International Business Insights

a monthly watch list for doing business globally

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GERMANS AS SEEN BY OUTSIDERS

German businesses normally do not provide quarterly financial reports in the way that American businesses do.

Why? Because Germans prefer annual reports. A quarter is too short a time frame to be meaningful, agree most Germans, who suggest that writing quarterly reports disrupts normal work.

Germans are very punctual. It is an obsession.

Time is an integral part of German culture. It is one of the principal ways of organizing life.

Germans often do not make quick decisions; they discuss matters seemingly forever,.

Germans favor a consensus decision-making process, which requires extensive background research and often involves many people.

CAR FACTS

Automobile sales in China are growing at an annual rate of more than 50 percent, compared to about three percent in the United States and Europe.

By 2013, it is estimated that China, with 8 percent of global sales, will be the world's secondlargest car market, after the United States.

In trucks, where it already accounts for a quarter of worldwide demand, China will be the world's largest market within a decade.

"Those who know do not speak; those who speak do not know."

This second-century Chinese proverb stresses the importance of silence. In Finland and Japan, silence is an integral part of social interaction.

Finns and Japanese believe they make an important contribution to the discussion with their culture-oriented -- some might say golden -- silence.

Not Talking Business in SAUDI ARABIA, A Surprised CANADIAN Closes A Deal

A Canadian Petroleum engineer moves to Saudi Arabia on an assignment. As protocol requires, he is invited to meet with the Ministry of Energy to review projects. He reviews all the files and papers for the meeting. As part of his overseas assignment, this engineer has been briefed on Islamic cultures and the importance of building trust and relationships.

He spends two hours talking with the Minister and resisting the temptation of talking business and sharing the business documents related to his company's plan. They talk about everything except business including holidays in the area, vacationing, family and their hobbies.

After two hours, the Minister gets up, shakes his hand and says, "Thank you, I am sure we'll have no difficulties doing business with you." Despite this anxiety about not talking business, the engineer was able to engage in a friendly conversation that guaranteed an on-going friendly business arrangement for his company.

DO YOU KNOW? **DUBAI FACTS**

You do not need a local partner to operate a business in Dubai's free trade zone. Internet City in Dubai now houses regional offices of such companies as Microsoft, Dell, Siemens, HP and IBM.

Dubai, today boasts 272 hotels with 30,000 rooms, 30 shopping malls and nearly five million foreign visitors a year.

Dubailand -- a \$5 billion theme park twice the size of Disney World in Florida-- is now being built.

Unlike many Arab countries, Dubai is open to foreigners. Of its 1.5 million people, more than 80 percent are expatriates.

Color or Colour A World of Meaning

Color, or as some prefer colour, is considered to be one of the most powerful design elements when communicating with people around the world.

People respond to different colors in different ways, and these responses take place on a subconscious level.

In American culture, black has long been associated with death. Black also reflects sophistication or formality. In Asia, however, white is the traditional color for mourning.

In Western culture, purple and gold are often associated with royalty and wealth. The same is true with most Asian countries, where gold color represents strength and wealth.

When Visiting ARAB Countries ...

Arabs tend to stand or sit much closer to a visitor than a Westerner would. It is normal for an Arab to breathe on and to touch a visitor frequently.

Hospitality is more effusive in the Arab world than in the West. Arabs have the tradition of "open house" even to strangers.

Westerners like to use official channels to further their business interests. Arabs use personal relationship.

Arabs are less private than Westerners. Visiting and long conversations are frequent. In the West, friends are good company. In the Arab world, a friend is a person who cannot refuse your request. Neither can you refuse your friend's request.

In the West, the individual is the basic social unit. With Arabs, it is the family.

Westerners must appear to behave rationally. For Arabs, it is important to impress others with their integrity.

Westerners like to deal in cold facts; Arabs will not let facts destroy their honor.

(Source of materials used in this issue: The Asian Wall Street Journal, The New York Times, BusinessWeek, The Economist, When Culture Collide, Inter Cultural Management Associates, International Herald Tribune.)

HISPANICS, ASIANS SURGE

Explosive growth among Hispanics and Asians fueled a population surge in the United States between 2000 and 2003.

The U. S. grew to 290.8 million people, with increases in these groups:

Hispanics: up 13 percent to 39.9 million

Asians: up 12.6 percent to 11.9 million

Blacks: up four percent to 37 million

Whites: up one percent to 197 million

Negotiating Russian Style

Russian negotiating teams most often are composed of veterans or experts who are very experienced

They negotiate as they would play chess. That is, they plan several moves ahead. Business "opponents" should think of the consequences of each move before making it.

Russians do not like sudden changes or new ideas as they cause discomfort to them, and they have to seek consensus from higher officials.

Their preferred tactic in case of deadlock is to display patience and to "sit it out."

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