BUSINESS DEVELOPMENT OF DUBAI COMPANIES: A SYNTHESIZED FACTOR-ACTIVITY ANALYSIS

Rashid Al Kaitoob[1],
Emil Papazov[2],
Lyudmila Mihaylova[3]

Abstract: Throughout the years, the notion of business development has been utilized in different dimensions. This study re-evaluates the concept via the perspective of strategic management. A synopsis of the correlation between developmental trajectory and strategic organizational change is presented. The focus is on developmental initiatives that substantially impact firm success.

As known, developments are influenced by different envirnomental factors. The article examines the correlation between chosen prerequisites and particular actions inherent to business development. The objective is to ascertain the existence of relationships and evaluate their strength and importance through the examination of statistical hypotheses. This will establish improved prerequisites for formulating a robust corporate development strategy. The generalizations and conclusions are based on data and information gathered via a survey in the Emirate of Dubai, United Arab Emirates. The territorial concentration of the study is due to its compactness, development potential and stated local research interest.

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[1] Rashid Al Kaitoob Advocates & Legal Consultants, Dubai, UAE, e-mail: rrashid@uni-ruse.bg, ORCID: 0009-0005-0593-5299

[2] Assoc. Prof. Dr., University of National and World Economy, Sofia, Bulgaria, e-mail: epapazov@unwe.bg, ORCID: 0000-0002-7940-0474

[3] Assoc. Prof. Dr., "Angel Kanchev" University of Ruse, Bulgaria, e-mail: lmihaylova@uni-ruse.bg ORCID: 0000-0001-8566-1761

Introduction

The term “business development” has been used for many decades. This paper reconsiders the term through the lens of strategic management and applies business development only to undiversified companies. The discussion includes a brief overview of the key factors of business development and how they relate to firm’s management. The conclusions of the investigation are based on an analysis of qualitative data gathered through a survey conducted in 2023 across the Emirate of Dubai, United Arab Emirates. The geographic limitation of the study was chosen because of its compactness, development perspectives and expressed local research interest.

The article is a component of a broader study, as indicated by the supplied questionnaire. This paper focuses exclusively on essential evidence and interdependencies pertinent to company development. Besides confirming the presence of relationships, the aim is to assess their strength and importance through the examination of statistical hypotheses. At the end of the research, a categorization of firms is suggested based on a cluster analysis. The tool can direct a company’s strategic search based on its sector of operation.

1. Conceptual considerations pertaining to business development

“Business” as a concept is often widely understood. The Longman Dictionary of Contemporary English defines the term as a set of activities involved in “making money by producing or buying and selling goods or providing services” (LDCE, 2022). Such activities are considered intrinsic to humans and require the initial provision of external organizational prerequisites, such as the registration of a company with the designation of its governing bodies. Business development is then associated with creation of internal prerequisites that represent commitment of company’s management and staff. Once the prerequisites are met, the company proceeds to realizing the business idea.

A closer understanding of the notion of business is offered by the strategic management. It is based on the distinction between undiversified (single-business) and diversified (multi-business) companies. The term “business” is commonly used in reference to firms that lack diversification.

Many factors can classify businesses, including size. This study uses the EU categorization system, which organizes companies by staff count (EC, 2020). Although the EU classification is not globally acknowledged, it allows some cross-territory comparisons.

"Development" generally denotes a transition from one state of an object to another, higher one. This is usually achieved based on quantitative (growth) and qualitative (progressive) changes or transformations (Yigzaw, 2021; Andrews et al., 2010). In some cases, qualitative changes in the economy are assumed to accompany growth (Penrose, 1995). In other cases, the focus is mainly on quantitative accumulations based on promoting growth and boosting revenues that occur in the business (Baker, 2021). In third cases, development is perceived as fundamentally different from the more conventional idea of "economic growth" and is primarily associated with qualitative changes in the organization (Peet & Hartwick, 2015). However, within a weighted business development concept, all aspects should find reflection. For example, the development of a business may be associated with increased sales of a product (i.e., growth) and, in parallel, with an improvement in the sales mix (i.e., progress).

According to Marketsplash (2022), business development depends exclusively on external sources (customers, markets, and relationships). However, when defining development, the internal potential of the business organization should not be overlooked. Some of these resources and capabilities are cultivated based on the company's research and development (R&D) potential and, above all, its technological (product and process) innovation capabilities.

The relationship between growth (quantitative accumulation) and progress (qualitative change) is evident in the product life cycle theory. After determining a strong initial interest in a product with certain quality, a decision is made to produce and market it. Sales typically progress through the stages of initial realization and diffusion. When approaching the saturation phase, a new or improved product is developed to replace the existing one (qualitative change). The process is known as technological discontinuity (Schilling, 2023).

Business development should not be left to chance, but managed. The modern management approach centers on strategy. Strategy usually begins with a detailed examination of the business's opportunities, threats, strengths and weaknesses. Then, during the strategic exercise, the path that should drive development is identified. In a nutshell, this entails deciding on the direction of business development and identifying its primary sources.

Business development can take different directions, the most common of which are extensive and intensive development. The alternative business development directions reflect the degree of involvement (quantitative vs qualitative) of key production factors. The most important sources of development are classified as either organic or inorganic. They focus primarily on internal or external factors.

Organic development can be achieved through optimization of value chain processes, reallocation of resources and innovation. Suitable organic development strategies can be illustrated using Ansoff's famous Product-Market Expansion Grid focusing on market penetration (increasing sales of an existing product to an existing market), market development (entering a new market by utilizing an existing product), product development (offering an improved or a new product to an existing market), and diversification (entering a new market with a new product that replaces an existing product) (Ansoff, 1957; Kamal, 2021).

Inorganic development involves integration of growth and progress efforts with other for-profit, non-profit or governmental entities. Inorganic interaction can take various forms, i.e., collaborations, partnerships or alliances. External relations of the organization can spread over competitors, complements and the government. The choice depends on the goals, resources and level of involvement desired by the parties.

Significant research work is devoted to the specific alternatives of inorganic development such as joint ventures, strategic alliances and public-private partnerships. ***Joint ventures*** are normally created as separate temporal legal entities for a specific business purpose, often with shared ownership and control. ***Strategic alliances*** are formed to work together on a specific project or goal without forming a separate entity. This type of strategic collaboration is based on a legal agreement to share access to technology, trademarks or other assets, and it is divided into two types – equity and non-equity strategic alliances. The main difference between them is that in an equity strategic alliance the two collaborating organizations invest in each other's businesses. In a non-equity strategic alliance, businesses combine their resources while remaining completely independent (Durham, 2023). ***Public-private partnerships*** refer to contractual agreements wherein the private sector assumes responsibility for the provision of infrastructure assets and services, which are conventionally undertaken by the government. In this way, governments can delay the expense for large projects and free up public funding for investment in sectors where the private initiative is impossible (Hemming, et al., 2006).

2. Characteristics of the inquiry, research sample and methods

An empirical study focused on enterprises in the Emirate of Dubai examined the assumptions of business development. The territorial constraint was selected due to its compactness, developmental potential and shown local research interest. A questionnaire was used to collect data by March 1, 2023 (Table 1). Question answers that are not discussed in this paper are not reflected in the questionnaire due to length constraints.

Table 1
Business development research questionnaire

Q01. What is the ownership of your company?
Q02. What is the legal form of your enterprise?
Q03. What is the size of your organization?

Options	X-Mark
031 Micro enterprise (01-09 employees)	
032 Small enterprise (10-49 employees)	
033 Medium-sized enterprise (050-249 employees)	
034 Large enterprises (more than 250 employees	

Q04. What type of business is your company conducting?

Options	X-Mark
041 Business to consumer (B2C)	
042 Business to business (B2B)	
043 Business to government (B2G)	

Q05. Which type of innovation did you implement in your company in the last 3 years?

Options	X-Mark
051 Technological innovations (product and/or process innovations)	
052 Marketing (e.g., entering new markets, new promotional campaigns, etc.)	
053 Organizational innovations (e.g., significant organizational changes)	
054 All types of innovations mentioned above	
055 None of the innovations mentioned above	

Q06. What competitive strategy do you use in developing your business?

Options	X-Mark
061 Cost leadership strategy (offering a low-priced mass product to a broad market, manufactured by a standard technology)	
062 Differentiation strategy (offering a high-quality product to a narrow market, manufactured by an intrinsic technology)	
063 Mixed (hybrid) strategy (a combination of the above-mentioned strategies)	

Q07. What is the extent to which the following Business Development activities are carried out in your company (relating to the concept and development of growth opportunities)?

№	Options	Never	Rarely	Often	Regularly	Always
Prior to executive decision (conceiving and crafting)						

071	We use business plans or similar documents for the preparation of growth opportunities.					
072	We use business models or similar methods for explicating 'How do we make money?'					
073	We have designated people to integrate intelligence across business functions, such as R & D, production, and marketing.					
074	We have designated people preparing growth opportunities for senior management.					
075	We have designated people to conduct final due diligence, if necessary, prior to the executive decision to pursue growth opportunities.					
After the executive decision (supporting and monitoring)						
076	The people who prepared a growth opportunity support the implementation of it.					
077	We have designated people with knowledge about the growth opportunity monitoring and reporting on its progress to senior management.					

Q08. In your company, what is the degree to which are designated, and distinct function does business development? Tick the description that most describes your company.

Q09. In case of appointment a BD specialist (a business developer) in your company, what professional experience did he/she possess before hiring him/her? (Multiple choices are possible!)

Q10. What best characterizes the market orientation of your company?

Q11. Which of the following types of strategic partnerships (alliances) would you be interested in participating in view of the future development of your company?

№	Options	X-Mark
111	Joint venture	
112	Public-private partnership	
113	Non-equity strategic alliance	
114	Equity strategic alliance	
115	No interest in participating in a strategic partnership	

Q12. To what extent do you need additional legal-economic consultation in the area of strategic partnership?

№	Options	X-Mark
121	I don't need any further information	
122	I just need some advice on some issues	
123	I need advice on a wider range of issues	

Source: Own elaboration.

The questionnaire followed the study objectives. Other authors' surveys were used to formulate the questions (Sørensen, 2012). The questions were answered by someone who had a thorough understanding of the enterprise's specifics. SPSS and MS Excel were used to process and analyse empirical data.

140 businesses across the Emirate of Dubai were questioned. The sample was randomly selected from 153, 000 registered Dubai companies (Dubai DED, 2021). Given the nature of the investigation and the experience gained in studying socioeconomic phenomena, the sample may be considered representative: although the empirical survey shows error magnitude of 0.7 and accuracy rate of 90%, in the absence of a previous survey, similar parameters for determining sample representativeness seem acceptable (Subedi, 2021). The relative share of all answers corresponded to a valid percentage.

The following analysis will concentrate on some of the collected data, specifically the answers to the questions Q03, Q04, Q05, Q06, Q07, Q11, and Q12. These questions are directly related to the theoretical overview provided in the first section of this paper.

3. Results of the empirical study on business development

This section starts with analysis of the distribution of the surveyed firms based on their responses to the preceding questions. Table 2 shows frequency and percentage, i.e. ***univariable*** distributions. In the first column, the question number corresponds to number initially presented in the questionnaire. The second column lists possible answers to each question. The last two columns show distributions. Using colour shading, the answers are graded according to their frequency and percentage: the darker the colour, the higher the frequency and percentage it represents. It is important to note that most of the responses generated for each question can be considered factors related to business development.

Some of the forthcoming tables incorporate abbreviations to facilitate convenient referencing: F – Frequency; Df – Degree of Freedom; Rr – Rarely; Of – Often; Rg – Regularly; Al – Always; Tt – Total; Symm. – Symmetric; AsS – Asymptotic significance (2-Sided); ApS – Approximate significance; C – Count; MEC – Minimum Expected Count.

Table 2
Distributions of responses received from the surveyed enterprises to questions Q03, Q04, Q05, Q06, Q11 and Q12 from the questionnaire

Question	Answers	Frequency	Percent
Q01	...	...	...
...	...	...	...
Q03	Micro enterprise (01-09 employees)	4	2.9
	Small enterprise (10-49 employees)	37	26.4
	Medium-sized enterprise (050-249 employees)	41	29.3
	Large enterprises (more than 250 employees)	58	41.4
	Total	**140**	**100.0**
Q05	Business to consumer (B2C)	78	55.7
	Business to business (B2B)	62	44.3
	Business to government (B2G)	0	0
	Total	**140**	**100.0**
Q05	Technological innovations	45	32.1
	Marketing	35	25.0
	Organizational innovations	18	12.9
	All types of innovations mentioned above	36	25.7
	None of the innovations mentioned above	6	4.3
	Total	**140**	**100.0**
Q06	Cost leadership strategy	47	33.6
	Differentiation strategy	66	47.1
	Mixed (hybrid) strategy	27	19.3
	Total	**140**	**100.0**
Q07	In a separate table		
...	...	...	...
Q11	Joint venture	24	17.1
	Public-private partnership	54	38.6
	Non-equity strategic alliance	17	12.1
	Equity strategic alliance	28	20.0
	No interest in participating in a strategic partnership	17	12.1
	Total	**140**	**100.0**
Q12	I don't need any further information.	18	12.9
	I just need some advice on some issues.	30	21.4
	I need advice on a wider range of issues.	92	65.7
	Total	**140**	**100.0**

Source: Own elaboration.

The results of question Q07 are presented in a separate table. It lists the frequency and percentage distribution of the responses based on the respondents' expressed preference for a specific level of importance like rarely, often, regularly, and always (Table 3).

Table 3
Extent to which BD activities are carried out

R-No.	Answer	F/%	Rr	Of	Rg	Al	Tt
071	We use business plans or similar documents for the preparation of growth opportunities.	F	28	34	52	26	140
		%	20.0	24.3	37.1	18.6	100.0
072	We use business models or similar methods for explicating 'How do we make money?'.	F	33	33	53	21	140
		%	23.6	23.6	37.9	15.0	100.0
073	We have designated people to integrate intelligence across business functions, such as R & D, production and marketing.	F	30	30	56	24	140
		%	21.4	21.4	40.0	17.1	100.0
074	We have designated people preparing growth opportunities for senior management.	F	31	27	59	23	140
		%	22.1	19.3	42.1	16.4	100.0
075	We have designated people to conduct final due diligence, if necessary, prior to the executive decision to pursue growth opportunities.	F	26	33	59	22	140
		%	18.6	23.6	42.1	15.7	100.0
076	The people who prepared a growth opportunity support the implementation of it.	F	18	38	50	34	140
		%	12.9	27.1	35.7	24.3	100.0
077	We have designated people with knowledge about the growth opportunity monitoring and reporting on its progress to senior management.	F	20	31	29	60	140
		%	14.3	22.1	20.7	42.9	100.0

Source: Own elaboration.

The values obtained after summarizing the answers allow for the elaboration of a profile of the business practices in Dubai: prevalence of large and medium-sized companies (70.7%); most of the companies (66.4%) adhere to the pursuit of a differentiation or mixed strategy; as business type, most of the companies (55.7%) are B2C oriented; most of the enterprises (57.8%) are pursuing technological innovation; 87.9% of enterprises are interested in cooperation with other companies; most companies carry out business development activities regularly.

The extent to which the above factors appear significant to business development can be determined by conducting dependency research using the ***bivariate distribution*** method. Bivariate distributions arise when the responses to one question (factor) are cross-referenced with the responses to another question (result). The comprehension of bivariate distributions is

facilitated by χ (chi)-square tests. The reason for selecting the latter is that both the factors and the outcomes possess a qualitative variable typological characteristic.

Table 4
Size of the organization / Business development activities

Q03	Q071					Q03 ↔ Q071	Value	Df	AsS	ApS	C<5	MEC
	Rr	Of	Rg	Al	Tt	χ-square test					25%	.74
031	2	1	1	0	4	Pearson	58.842	9	.002			
032	14	15	7	1	37	Likelih. Ratio	57.729	9	.002			
033	3	5	30	3	41	Symm. Meas.						
034	9	13	14	22	58	Phi	.648			.002		
Tt	28	34	52	26	140	Cramer's V	.374			.002		
Q03	**Q072**					**Q03 ↔ Q072**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	Of	Rg	Al	Tt	χ-square test					25%	.60
031	2	1	1	0	4	Pearson	65.505	9	.002			
032	20	10	6	1	37	Likelih. Ratio	66.706	9	.002			
033	1	9	30	1	41	Symm. Meas.						
034	10	13	16	19	58	Phi	.684			.002		
Tt	33	33	53	21	140	Cramer's V	.395			.002		
Q03	**Q073**					**Q03 ↔ Q073**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	Of	Rg	Al	Tt	χ-square test					25%	.70
031	2	1	1	0	4	Pearson	63.079	9	.002			
032	18	10	7	2	37	Likelih. Ratio	63.882	9	.002			
033	1	8	31	1	41	Symm. Meas.						
034	9	11	17	21	58	Phi	.671			.002		
Tt	30	30	56	24	140	Cramer's V	.388			.002		
Q03	**Q074**					**Q03 ↔ Q074**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	Of	Rg	Al	Tt	χ-square test					25%	.67

031	2	0	2	0	4	Pearson	52.920	9	.002			
032	19	10	7	1	37	Likelih. Ratio	55.462	9	.002			
033	1	7	29	4	41	Symm. Meas.						
034	9	10	21	18	58	Phi	.615			.002		
Tt	**31**	**27**	**59**	**23**	140	Cramer's V	.355			.002		
Q03	**Q075**					**Q03 ↔ Q075**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					25%	.65
031	2	0	2	0	4	Pearson	66.921	9	.002			
032	17	12	7	1	37	Likelih. Ratio	66.296	9	.002			
033	3	6	31	1	41	Symm. Meas.						
034	4	15	19	20	58	Phi	.691			.002		
Tt	26	33	59	22	140	Cramer's V	.400			.002		
Q03	**Q076**					**Q03 ↔ Q076**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					31%	0.52
031	2	0	2	0	4	Pearson	71.935	9	.002			
032	12	17	7	1	37	Likelih. Ratio	72.703	9	.002			
033	1	4	29	7	41	Symm. Meas.						
034	3	17	12	26	58	Phi	.720			.002		
Tt	18	38	50	34	140	Cramer's V	.415			.002		
Q03	**Q077**					**Q03 ↔ Q077**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					25%	0.58
031	0	2	1	1	4	Pearson	46.407	9	.002			
032	13	15	2	7	37	Likelih. Ratio	49.638	9	.002			
033	3	1	15	22	41	Symm. Meas.						
034	4	13	11	30	58	Phi	.576			.002		
Tt	20	31	29	60	140	Cramer's V	.332			.002		

Source: Own elaboration.

The size of the organization (Q03, answers 031-034) and the business development activities (Q07, answers 071 to 077) have, albeit with some conditionality, a relationship with each other as the significance level of Pearson's χ-square is 0.002 and is less than the error α=0.05. The conditionality results from the fact that the conditions (i.e. MEC>1 and at the same time C<5 – less than 20%) for the application of the χ-square are not met. The relationships appear average in strength, because the Cramer's coefficients fall between 0.3 and 0.7 and are statistically significant. The result is logical since, as a rule, larger firms have more capacity to undertake diverse business development activities.

Table 5
Type of business / Business development activities

Q04	Q071					Q04 ↔ Q071	Value	Df	AsS	ApS	C<5	MEC
	Rr	Of	Rg	Al	Tt	χ-square test					0%	11.51
041	23	7	35	13	78	Pearson	28.105	3	.002			
042	5	27	17	13	62	Likelih. Ratio	29.628	3	.002			
043	0	0	0	0	0	Symm. Meas.						
Tt	28	34	52	26	140	Phi	.448			.002		
						Cramer's V	.448			.002		
Q04	Q072					Q04 ↔ Q072	Value	Df	AsS	ApS	C<5	MEC
	Rr	Of	Rg	Al	Tt	χ-square test					0%	9.31
041	20	14	36	8	78	Pearson	8.527	3	.036			
042	13	19	17	13	62	Likelih. Ratio	8.591	3	.035			
043	0	0	0	0	0	Symm. Meas.						
Tt	33	33	53	21	140	Phi	.247			.036		
						Cramer's V						
Q04	Q073					Q04 ↔ Q073	Value	Df	AsS	ApS	C<5	MEC
	Rr	Of	Rg	Al	Tt	χ-square test					0%	10.31
041	20	17	32	9	78	Pearson	4.743	3	.192			
042	10	13	24	14	62	Likelih. Ratio	4.763	3	.190			
043	0	0	0	0	0	Symm. Meas.						
Tt	30	30	56	21	140	Phi	.184			.192		
						Cramer's V	.184			.192		
Q04	Q074					Q04 ↔ Q074	Value	Df	AsS	ApS	C<5	MEC
	Rr	Of	Rg	Al	Tt	χ-square test					0%	10.19
041	20	12	39	7	78	Pearson	10.900	3	.12			
042	11	15	20	16	62	Likelih. Ratio	10.999	3	.12			
043	0	0	0	0	0	Symm. Meas.						
Tt	31	27	59	23	140	Phi	.279			.12		
						Cramer's V	.279			.12		
Q04	Q075					Q04 ↔ Q075	Value	Df	AsS	ApS	C<5	MEC
	Rr	Of	Rg	Al	Tt	χ-square test					0%	9.74
041	18	15	36	9	78	Pearson	5.960	3	.114			

042	8	18	23	13	62	Likelih. Ratio	6.007	3	.111			
043	0	0	0	0	0	Symm. Meas.						
Tt	26	33	59	23	140	Phi	.206			.114		
						Cramer's V	.206			.114		
Q04	**Q076**					**Q04 ↔ Q076**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					0%	7.97
041	14	14	32	18	78	Pearson	10.534	3	.15			
042	4	24	18	16	62	Likelih. Ratio	10.805	3	.13			
043	0	0	0	0	0	Symm. Meas.						
Tt	18	38	50	34	140	Phi	.274			.15		
						Cramer's V	.274			.15		
Q04	**Q077**					**Q04 ↔ Q077**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					0%	8,86
041	17	11	16	34	78	Pearson	12.120	3	.007			
042	3	20	13	26	62	Likelih. Ratio	13.017	3	.005			
043	0	0	0	0	0	Symm. Meas.						
Tt	20	31	29	60	140	Phi	.294			.007		
						Cramer's V	.294			.007		

Source: Own elaboration.

The data reveal that business type (Q04, answers 041-042) and business development activities (Q07, answers 071–077) are not necessarily related. The type of business is moderately or weakly associated with the use of business plans, models and people for monitoring and reporting business development progress (071–077). Other combinations indicate no correlation between business type and development activities (Pearson's χ-square significance level > α=0.05). Although the findings are unconditional (MEC>1 and C<5 – less than 20%), they are weak (Cramer's coefficients < 0.3 and is statistically significant). The differences between the last two cross-examinations are obvious. Most businesses are C2C, which may explain the above fact.

Table 6
Type of innovation / Business development activities

Q05	**Q071**					**Q05 ↔ Q071**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					35%	1.11
051	2	11	28	4	45	Pearson	65.578	12	.002			
052	12	15	8	0	35	Likelih. Ratio	72.537	12	.002			
053	4	6	3	5	18	Symm. Meas.						
054	9	2	8	17	36	Phi	.684			.002		
055	1	0	5	0	6	Cramer's V	.395			.002		
Tt	28	34	52	26	140							
Q05	**Q072**					**Q05 ↔ Q072**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					35%	**.90**
051	3	10	28	4	45	Pearson	52.943	12	.002			

052	12	15	8	0	35	Likelih. Ratio	57.909	12	.002			
053	8	2	3	5	18	Symm. Meas.						
054	9	6	9	12	36	Phi	.615			.002		
055	1	0	5	0	6	Cramer's V	.355			.002		
Tt	33	33	53	21	140							
Q05	**Q073**					33	53	21	140	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					35%	1.03
051	2	9	30	4	45	Pearson	58.620	12	.002			
052	12	8	15	0	35	Likelih. Ratio	68.494	12	.002			
053	7	3	3	5	18	Symm. Meas.						
054	8	10	3	15	36	Phi	.647			.002		
055	1	0	5	0	6	Cramer's V	.374			.002		
Tt	30	30	56	24	140							
Q05	**Q074**					**Q05 ↔ Q074**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					35%	1.00
051	3	10	29	3	45	Pearson	37.459	12	.002			
052	12	9	11	3	35	Likelih. Ratio	39.797	12	.002			
053	7	3	3	5	18	Symm. Meas.						
054	8	5	11	12	36	Phi	.517			.002		
055	1	0	5	0	6	Cramer's V	.300			.002		
Tt	31	27	59	23	140							
Q05	**Q075**					**Q05 ↔ Q075**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					35%	0.94
051	2	12	28	3	45	Pearson	59.517	12	.002			
052	8	16	11	0	35	Likelih. Ratio	67.322	12	.002			
053	7	3	3	5	18	Symm. Meas.						
054	9	1	12	14	36	Phi	.652			.002		
055	0	1	5	0	6	Cramer's V	.376			.002		
Tt	26	33	59	22	140							
Q05	**Q076**					**Q05 ↔ Q076**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					45%	.77
051	2	11	27	5	45	Pearson	59.741	12	.002			
052	5	17	7	6	35	Likelih. Ratio	50.412	12	.002			
053	3	6	4	5	18	Symm. Meas.						
054	8	3	7	18	36	Phi	.696			.002		
055	0	1	5	0	6	Cramer's V	.345			.002		
Tt	18	38	50	34	140							
Q05	**Q077**					**Q05 ↔ Q077**	**Value**	**Df**	**AsS**	**ApS**	**C<5**	**MEC**
	Rr	**Of**	**Rg**	**Al**	**Tt**	χ-square test					35%	.87
051	0	12	11	22	45	Pearson	27.377	12	.007			
052	6	13	7	9	35	Likelih. Ratio	37.777	12	.002			
053	4	5	3	6	18	Symm. Meas.						
054	9	1	7	19	36	Phi	.444			.007		
055	1	0	1	4	6	Cramer's V	.277			.007		
Tt	20	31	29	60	140							

Source: Own elaboration.

The innovation activities of the organization (Q05, answers 051-055) and the development activities (Q07, answers 071 to 077) have, albeit with some conditionality, a relationship with each other as the significance level of χ-square is 0.002 and less than the error α = 0.05. The conditionality results from the fact that the conditions (i.e. MEC>1 and at the same time C<5 is less than 20%) for the application of the χ-square are not met. The relationships appear average in strength, because the Cramer's coefficients fall in the range 0.3–0.7 and are statistically significant.

Since innovation is essential to organic development, the surveyed organizations' inventions and business development activities are linked. The bivariate link is particularly clearer because 58% (Table 2) of the organizations surveyed practice technological innovation, which greatly influences the latter. The relationship is medium-strong, presumably because non-technological innovation is still too high and small enterprises do not regularly engage in company development. Regarding interest in inorganic forms of business development, most companies surveyed express such. Only 12.1% of respondents say they don't want strategic partnerships (Table 2). Table 7 shows a correlation between innovation and strategic alliance or partnership interest. Furthermore, the desire for legal-economic consultancy in strategic partnership sectors supports this idea. The cross-tabulation association is considerable (Table 8).

Table 7
Type of innovation / Type of strategic collaboration interest

Q05	Q11						Q05 ↔ Q11	Value	Df	AsS	ApS	C<5	MEC
	1	2	3	4	5	Tt	χ-square test					52%	.75
051	9	18	2	8	8	**45**	Pearson	68.273	16	.001			
052	3	20	7	2	3	**35**	Likelih. Ratio	65.043	16	.001			
053	9	5	0	2	2	**18**	Symm. Meas.						
054	2	10	8	16	0	**36**	Phi	.698			.001		
055	1	1	0	0	4	**6**	Cramer's V	.350			.001		
Tt	**24**	**54**	**17**	**28**	**17**	**140**							

Source: Own elaboration.

Table 8
Type of strategic collaboration interest / Needs for additional consultancy

Q11	Q12				Q05 ↔ Q12	Value	Df	AsS	ApS	C<5	MEC
	111	112	113	Tt	χ-square test					39.8%	2.19
111	0	0	24	**24**	Pearson	167.527a	8	.002			
112	1	8	45	**54**	Likelih. Ratio	131.490	8	.002			
113	0	12	5	**17**	Symm. Meas.						
114	0	10	18	**28**	Phi	1.094			.002		
115	17	0	0	**17**	Cramer's V	.774			.002		
Tt	**18**	**30**	**92**	**140**							

Source: Own elaboration.

The topic's importance prompts search for additional dependencies to broaden Dubai's business development perspective. This search suggests clustering *n* objects (enterprises) into *k* clusters using *p* properties (variables). The method also needs pre-determining the number of clusters (e.g. two) and applying the K-Means Cluster Technique with default iteration of 10 and similarity threshold of 0.02 (SPSSanalysis, 2024).

Different criteria can be used for the purpose of grouping of the enterprises surveyed. The choice falls on the following questions: Q05 "Which type of innovation did you implement in your company in the last 3 years?"; Q06 "What competitive strategy do you use in developing your business?"; and Q04 "What type of business is your company conducting?". SPSS makes it easier to derive the two clusters. Their centres are based on the three criteria that were chosen (Table 9).

Table 9
Initial cluster centres

	Cluster	
	1	**2**
Which type of innovation did you implement in your company in the last 3 years?	5	1
What competitive strategy do you use in developing your business?	1	3
What type of business is your company conducting?	1	2

Source: Own elaboration.

Three iterations are performed, the results of which are presented in Table 10.

Table 10
Iteration History

Iteration	Change in Cluster Centres[a]	
	1	2
1	1.488	1.413
2	.136	.144
3	.000	.000

a. Convergence achieved due to no or small change in cluster centres. The maximum absolute coordinate change for any centre is .000. The current iteration is 3. The minimum distance between initial centres is 4.583.
Source: Own elaboration.

The computational procedures find reflection in the following final cluster centers (Table 11).

Table 11
Final cluster centres

	Cluster	
	1	2
Which type of innovation did you implement in your company in the last 3 years?	4	1
What competitive strategy do you use in developing your business?	2	2
What type of business is your company conducting?	1	2

Source: Own elaboration.

The distribution of the surveyed enterprises by clusters is presented in Table 12.

Table 12
Number of Cases in each Cluster

Cluster	1	60
	2	80
Valid		140
Missing		0

Source: Own elaboration.

After applying the cluster procedure, generalizations can be made. As final cluster centres for the ***first cluster*** the following are formed: to the question "Which type of innovation did you implement in your company in the last 3 years?" – position 4 "All types of innovations mentioned above"; to the

question “What competitive strategy do you use in developing your business?” – position 2 “Differentiation strategy”; to the question “What type of business is your company conducting?” – position 1 “Business to consumer (B2C)”. As final cluster centres for the ***second cluster*** the following are formed: to the question “Which type of innovation did you implement in your company in the last 3 years?” – position 1 “Technological innovations”; to the question “What competitive strategy do you use in developing your business?” – position 2 “Differentiation strategy”; to the question “What type of business is your company conducting?” – position 1 “Business to business (B2B)”.

The results of the cluster analysis indicate that there are two clusters that can be distinguished: (1) An “Innovation Diversity Cluster”. This cluster is geared toward the B2C business type and employs the differentiation strategy. It represents 60 of 140 businesses; (2) A “Technology Innovation Cluster”. This cluster is oriented toward B2B business type and prefers the differentiation strategy. It includes 80 of the 140 companies.

The emergence of innovation-driven clusters to shape corporate differentiation strategy development attitudes is not surprising. A recent study (Mihaylova et al., 2022) has concluded that the Dubai government is actively working to enable locally registered enterprises to confidently supply high-quality goods and services. This was achieved by supporting in-house or collaborative R&D in the Dubai Science Park, greenfield investments in high-tech companies and free zones for quick business expansion.

Summary and conclusion

Business development is often employed in a broad context. The strategic management theory restricts the use of the phrase to single-business enterprises exclusively. To delineate the strategic features of corporate development, it is essential to evaluate not just growth and progress but also its modalities and origins, along with certain organizational activities.

This study focuses primarily on organic and inorganic sources of business development, looking for a link between firm size, business types, innovation and business development activities. Based on data collected from a specific region (the Emirate of Dubai), it has been concluded that the regular implementation of business development activities is more related to the size of the firm and the type of innovation it conducts, given that most of

the surveyed companies regularly carry out business development activities. The relationship between business type and business development activities appears to be less pronounced.

For firms operating in the Emirate of Dubai, differentiation is the most common competitive strategy. It is pursued by both B2C and B2B oriented firms. This is primarily due to the local business environment, which promotes and encourages modern and high-quality businesses.

Organic business development has strong support among the surveyed businesses. However, there is also interest in inorganic business development strategies, particularly public-private partnerships.

The findings can assist in identifying, selecting and implementing specific advantages, as well as revealing opportunities to enhance strategic management frameworks and systems. This will lay the groundwork for more effective strategic decision-making in business development.

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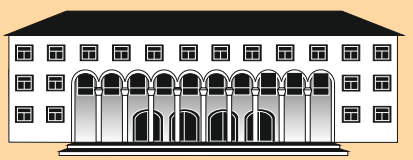

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D. A. Tsenov Academy of Economics, Svishtov

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