

## 5.6: Tips in Your Entrepreneurial Walkabout Toolkit

### Conducting Business and Negotiating

In this chapter, you have learned about the methods of analyzing cultures, how values may differ, and the resulting impact on global business. Let's take a look at how you as a businessperson might incorporate these ideas into a business strategy. The following are some factors to take into consideration in order to take to equip yourself for success and avoid some cultural pitfalls.

1. **One of the most important cultural factors in many countries is the emphasis on networking or relationships.** Whether in Asia or Latin America or somewhere in between, it's best to have an introduction from a common business partner, vendor, or supplier when meeting a new company or partner. Even in the United States and Europe, where relationships generally have less importance, a well-placed introduction will work wonders. In some countries, it can be almost impossible to get through the right doors without some sort of introduction. Be creative in identifying potential introducers. If you don't know someone who knows the company with which you would like to do business, consider indirect sources. Trade organizations, lawyers, bankers and financiers, common suppliers and buyers, consultants, and advertising agencies are just a few potential introducers. Once a meeting has been set up, foreign companies need to understand the nuances that govern meetings, negotiations, and ongoing business expansion in the local culture.
2. **Even if you have been invited to bid on a contract, you are still trying to sell your company and yourself.** Do not act in a patronizing way or assume you are doing the local company or its government a favor. They must like and trust you if you are to succeed. Think about your own business encounters with people, regardless of nationality, who were condescending and arrogant. How often have you given business to people who irritated you?
3. **Make sure you understand how your overseas associates think about time and deadlines.** How will that impact your timetable and deliverables?
4. **You need to understand the predominant corporate culture of the country you are dealing with—particularly when dealing with vendors and external partners.** What's the local hierarchy? What are the expected management practices? Are the organizations you're dealing with uniform in culture, or do they represent more than one culture or ethnicity? Culture affects how people develop trust and make decisions as well as the speed of their decision making and their attitudes toward accountability and responsibility.
5. **Understand how you can build trust with potential partners.** How are people from your culture viewed in the target country, and how will it impact your business interactions? How are small or younger companies viewed in the local market? Understand the corporate culture of your potential partner or distributor. More entrepreneurial local companies may have more in common with a younger firm in terms of their approach to doing business.
6. **How do people communicate?** There are also differences in how skills and knowledge are taught or transferred. For example, in the United States, people are expected to ask questions—it's a positive and indicates a seriousness about wanting to learn. In some cultures, asking questions is seen as reflecting a lack of knowledge and could be considered personally embarrassing. It's important to be able to address these issues without appearing condescending. Notice the word *appearing*—the issue is less whether you think you're being condescending and more about whether the professional from the other culture perceives a statement or action as condescending. Again, let's recall that culture is based on perceptions and values.
7. **Focus on communications of all types and learn to find ways around cultural obstacles.** For example, if you're dealing with a culture that shies away from providing bad news or information—don't ask yes-or-no questions. Focus on the process and ask questions about the stage of the business process or deliverable. Many people get frustrated by the lack of information or clear communications. You certainly don't want to be surprised by a delayed shipment to your key customers.
8. **There are no clear playbooks for operating in every culture around the world.** Rather, we have to understand the components that affect culture, understand how it impacts our business objectives, and then equip ourselves and our teams with the know-how to operate successfully in each new cultural environment. Once you've established a relationship, you may opt to delegate it to someone on your team. Be sure that your person understands the culture of the country, and make sure to stay involved until there is a successful operating history of at least one or more years. Many entrepreneurs stay involved in key relationships on an ongoing basis. Be aware that your global counterparts may require that level of attention.
9. **Make sure in any interaction that you have a decision maker on the other end.** On occasion, junior employees get assigned to work with smaller companies, and you could spend a lot of time with someone who is unable to finalize an agreement. If you have to work through details with a junior employee, try to have that person get a senior employee involved early on so you run fewer chances of losing time and wasting energy.

10. **When negotiating with people from a different culture, try to understand your counterpart's position and objectives.**

This does not imply that you should compromise easily or be soft in your style. Rather, understand how to craft your argument in a manner that will be more effective with a person of that culture.

11. **Even in today's wired world, don't assume that everyone in every country is as reliant on the Internet and e-mail as you are.** You may need to use different modes of communication with different countries, companies, and professionals. Faxes are still very common, as many people consider signed authorizations more official than e-mail, although that is changing.

12. **As with any business transaction, use legal documents to document relationships and expectations.** Understand how the culture you are dealing with perceives legal documents, lawyers, and the role of a business's legal department. While most businesspeople around the world are familiar with legal documents, some take the law more seriously than others. Some cultures may be insulted by a lengthy document, while others will consider it a normal part of business.

Many legal professionals recommend that you opt to use the international courts or a third-party arbitration system in case of a dispute. Translate contracts into both languages, and have a second independent translator verify the copies for the accuracy of concepts and key terminology. But be warned: translations may not be exactly the same, as legal terminology is both culture- and country-specific. At the end of the day, even a good contract has many limitations in its use. You have to be willing to enforce infractions. Sanjyot P. Dunung, *Straight Talk about Starting and Growing Your Own Business* (New York: McGraw-Hill, 2005).

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