

## Consulting to Clients With Global Reach



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IMC Confab 2009

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To promote effective global business (e.g. - outsourcing, partnerships, and foreign subsidiaries) through a process of understanding cultural and business factors.

- Recognition of Additional Opportunity
- Tools for Understanding
- Ability to Reframe Action Successfully



What Today Is

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- Business of Int'l Consulting
- Marketing & Winning Int'l work
- Living Internationally



What Today Is Not

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Most important pre-requisite:  
building a business case for profitable  
multi-national work.

Most don't.  
Learn how.

(or stay home)



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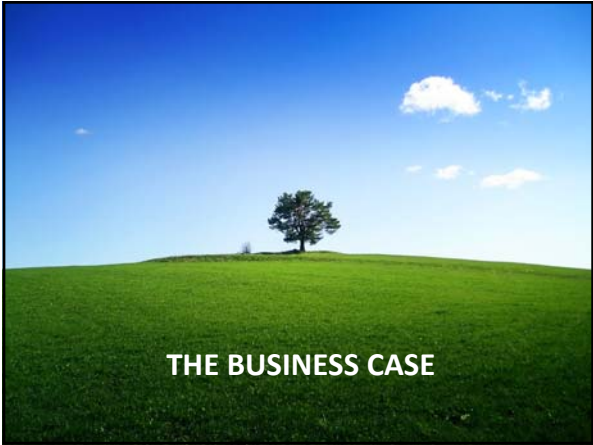
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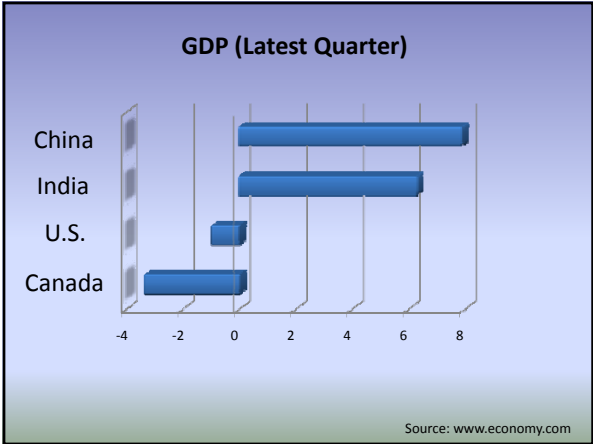
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failing to understand is like leaving **money** on the table



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Case Study

**INDIA- Outsourcing**

**Concerns:**

- Ensure productivity.
- Ensure quality.

**Strategy:**

- T&M / Not-to-Exceed.
- Pre-hire resume review.

**Outcomes:**

- "Team" wasn't available.
- Ultimatum re: retainer model.
- Certain skills never available.



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Case Study

**Japan-N.A. Biotech Partners**

**Situation:**

- Two N.A. companies – one East Coast, one West.
- Japanese company establishing partnership w/both.
- East Coast goes first.

**Strategy:**

- Be ourselves
- Competitive, maximize position

**Outcomes:**

- Poor deal terms
- Relationship slow to form, troubled
- Fired liaisons (read: consultants)



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**Case Study** **China- Auto Parts JV**

**Situation:**

- American and German companies mfg JV in China
- JV Team: US Salesperson; German engineer; German Lawyer, CBC American Financial Analyst
- Chinese Partner: 400pax auto parts mfg facility; no int'l exp.

**Strategy:**

- Secure deal for facility in 6 months.
- Commit to 200pax capacity – 50% of plant



**Outcomes:**

- Talks continued for 2+ years.
- Government intervention to block deal

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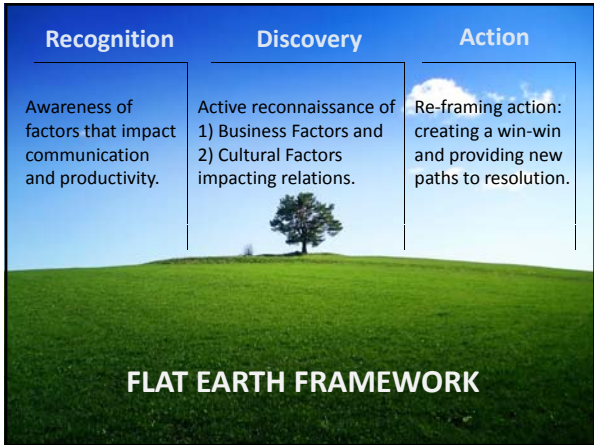
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**broken scripts**  
interactions fail or cause confusion

**ethical conflicts**  
"they" appear less than ethical

**lack of full engagement**  
a party disengaged or non-responsive

Recognition

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**Online**

- [www.BuyUSA.gov](http://www.BuyUSA.gov)  
Country Commercial Guide – Dept. of Comm.
- DismalScientist – [www.economy.com/dismal](http://www.economy.com/dismal)
- OPIC.gov – Overseas Private Investment Corp.
- US-Int'l Business Councils

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**Here**

- Int'l Chamber of Commerce (Chinese Chamber)
- Department of Commerce
- Legal Counsel
- CPA

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**There**

- Department of Commerce
- Embassy / State Department
- Local Legal Counsel

Discovery: Business Factors

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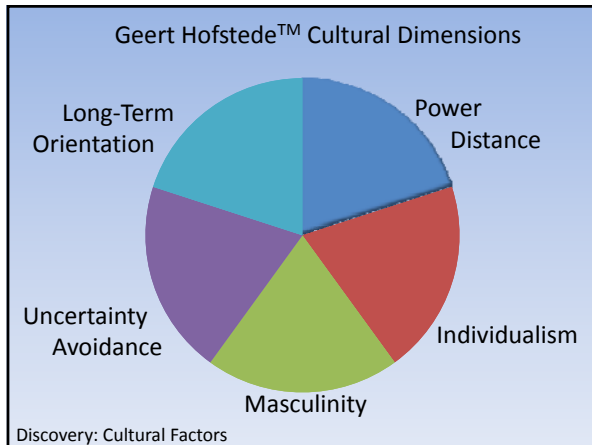
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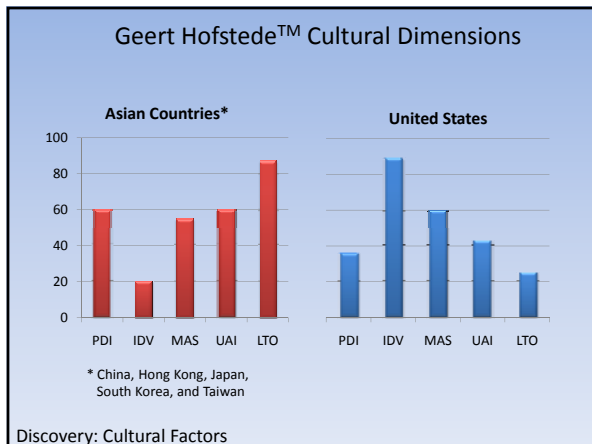
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We Bring Our Personal Lives to Work...

A Venn diagram with two overlapping circles. The left circle is red and labeled "Business Culture". The right circle is blue and labeled "My Culture". The overlapping area in the center is a darker purple color.

Discovery: Cultural Factors

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Cultural Resources

A photograph of a single cooked shrimp being held by a pair of wooden chopsticks.

- [www.Geert-Hofstede.com](http://www.Geert-Hofstede.com)
- [www.CulturalDetective.com](http://www.CulturalDetective.com)
- [www.sietar.org](http://www.sietar.org)
- <http://www.thiagi.com/email-intercultural101-tips.html>
- [www.eworldwise.com](http://www.eworldwise.com)
- [www.learnaboutcultures.com](http://www.learnaboutcultures.com)

Books:

- [www.interculturalpress.com](http://www.interculturalpress.com)
- Speaking of India (Storti)

Discovery: Cultural Factors

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A photograph of a narrow street in a Japanese neighborhood. The street is paved and has white markings. There are buildings on both sides, some with traditional Japanese architecture. A person is riding a bicycle down the street. A blue and red circular sign is visible on the right side of the street.

Action

Photo by L. Yudel

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**Case Study** **INDIA**


**Recognition:** Scripts & Ethics

**Business Factors:** "Zippie"

**Cultural Factors:** "No"

**Action:**

- Engagement model
- Pre-contract vetting
- Re-evaluate readiness




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**Strategy:**

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**Case Study** **JAPAN**


**Recognition:** Scripts

**Business Factors:** Technology leveraging

**Cultural Factors:** Face, Long-Term Orientation

**Action:** (West Coast Office)

- Assume relationship orientation
- Adopt compatible Japanese customs
- Achieve continuity with East Coast




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**Case Study** **CHINA- Auto Parts JV**

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- JV Team: US Salesperson; German engineer; German Lawyer, CBC American Financial Analyst
- Chinese Partner: 400pax auto parts mfg facility; no int'l exp.

**Strategy:**

- Secure deal for facility in 6 months.
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**Case Study** **CHINA**

**Recognition:** Lack of Full Engagement; Ethical Conflicts; Scripts

**Business Factors:** Western Mgmt Efficiency; Chinese Government Involvement

**Cultural Factors:** Relationship 

**Action:**  
Mutually beneficial goals

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Recognition	Discovery	Action
Awareness of factors that impact communication and productivity.	Active reconnaissance of 1) Business Factors and 2) Cultural Factors impacting relations.	Re-framing action: creating a win-win and providing new paths to resolution.



**FLAT EARTH FRAMEWORK**

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## Flat Earth Framework

Understanding			
Recognition	Business Factors	Cultural Factors	Action
<ol style="list-style-type: none"> <li>1. <i>What issues do we see that “raise flags” to a problem? E.g. – broken scripts, ethical conflicts, lack of engagement, etc.</i></li> <li>2. <i>What is the impact of the issue(s)?</i></li> </ol>	<ol style="list-style-type: none"> <li>1. <i>What business factors do we already know to be true?</i></li> <li>2. <i>What do we know we need to learn?</i></li> <li>3. <i>Where can we find out?</i></li> </ol>	<ol style="list-style-type: none"> <li>1. <i>What cultural factors do we already know to be true?</i></li> <li>2. <i>What do we know we need to learn?</i></li> <li>3. <i>Where can we find out?</i></li> </ol>	<ol style="list-style-type: none"> <li>1. <i>What actions have we been trying? What has the outcome been?</i></li> <li>2. <i>Given our new understanding, what actions might be more productive?</i></li> </ol>



L E A D   W I T H   C U L T U R A L   I N T E L L I G E N C E

Lee Mozena  
Principal

## RESOURCES

### BOOKS-

1. *The Elephant and the Dragon* by Robyn Meredith, W.W. Norton and Company, 2007
2. *The Elephant in the Board Room: Is India Worth All the Trouble?* By Pamela Kunkle
3. *Speaking of India: Bridging the Communication Gap* by Greg Storti
4. *Doing Business In India: How to Profit in Today's Most Exciting Market* by Gunjan Bagla
5. *Doing Business In China* by Tim Ambler, Morgen Witzel, and Chao Xi
6. *Business Leadership in China: How to Blend Western Practices with Chinese Wisdom* by Frank T. Gallo
7. *Cultures and Organizations* by Geert Hostede and Gert Jan Hotstede, McGraw Hill, 2005
8. *Negotiating Across Cultures: International Communication in an Interdependent World* by Raymond Cohen
9. [www.interculturalpress.com](http://www.interculturalpress.com)

### WEB SITES-

#### Business and Economic Development-

- United States Department of Commerce- [www.commerce.gov](http://www.commerce.gov)
- [www.poynter.org/column.asp](http://www.poynter.org/column.asp)
- State Department- [www.state.gov](http://www.state.gov)
- DismalScientist - [www.economy.com/dismal](http://www.economy.com/dismal)
- [www.buyUSA.gov](http://www.buyUSA.gov)
- OPIC.gov- Overseas Private Investment Corporation
- [www.chinesenegotiation.com](http://www.chinesenegotiation.com)

#### Diversity and Culture in the Workplace-

- [www.multiculturaladvantage.com/diversity-work.asp](http://www.multiculturaladvantage.com/diversity-work.asp)
- [www.Tanenbaum.org/Workplace](http://www.Tanenbaum.org/Workplace)
- [www.DiversityEd.org](http://www.DiversityEd.org)
- [www.eworldwise.com](http://www.eworldwise.com)
- [www.SchulerSolutions.com](http://www.SchulerSolutions.com), "*Tips for Successful Cross Cultural Communication*"
- [www.CulturalDetective.com](http://www.CulturalDetective.com)
- [www.sietar.org](http://www.sietar.org)
- [www.thiagi.com/email-intercultural101-tips.html](http://www.thiagi.com/email-intercultural101-tips.html)
- [www.learnaboutcultures.com](http://www.learnaboutcultures.com)
- [www.conflict911.com/guestconflict/crossculturenegotiation.htm](http://www.conflict911.com/guestconflict/crossculturenegotiation.htm)

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L E A D W I T H C U L T U R A L I N T E L L I G E N C E

## Cultural Dimensions by Professor Geert Hofstede

**1. Power Distance Index (PDI)** -that is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. This represents inequality (more versus less), but defined from below, not from above. It suggests that a society's level of inequality is endorsed by the followers as much as by the leaders. Power and inequality, of course, are extremely fundamental facts of any society and anybody with some international experience will be aware that 'all societies are unequal, but some are more unequal than others'.

**2. Individualism (IDV)**- on the one side versus its opposite, collectivism, that is the degree to which individuals are integrated into groups. On the individualist side we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On the collectivist side, we find societies in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty. The word 'collectivism' in this sense has no political meaning: it refers to the group, not to the state. Again, the issue addressed by this dimension is an extremely fundamental one, regarding all societies in the world.

**3. Masculinity (MAS)**- versus its opposite, femininity, refers to the distribution of roles between the genders which is another fundamental issue for any society to which a range of solutions are found. The IBM studies revealed that (a) women's values differ less among societies than men's values; (b) men's values from one country to another contain a dimension from very assertive and competitive and maximally different from women's values on the one side, to modest and caring and similar to women's values on the other. The assertive pole has been called 'masculine' and the modest, caring pole 'feminine'. The women in feminine countries have the same modest, caring values as the men; in the masculine countries they are somewhat assertive and competitive, but not as much as the men, so that these countries show a gap between men's values and women's values.

**4. Uncertainty Avoidance Index (UAI)** -deals with a society's tolerance for uncertainty and ambiguity; it ultimately refers to man's search for Truth. It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, and different from usual. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures, and on the philosophical and religious level by a belief in absolute Truth; 'there can only be one Truth and we have it'. People in uncertainty avoiding countries are also more emotional, and motivated by inner nervous energy. The opposite type, uncertainty accepting cultures, are more tolerant of opinions different from what they are used to; they try to have as few rules as possible, and on the philosophical and religious level they are relativist and allow many currents to flow side by side. People within these cultures are more phlegmatic and contemplative, and not expected by their environment to express emotions.

**5. Long-Term Orientation (LTO)**- versus short-term orientation: this fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese scholars, it can be said to deal with Virtue regardless of Truth. Values associated with Long Term Orientation are thrift and perseverance; values associated with Short Term Orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face'. Both the positively and the negatively rated values of this dimension are found in the teachings of Confucius, the most influential Chinese philosopher who lived around 500 B.C.; however, the dimension also applies to countries without a Confucian heritage.

[www.geert-hofstede.com](http://www.geert-hofstede.com)

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