

Creating a New Business Culture for Success in a Foreign Marketplace

by Ingrid Guevara, RealTime Consulting Services

Several years ago, I had the opportunity to work in Spain while supporting a large cellular system implementation project for one of my previous clients. It was a joint venture project with several Spanish partners. The experience gave me a first hand look at the challenges of bringing American and Spanish work cultures together and finding an effective balance between them. The added stress of building an organization and delivering a product with hard deadlines and stiff penalties did not make this process any easier. I knew that both groups would have to be patient and learn to listen to each other before doing things the way they were used to doing them in their own respective environments.

I realized that the best approach was to develop a third culture that had components from each one. American businesses have always taken a leadership role in international ventures. Foreign businesses used methods established by our corporate leaders to start their own ventures in their countries. Our western culture is still idealized all over the world and everyone wants to imitate and live "the American dream." From blue jeans and Coke to fast food and rock and roll, American influences are evident in every part of the world. Since Post World War II, we have assumed the role of leader in the business world. This sense of superiority has led us to believe that our way is the best way when it comes to running a business. We have to realize that the global market is shrinking and we are becoming more dependent on foreign markets to ignite our economy. It is estimated that a third of U.S. corporate profits are generated by international business. Our ability to succeed overseas has a direct effect on domestic employment levels and the economic health of our nation. Every billion dollars worth of exports creates about twenty five thousand new jobs. In the last five years, nearly five million jobs created in manufacturing were export-related. Today, nearly one out of every six manufacturing jobs is directly dependent on foreign trade, and one out of three acres of American farmland is harvested for exports.

Experts believe that our superiority in foreign markets has leveled off since 1985 and that our future success will be determined by increased participation in foreign commerce. Competitors such as Japan, South Korea, Taiwan, France, and Germany have come into the marketplace and given us fierce competition. They have succeeded not only in their own marketplaces but have come into our backyard and proved that they can succeed and give American consumers what they want. During the post World War II era any imbalance in our economic

strength was not tolerated. In today's marketplace we realize that the best approach is to team up with our foreign partners.

Understanding the business culture of a foreign country is critical to our overall success in an international venture. Knowledge of the language, geography and history only hits one layer in discovering the complexities of our foreign partners. Just like us, they too, have ambitions they want to achieve and objectives they want to meet in their careers. Before going to Spain, I attended a multi-cultural class that gave us an introduction to Doing Business in Spain. When I arrived in Spain, I realized that what I learned was stereotyped data. The Berlitz courses did not adequately prepare me for my trip to Spain.

Stereotyping can be dangerous. As an example, we were told that the Spaniards like to take long lunches and do not work as hard as Americans. Although Spaniards adapt a different work schedule, it was not mentioned that their work day does not end until later in the evening.

The project we established in Spain was a test of marrying the best from both cultures. The overall objective was to launch cellular services nationwide in less than nine months, a feat that had never been done anywhere else in the world. To achieve this aggressive goal, it was imperative that we work together as a team and leave any differences at home. Our roles in this project were clear from the start. The American team was chartered with taking the technical lead and transferring the knowledge to the Spanish team and the Spaniards were responsible for assembling the workforce. Patience and the ability to listen to each other were critical to the implementation of this project. The language constraints were evident but not a factor in achieving our goals. The Spaniards took us in with open arms and made us feel welcome immediately.

Like any new relationship, the honeymoon period quickly ended and problems started to surface. Our motivation was to get this project completed swiftly and properly. We were seconded employees to this project, and our company developed an incentive program to encourage us to meet the expected deadlines. The Spaniards were not given the same incentives to perform which led to differences in motivation. I became part of the executive team that focused on aligning the reward programs for each group. We had to make concessions that included decreasing some of our own compensation package. It took a lot of convincing on both sides but we were able to agree on a program that was fair to each party.

The next several months presented new challenges and issues. Who got personal pagers? Who was issued a cellular phone? Who got a company car? Who had an office? Who got certain types of furniture? All these sorts of issues seemed insignificant to us but were vital to the Spaniards. No matter how stupid we thought it was, the only effective way to resolve these issues was through

collaboration from both sides. It was their company to run. We had to realize that the Spanish society is autocratic and will not change overnight.

The client company had completed ten major international ventures in the last two years following that particular Spanish venture. The scenario has always been the same. We had the technical lead and brought a team of experts into the country to launch the business and transfer the knowledge. In every case there have been unpleasant experiences. Most of the experiences revolved around miscommunications and unrealistic expectations. As we became more comfortable with each other, we realized that we needed each other to succeed.

We learned to resolve issues quickly and leave our egos behind. We had to allow ourselves to become students of the business instead of always taking the teaching role. Anyone who has ever been involved in an international venture will tell you that nothing ever runs smoothly the first time.

To succeed in today's global marketplace, we must continue to expand our knowledge of our foreign business and develop an increased sensitivity to cultures and methods. Only then can we regain our dominance in foreign markets as well as change our reputation with other countries.
