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Virtual Teams

How to Build Strong Business Relationships — Remotely

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Summary. Just prior to the pandemic, the authors interviewed 82 managers from four regions of the world about how they decide to trust new business partners. During the height of the pandemic in November and December 2020, they re-interviewed 21 of those managers and asked them how the pandemic was affecting their ability to develop new business relationships. They found that their cultural differences were still active. However, their common experience with having to meet virtually had generated a consensus: It's almost impossible to build the kind of trusting relationships that were sustaining their businesses through the pandemic when only able to meet virtually. The authors discuss the specific challenges managers have faced in building business relationships virtually, then offer four pieces of expert advice for how to overcome them. [close](#)

Although many managers have adapted to virtual meetings to replace face-to-face ones as a result of the Covid-19 pandemic, developing new business relationships online presents a particular set of challenges. Because successful relationships are built on trust, it's critical to make an effort to work around virtual interactions' shortcomings.

As described in our book, *Searching for Trust in the Global Economy*, just prior to the pandemic, we interviewed 82 managers from four regions of the world about how they decide to trust new business partners. Their answers varied by region and culture. For example, we found that managers in both Latin America and the Middle East/South Asia wanted to spend time getting to know potential new business partners in person in order to establish trust. In Latin America, managers were using that time to assess

potential business partners' shared values, whereas in the Middle East/South Asia, managers were focused on assessing respect for different values.

Then in November and December 2020, we re-interviewed 21 of those managers and asked them how the pandemic was affecting their ability to develop new business relationships. We found that their cultural differences were still active. For example, trust did not change during the pandemic. It was still low in Latin America and the Middle East/South Asia relative to East Asia and the West. However, managers' common experience with having to meet virtually had generated a consensus: It is almost impossible to build the kind of trusting relationships that were sustaining their businesses through the pandemic when only able to meet virtually. They explained that virtual meetings are transactional but deciding to trust new business partners requires deeper relationship building.

Here, we discuss the specific challenges managers have faced in building business relationships virtually. Then, we offer four pieces of expert advice for how to overcome those challenges.

The Challenge

Our pre-pandemic interviews identified four criteria that managers used to make trust decisions: openness, competence, respect, and rapport (i.e., similar values). Our interviews during the pandemic underlined how difficult it is to search for

information to judge potential partners against these criteria when social interaction is limited to scripted, time-limited, online interaction.

For example, one manager from Japan explained:* “It is quite difficult for us to evaluate degree of competency before [meeting with them].” Another manager from Hong Kong added, “I think it is very difficult to convince people to sign a billion-dollar deal, let’s say in Cambodia, and not to actually have seen the land or seen the project.”

Participants also lamented that online interaction limited their ability to see and hear how potential business partners interacted with each other. A manager from Thailand explained that it was challenging to understand the decision-making process in a potential partner’s company when meeting virtually. Her company ultimately held off making any final decisions until there was a break in the pandemic and they could meet in person. She told us, “Once we did the ‘look and see,’ we learned that all their decisions were made by one man. Well, it ended up that we did not work together.”

Advice from Expert Trust Builders

Two years into the pandemic, everyone has learned a lot about what they can and cannot do online. The managers we interviewed amassed significant experience and wisdom as it

relates to building trust with new business partners. Here are four lessons drawn from their experiences.

1. Don't skip the personal things.

Although dedicating time in virtual settings to getting to know others is less than ideal, it's still important for building trust in the context of building new relationships. Here's why it's important to be intentional about devoting time to more personal conversations:

Because in the virtual space you have less opportunity to get to know the other person. The time is very limited. You don't start chatting about your family or how you grew up. I perceive that it is much more difficult to talk about personal things in a virtual environment than going for lunch with someone where the barriers go up or come down after some 30 minutes, one hour of being together. — *manager from Bolivia*

It is the things which you don't learn because everything is on the agenda. If you do an online meeting, you do not devote sufficient time to offline discussion, which gives you clues. — *manager from Germany*

We were all listening and watching the video and all that but there's still a preference for face-to-face. [In in-person meetings] you've got all the other side conversations that will happen after the meetings and stuff. [Those side conversations] are currently happening over WhatsApp or iMessage and on phone calls. But it's just the [quick] catching up in the taxi or something like that. It's those in-person moments that you build trust with the partner. — *manager from Singapore*

2. Use your networks.

People you trust in your existing networks can introduce you to or help you evaluate potential partners. They can act like a broker for you. Make it clear what common interests you might have with the potential partner and what questions you have about them. Here's what a few participants had to say about networking:

There's no formula for this. You just have to seek out the people in your network who can be the most helpful to you and who are willing to be helpful. And I've identified three or four of those people. I'll approach them and say, "I need to meet with a certain person. Can you help make that introduction for me?" — *manager from the U.S.*

A current German customer introduced us to its Austrian subsidiary. And we had a good season with the Austrians. But then, there was a corporate realignment and I thought we might lose all of this company's business. Instead, new management at the top, whom we had not worked with before, reached out to say they want to continue with us next year. — *manager from Italy*

The importance of the references [skyrocketed], because it's not easy to make connections with someone you don't know. People more and more ask for references. Because right now, we cannot do anonymous contacts with people. You have emailing and everything, but that's not enough. — *manager from Turkey*

One Japanese manager explained that he identified potential new business in Taiwan, but with the pandemic, he couldn't do a site visit. Instead, he turned to another Japanese company he trusted

and knew had people in Taiwan who could visit the site and meet the people. He told us, “Now, we generally ask the trusted third-party company.”

3. Consider a trial with a new partner.

If someone is reaching out to you about new business, start with a smaller investment than you would have made if you had been able to meet with them in person. Similarly, if you’re reaching out about new business, understand that a potential partner’s preference for smaller deals initially may lead to bigger deals eventually. A manager from Saudi Arabia told us:

There was this transaction that we closed last week. It was the first time that we dealt with this partner, but we really liked the opportunity and we liked the markets and our due diligence was just positive across the board. We were willing to deploy bigger funds into this particular investment opportunity. However, because of our inability to meet the team face to face and see the company by our own eyes, we decided to stage our investment. We said we would like to invest a certain amount now and have the option to invest additional amounts in the future, once a face-to-face meeting happens.

4. Share expertise with trusted partners.

You may be able to help them streamline their processes — generating savings — or provide better service to their customers — developing new business for them and for you.

One manager from Nicaragua explained:

We're building some online tools to help them sell their products. It helps sell our product, but also helps them sell all the products that they carry. That helped us expand our business with them because they see that we're out to help them. That it's more than just a business; it's more like trying to help each other survive in this new environment.

Another manager from Finland told us that his company's equipment had the capacity to transmit digital information on performance. Customers who had not opted for this service in their original contracts were asking how to how to turn it on and get the most out of it during the pandemic. The result was new business for his company, and new ways of marketing services that his company could provide.

The Future of Searching for Trust

There was agreement among participants that learning to work online during the pandemic would bring lasting change but by no means total abandonment of meeting in person when deciding to trust a potential new partner. As one manager from Italy put it:

We'll maybe [do more] online after Covid-19, but I don't think it'll be just an online thing, because we're human. Everybody wants to go back to what we used to do, but still there are some meetings that both parties understand we can have online.

And as one manager from the U.S. told us:

I think it's going to go back some of the way towards the way it was with in-person meetings, but I don't think it'll ever get there again. The pandemic is going to stretch on far too long. And you're going to develop new habits and new strategies and new communication tools that you're going to get used to and comfortable enough with. And in lots of cases, you're going to find that it's good enough. It's not as important for me to be in person in some of those cases where I would have in the past. It's not as good as being in person, but it provides me an opportunity to better use my time and not have to make every single trip that I made in the past.

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As the pandemic has continued to interfere with in-person business development, managers have become more resigned to online interaction, and even see some benefits to it. Nevertheless, what coping with Covid-19 has taught us is that when it comes to relationship building for new business relationships, it's important to use business relationships intentionally. Resist the urge to skip taking the time to have a personal conversation when online, use your networks to make contacts and vet potential partners, consider a limited trial before taking a big risk or saying no to a deal altogether, and find creative ways to help trusted partners streamline and develop their businesses.

** Editor's note: Quotes from participants have been edited lightly for clarity.*

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