

Foreign Business and Cultural Barriers

In these times of trade liberalization and collapsing foreign trade barriers, one obstacle remains immutable: the cultural barrier. Lifestyles, values, language and decision-making customs are often formidable stumbling blocks for an entrepreneur attempting to negotiate or even establish contact with a foreign partner. Seasoned business people not only readily recognize this barrier, but also use it to their advantage to advance their projects. Conversely, the inexperienced will sometimes wrongly assume that business behaviour and practices are (or should) always be the same everywhere in the world. This assumption greatly increases the risk of errors and dooms the business relationship with foreign prospects to failure.

The first stumbling block encountered is language. The following case provides a good illustration of this point. A company that opened a sales office in Chile more than five years ago was at a loss to explain why sales had still not taken off in this country despite all the means invested to develop the business. An analysis of the situation revealed that after five years, the sales force sent to Chile still communicated in English with Chilean customers and had made no effort to learn their language. The Chileans therefore assumed the company was not interested in forging a long-term relationship, and even though the company had set up operations in that country, it was viewed as transient.

Although it appears that speaking the country's native tongue helps business relations, it does not mean you have to master the language before taking any steps. Knowing key words and formulas of politeness are usually enough to establish a climate of trust that lends itself to negotiation. You should also be prepared to call on the services of interpreters and translators to ensure all the parties understand each other, and the customs of the business partners are respected.

Body language and the concept of personal space are also important considerations. When meeting with foreign business people, you must pay particular attention to their gestures, signs and movements, as they sometimes contain unspoken messages. A good practice is to be accompanied by a local advisor or interpreter who can guide you throughout the meetings and resolve any misunderstanding on the spot. If you are not familiar with the local customs of your target country, you may also be caught off guard by its people's gestures of affection or appreciation. For example, at the end of a successful prospecting trip to São Paulo, the head of a Québec company was thrown off by a warm embrace by her Brazilian client. All her hard efforts to forge this new relationship would have been for naught had she pulled away.

As well, in some areas of the world, a small corporate gift is interpreted as a bribe, while in others presents are overtly solicited as a way of "greasing the wheel." In any case, playing a game without knowing the rules can jeopardize your initiative. You must have a good understanding of the gifting custom, tipping rules and any other form of favours in the target market. You must also understand the implications of these practices in order to not lose out. For

instance, the solicitation for bribes is sometimes so subtle that novice exporters don't immediately grasp the innuendo, which can slow down the project's implementation. It is therefore important to not only detect such requests, but also to understand all the aspects related to the value of a gift, i.e. how, when and in which circumstances it is offered.

Simply being aware that a cultural barrier exists will make you pay more attention to it when you travel abroad. Informed business people prepare themselves beforehand by attending seminars and lectures on the target country, thereby ensuring that they do not have to make assumptions and improvise about how to behave once they arrive at their destination. Still, for all these efforts, a cultural barrier will continue to exist if the foreign counterpart does not do his part to understand our North American ways.