to make the two efforts symbiotic. They could introduce new marketing methods in a traditional society, asking themselves each step of the way what is the best way to grow the business. They could make a better merger of the two approaches – combining old and new. Relationship Selling need not preclude Knowledge-based Selling built around product demonstrations.

Inside American multinationals operating in Jordan (and any other country), this is a recurring issue. The subsidiary engages in a search for suitable bicultural behaviors, revisited whenever new players enter the scene. Task demands and the work ethic of headquarters and regional centers must be melded with and adapted to local patterns of conduct. BOSSit's encounters with CRM providers offer lessons for BOSSit's own efforts to supply services to clients. Some local CRM representatives clearly did not demonstrate the kind of professionalism that its headquarters would have expected.

What is best to absorb from each culture? What would one like to see in a bicultural or hybrid organization? One objective would be a good working relationship between Faris and Ali. Another would be institutionalization of the "take action" style brought there by the visiting senior American executive. But the company also needs local expertise and connections. Alliances, partnerships and service agreements grow better with local responsiveness. Personal relationships are a good conduit for securing responsiveness from organizations. People who do not have such contacts must establish other forms of credibility within the private sector. Ultimately, especially if the organization is to operate on a larger scale – providing services beyond a local network built from personal relationships – *"the best approach for the organization in the long-run will be to engage in a full scale marketing campaign – to gain international exposure through international alliances,"* company founder Mouasher asserted. He was not sure if this approach was more Western or Eastern.

What impact does wastah have on the entrepreneurial climate? Wastah has been portrayed in a largely positive light in the case. But it has downsides as well. Other cases in the EMDAP collection cast it in a negative light – seeing it as cronyism, likely to erode the effectiveness of organizations by putting ill-prepared people in key positions. *How does a society get beyond wastah? How can (or does) Jordan overcome the legacy of wastah?* The

more you steer clear of the public sector and focus on the private sector, the better off you are, locals advise. Some suggestions to help business progress in a natural manner:

1. Less government involvement in economic activities
2. More reliance on free markets – need to be less protective
3. Develop more regional alliances
4. In this volatile region, adapt the economic system to changing social and political conditions

UPDATE: Subsequent Developments

BOSSit's business has grown since the time of the case, largely through personal relationships of the company owners. Ali left Jordan shortly after the time of the case to commence graduate study in U.K. His specific initiatives had no lasting impact on the business. But marketing efforts continue. The basic approaches Ali tried to introduce – using public presentations, press releases and company endorsements – have not worked because most clients *preferred to remain confidential*. Since outsourcing was a new concept and since testimonials were tough to obtain as clients desired to remain anonymous, the key to closing sales was the personal credibility of the company founders. BOSSit developed a partnership with IBM Jordan, helping clients realize value from their hardware and software investments, but this partnership was also based on a personal relationship.

The cost of routing calls to BOSSit offices proved to be very expensive. Their expansion of the business has been limited by the costly communications infrastructure of the country.

International marketing efforts have been delayed by regulatory issues. Liberalization of telecom is progressing, but the cost of routing international calls is prohibitive. Consequently, they have focused on the regional market and done little internationally.