



The Riddle of the Exporter

Communicating & Negotiating
with Other Cultures



Topics We Will Cover

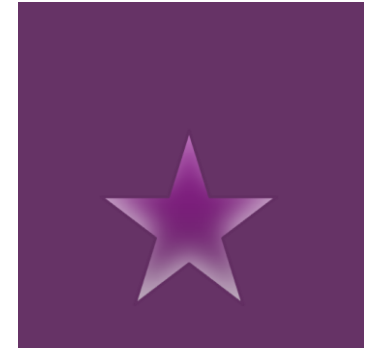
- Cultural Communications Make or Break the Deal
- Cultural Variations
 - Time Orientation
 - Internal or External Control
 - Direct vs. Indirect
 - Individual vs. Collective
 - Concept of Face
- Protocol & Non-Verbal Communication
- Communications in a Modern World-Emails
- How Cultural Communications Affect Selling & Negotiations



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Alphabet of Acronyms





Culture Affects Everything!

- A collection of values and assumptions, ingrained since birth, that shape the way a group of people perceive and relate to their environment.
- Culture is a way of:
 - THINKING
 - BEHAVING
 - BELIEVING

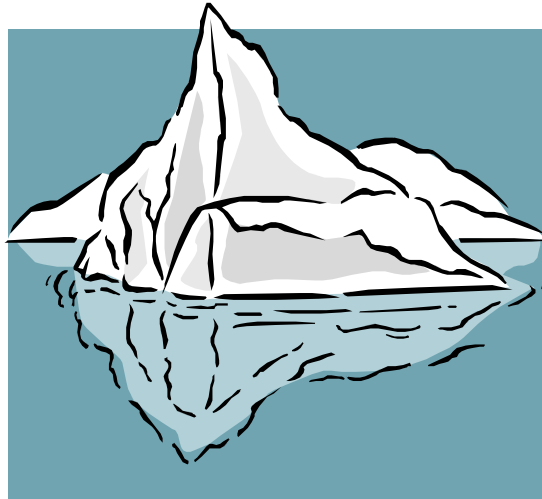




The Many Facets of Culture

Above Surface Culture

- Music, Literature, Heroes, Painting, Dance, Architecture, Food and Drink, Clothing

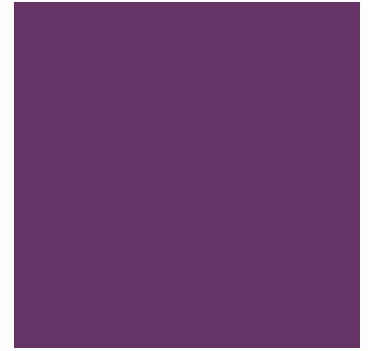


Below Surface Culture

- Concept of self, truth, friendship, approaches to work, concept of time, communication preferences, tolerance for risk, body language

Aspects of Cultural Uniqueness

- Monochronic vs. polychronic
- Direct vs. indirect communication
- Internal vs. external control of life
- Individual vs. collective society
- Concept of “face”



Molychronic vs. Polychronic



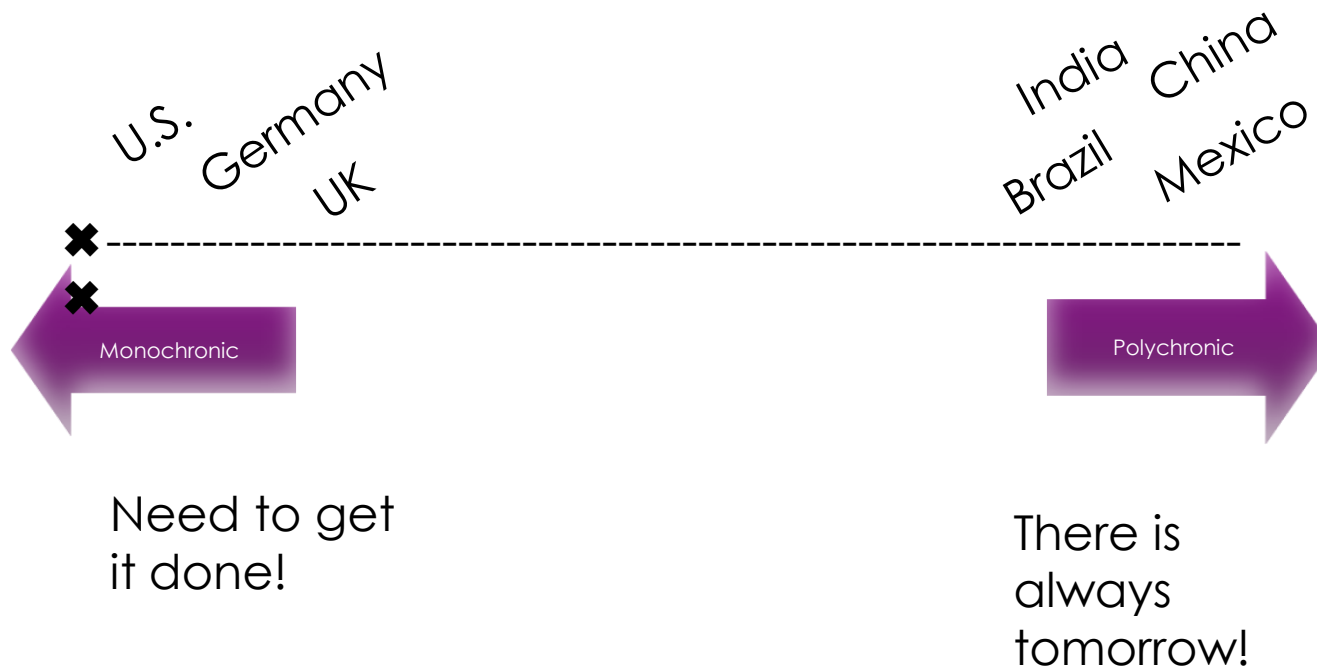
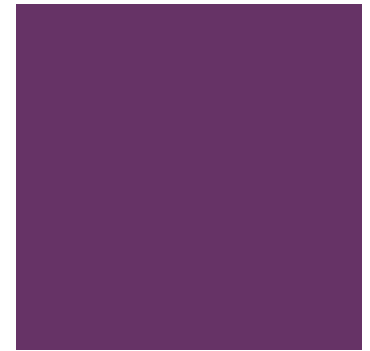
MONOCHRONISM

- Time is limited.
- Deadlines and schedules are sacred.
- Plans are not easily changed.
- People may be too busy to see you.
- Needs of people are subservient to demands of time.
- People expect undivided attention.
- Interruptions are to be avoided.
- To be late, to be kept waiting is rude.
- Decisions are made on just the facts.

POLYCHRONISM

- Time is bent to meet needs of people
- There is ALWAYS more time!
- Schedules and deadlines are easily changed.
- Plans are fluid.
- People always have time to see you.
- Decisions are made on high context surroundings.
- To be late or kept waiting is O.K.
- Relationships are the most important factor.

Who Fits Where? Exercise



Internal or External Control

-name two countries-



INTERNAL CONTROL

- Life what you make of it.
- There are no limits to what one can do or become.
- Your success is your own achievement.
- YOU are responsible for what happens to you.
- Life is what you DO (a more activist culture)



EXTERNAL CONTROL

- Life is largely predetermined – control external to the individual.
- There are limits to what one can do or become.
- Your success is combination of effort and good luck.
- Life in large part is what happens to you
- Fatalistic view = “It wasn’ t meant to be.”

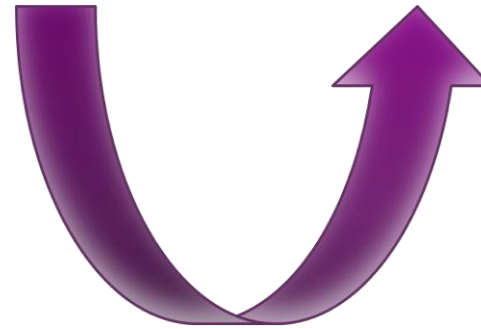


Direct or Indirect?



DIRECT

- People “say what they mean and mean what they say.”
- There is no need to read behind the lines.
- It is best to “tell it like it is.”
- People are less likely to imply and say exactly what they are thinking.
- Yes means yes!

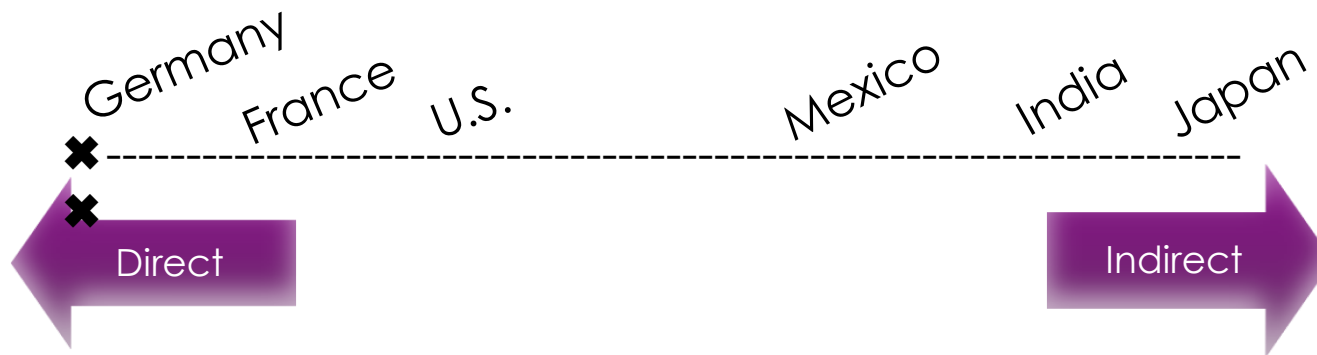


INDIRECT

- People don't always say what they mean.
- One must read between the lines.
- People are more likely to suggest or imply than to come out and say what they think.
- Yes may mean “maybe” or even “no.”



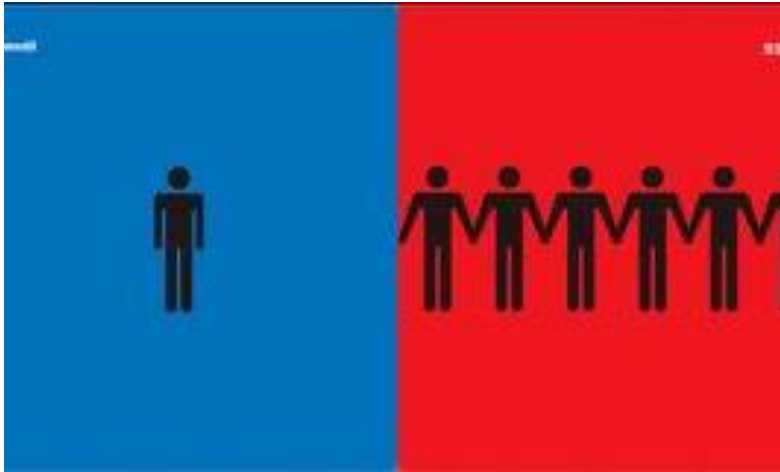
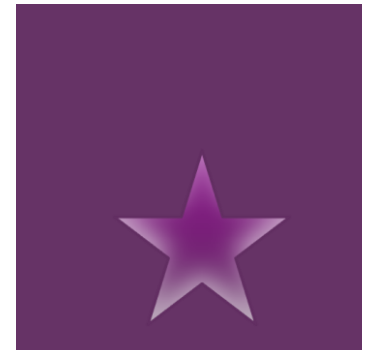
Who Fits Where? Exercise



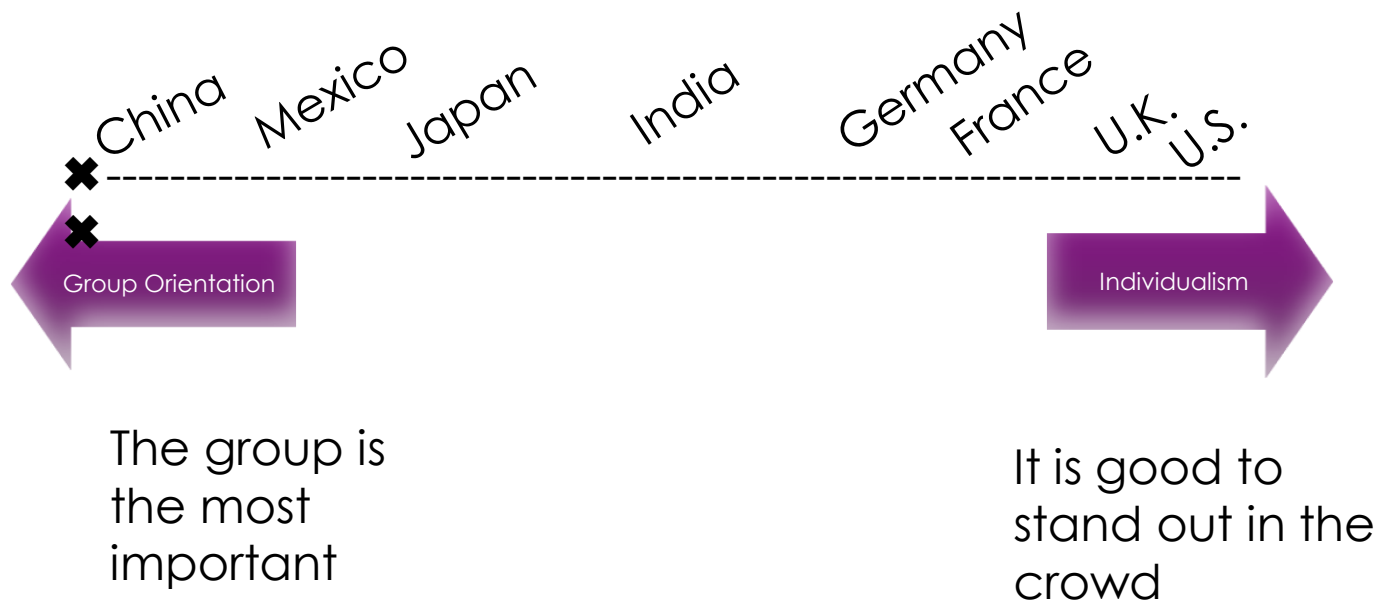
Here are the facts. Lets make a deal!

Maybe!

Individual vs. Collective



Who Fits Where? Exercise



The Importance of Face



- To give face to another person is
to preserve dignity and respectability of another

- To lose face is
to feel embarrassment or to have
self-worth questioned





The Importance of Face

FACE IS LESS IMPORTANT

- Telling the truth is more important than sparing someone's feelings.
- Honesty is the best policy.
- It is o.k. to say no and to confront people.
- Getting/giving information is primary goal of the communication exchange.

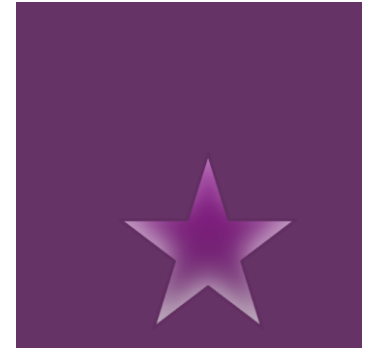
FACE IS MORE IMPORTANT

- Preserving harmony and saving face are key concerns,
 - Truth should be adjusted when it threatens someone's face.
- One says what one thinks the other person wants to hear so as not to disappoint.
- It is not always proper to say no, disagree, or confront
- Preserving personal bond is goal of communication exchange.

Who Fits Where? Exercise



Protocol



- Introductions are extremely important
- Hierarchy is very important in other cultures
- Sharing of business cards is a ritual, no quick glance , then back pockets
- Small talk about families in some cultures is extremely important, in others it is taboo
- Be aware of religious customs
- Gifts are advised but take care of their symbolism
- Dress, especially for women is critical



Bridging the Gap in Communication



Non-Verbal Communication

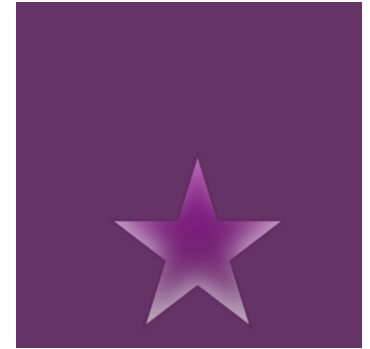
- Personal space proximity
- Touching
- Eye contact
- Loudness of speaking voice
- Shaking hands
- Dress (formal versus informal)
- Gestures - no “O.K.” sign in Brazil!



Written Communication

- Never forget a formal greeting
- Make sure you introduce yourself
- Be clear and concise
- Any descriptions should be exact (measurements, pantone colors etc.)
- Prompt reply

Negotiating in Different Cultures



- Styles of Negotiating
 - Individual negotiators
 - Group negotiations
- Concessions
 - Pattern-# of rounds
 - Timing-when to make the counter-offer
 - Magnitude-how large or small
- Opening Offer
 - Reasonable and somewhat negotiable
 - Outrageous and very negotiable

Negotiating Tactics

Main Types

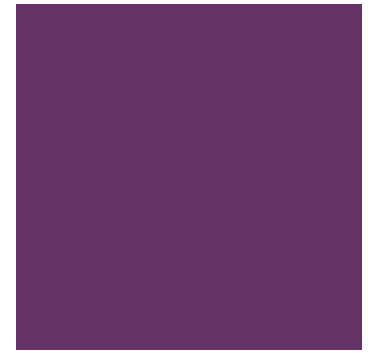
1. Deceptive
2. Pressure
3. Adversarial
4. Emotional
5. Defensive



Cultural Communications Make or Break the Deal



The End of:



Who Fits Where?

Patten	Round 1	Round 2	Round 3	Round 4	
A	25%	25%	25%	25%	Equilant Concessions
B	100%				Immediate Submission
C				100%	Tough Bargaining
D	10%	20%	30%	40%	Protracted Concessions
E	40%	30%	20%	10%	Diminshing Concessions

Who Fits Where? Exercise

- A= Equivalent Concessions
 - No opinions on A
- B= Immediate Submission
 - Everyone disliked B
- C= Tough Bargaining
 - Favored by Americans, Brazilians, Israelis, Russians, Ukraines
 - In Asian cultures views as adversarial
- D= Protracted Concessions
 - Favored by Asians, Americans like but fewer rounds
 - Call for considerable time and patience
- E=Diminishing Concessions
 - Favored by Australians, Canadians, Taiwanese, Northern Europeans
 - Expect bargaining but want it short and free of haggling

Negotiating Techniques

Deceptive Examples

- **Lies-** *“I have two other offers I am considering”*
- **Fake Non-Verbal-***expressing surprise at high costs*
- **Appearing Weak or Stupid-***“You are such an experienced negotiator, I have a lot to learn.”*
- **Misrepresenting Value-***receive more or give up less*
- **False Disinterest-***“This is good, but not what we are looking for right now.”*
- **False Concessions-** *“Can you concede item a & c.” Later, instead of wanting small items a & c, you trade for big item d.*
- **Good Cop/Bad Cop & Least Authority**

Negotiating Techniques

Pressure Examples

- **Opening with the best offer**- *“I really don’t like dragging things out, so here is my best offer.”*
- **Final offers**-*“This is my final offer, take it or leave it.”*
- **Silence**- *Really hard for us. Asians love this one.*
- **Time Pressure**-*You have two days in that country to close the deal..don’t tell, they will stall.*
- **Expiring Decreasing Offer**-*“The offer is \$200K today, after that it falls to \$175K.”*
- **Nibbling**-*Take off items a & c today, e tomorrow, f the final day, continuing to nibble away.*
- **Physical Discomfort**-*Room too hot or cold, no water*

Negotiating Techniques

Adversarial Examples

- **Aggressive behavior**
- **Extreme openings**
- **Threats or warnings**
- **Walking out**

✉ *This is meant to unsettle you. Only solution is to calm down opponent & regroup or to stop negotiations until controls can be met.*

Negotiating Techniques

Emotional Examples



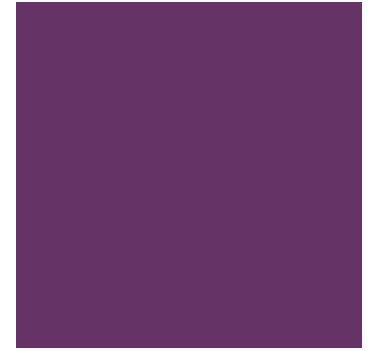
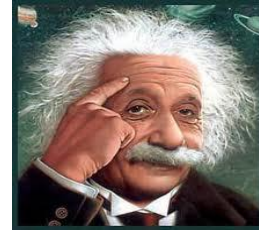
- **Attitudinal bargaining**-*trying to regain connection, might smile or agree a lot*
- **Dual messages**-*"This is the top of the line service, but I am sure it is over your budget."*
- **Guilt or embarrassment**-*"If you don't close this deal soon, you will look really foolish."*
- **Grimacing**
- **Appeal to personal relationship**-*"I have been on your side in this, now help me out."*

Negotiating Techniques

Defensive Examples



- **Changing the subject/Blocking**
- **Probing Questions-***"So what is your general mark-up on this item."*
- **Directness-***"If you can't match this offer, what can you match."*
- **Promises-***"If you can take off item d, then I can assure we can speed up delivery by two weeks."*



Skill

- What are the key points of this session?
- Name the acronyms or terms that are important to take away.
- What are the key questions to ask?
- What are the next steps?
- What are the red flags to watch out for?
- Any great tidbit of information?



Sources

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- Storti, Figuring Foreigners Out, 1999