

Building Trust Among Global Partners

In many parts of the world, especially in Asia, the Middle East and Latin America, building trust and relationships is a pre-requisite for doing business and establishing professional relationships.

Trust-building requires many visits, meetings and conversations about non-business-related topics such as sports, family, children's activities. Good relations develop while taking meals together. Business begins only after your counterpart has become comfortable with you and trusts your intentions as a person.

As a rule of thumb, most Asians, including Chinese, interact on a personal level. Building solid personal relationships might take longer than you anticipate.

Until you develop a relationship that makes you seem more of an insider and causes people to feel part of the team, things may move very slowly. So be patient.

Intermediaries or go-betweens play a significant role in building trust in some countries. This role is limited in the U.S., where each person is assumed to stand on his or her own merit.

STRATEGIES: For Doing Business in India

Don't develop one common consumer approach across the nation: Purchasing behavior varies widely from state to state.

Don't scope out your investment by visiting two large cities: Learn more about other cities and their cultural patterns before developing a business plan.

Review the laws and regulations thoroughly.

Choose the right partner with care. Don't go in alone.

Do not rush business. Plan several visits to finalize any business deals.

Get local talent. India has a wealth of managerial talent.

Swedish Wealth

According to the Swedish magazine *Veckans Affarer*, Ingvar Kamprad, the founder of Ikea, a Swedish furniture chain, is the world's richest man.

Kamprad's personal fortune is \$53 billion. That's six billion more than American computer tycoon Bill Gates.

Please note that as a Swedish company Ikea has chosen not to reveal its profits.

GETTING TO KNOW: Our Global Partners in KOREA

- ❑ Koreans do not have the same concept of equality in personal relationships as Americans do. You cannot call your supervisor by his or her first name.
- ❑ Koreans accept the hierarchical system of their culture. Each person is in relatively higher or lower position. They take their power and authority very seriously. During your visit, remember to show respect to the senior member of the delegation
- ❑ Koreans will assume responsibility publicly if they make a mistake.
- ❑ Koreans are extremely sensitive to their own and their host's feelings.
- ❑ Kibun, an integral part of Korean culture, relates to a person's mood or current state of mind. It affects all interpersonal relationships. To hurt someone's kibun is un-Korean.

VIETNAM - One of the Fastest-Growing Economies in Asia

Vietnam now boasts Asia's best-performing economy. It has grown by an average of 7.4 percent a year over the past decade and is likely to achieve a similar figure this year. The country raked in foreign direct investment worth more than 8 percent of GDP last year. Even more, proportionally, than China.

The growth has lifted many Vietnamese out of poverty. As recently as 1993, the World Bank considered 58% of the population poor. By 2002, that had fallen to 29%. The trade between Vietnam and America is also growing rapidly. Between 2001 and 2003, textile exports to the United States grew from \$47 million to \$2.4 billion. Nearly 55 percent of the population is under 25 years old; 85 percent is under 45 years old.

When dealing with Vietnamese ...

- ❑ Vietnamese may not look at you directly as they try to avoid appearing aggressive or rude. Westerners should not assume Vietnamese people are dishonest because they avert their eyes.
- ❑ The average Vietnamese, unlikely ever to say "no," will go to great lengths to maintain harmony. The word "da" actually means "I understand" rather than "yes." Be careful not to misinterpret remarks.

Gift-Giving to Global Partners ... KEY to Doing Business Overseas

- ❑ **JAPAN:** Gift-giving is an art and an integral part of Japanese culture.
 - Observe proper etiquette while in Japan. Do not open the gift directly upon receiving it. Use the most auspicious colors for wrapping gifts for others.
- ❑ **GERMANY:** Germans do not give or expect expensive gifts.
 - Gifts are not a major part of German business etiquette. Anything with your company logo is safe. Perfume and clothing would be considered too personal.
- ❑ **CHINA:** Gifts are a very important part of the culture.
 - Do not give clocks or handkerchiefs - they are considered bad luck. Make sure your gifts are wrapped in red, pink or yellow paper.
- ❑ **MALAYSIA:** Avoid giving alcohol or pork.
 - Avoid any gifts of knives, scissors or cutting tools. If you give cash gifts to Malaysian Indians, make the amount an odd number. (give \$11 instead of \$10).
- ❑ **FRANCE:** The French expect good taste in business gifts.
 - Avoid giving gifts with your company logo, and do not include your business card with your gift. Bring flowers or fine chocolate to the host and present them before the party starts.

KEY-Zen International is a Rochester-based consultancy firm operated by a group of management and marketing executives.

We focus on helping U.S. companies - small, medium or large - understand the importance of cross-cultural and communication sensitivities in growing business internationally. We offer training programs and consulting services to manage cultural differences.

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(Source of materials used in this issue: *The Asian Wall Street Journal*, *Business week*, *The Economist*, *The Return of the Dragon*, *The New York Times*)

Business Etiquette

POLAND: If you are visiting a Polish home, even for a brief visit always bring a gift. A foreign gift is always appreciated by your business counterpart when you meet for the first time.

SPAIN: Meetings may not begin promptly, so display patience. During meetings your Spanish counterpart may stand uncomfortably close or in your face. Do not jump back. Instead, rise to this friendly occasion and stay put.

SWEDEN: In talking to Swedes, keep your voice tone modulated. Swedes are a relatively quiet people. Expect to address everyone by their surname unless you are invited to do otherwise.

FINLAND: This is a country where punctuality is the proper way to show respect, so try to be on time for meetings. Do not be late for appointments under any circumstances. Excuses are not appreciated.

POLAND Posts 6% Growth

Poland's GDP growth (as one of the newest members of the European Union) is brisker than anything the old EU has to offer, and the economy is booming. More than 1.5 million small and mid-size companies have been formed since 1989.

Many foreign firms are now pouring money into this country and capitalizing on the low labor cost. The Polish government says foreign investment could reach \$12 billion this year.

The country has a variety of natural resources including coal, copper, zinc, iron, gypsum, lignite and some oil and natural gas reserves.

The rapidly developing private sector is now responsible for 70% of the country's economic activities.

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