



NEGOTIATING ACROSS CULTURES

Negotiating across cultures



- **Negotiating**

- consumes 50% of Manager's time
- international through e.g.
 - mergers
 - joint ventures
- knowledge about cultural differences are important



Cultural Differences



- **Latin and Arab**

spends much time building relationships before getting down to business

- **North America and Germany**

go straight to business



Cultural Differences



Final Agreement

- **Germany**
legal binding
- **some Asian cultures**
a general statement of cooperation



Successful Negotiating



- Avoid “irritators”

- “This is a very fair price”

- “This is an extremely generous offer”

- no or little information

- may annoy one's counterpart



Successful Negotiating



- agree as much as possible
- use few arguments
- don't dismiss invitations
 - e.g. in Finland to the sauna
- keep own style
 - don't adopt negotiating style of one's counterpart





Negotiate the best way



“BEST” Model



- **B**uilding relationships
- **E**xchanging information
- **S**tructured bargaining
- **T**otal Commitment



“BEST” Model



- **Building relationships**

“A good relationship is the platform for good busniss”



“BEST” Model



- **Building relationships**
- listen for “relationship-building signals”
 - e.g. first name basis
(Scandinavia, US, UK and Austria)



“BEST” Model



- **Exchanging Information**

questioning
and listening



“BEST” Model



- **Exchanging Information**
- “TTM”-technique
 - **“Tell me more”**
- check understanding by summarizing
 - especially important in a second language



“BEST” Model



- **Strucktured Bargaining**
- need for reformultaing strategys
 - ability to tune in to the others side's
- use conditional proposals
 - “If you ... then we will ... “
(ant NOT the other way around!)
 - generates differents options



“BEST” Model



- **Total Commitment**
- It must be profitable for both sides
- It must be in place “now”
- Any negative consequences must be acceptable
- There must be a real, pragmatic plan

