

# Strategy Session

By James Champy

## The Ugly American Lives On

**Y**OU MAY THINK the world is shrinking, but it's not.

Sure, information moves around the globe at the speed of light. Digital marketplaces hold the promise of reaching new markets across international borders, and you can fly from New York to Singapore in a day. But there are vast distances between how business is done from country to country.

Salespeople and managers everywhere are taught to respect cultural differences and local customs. A recent issue of Lufthansa's in-flight magazine had

### U.S. executives still bring remarkable arrogance to the global marketplace

advice for business travelers. In Japan, greet your customer by bowing 30 degrees. In some countries,

it's impolite to refuse food. In others, always hold your fork with your left hand.

Cultural sensitivity is all-important, especially at the beginning of a relationship. You really have to know what's going on in your customer's or prospect's mind. You need to know his or her point of view, especially about business issues. American executives and business experts often assume that similar points of view reside beneath different cultures and customs. The most arrogant of these people think that American ideas dominate the world.

That's their biggest mistake.

I was reminded of this during a lunch with a Swiss banker. We were talking about the degree of business change we were both experiencing. Flush with pro-free-market certitude, I asserted that one of the principal drivers of change is the global shift from planned economies to open markets. With more free markets, we can expect more competition from new sources. After all, I argued, we are now free to go almost anywhere in the world and do business.

I asked him whether he agreed. With a tone of cool rebuke he responded, "That's a typically American point of view. You Americans think that the world is completely open. You assume that business can be done anywhere under your rules. When I want to do business in another country, I have to deal with that country's regulations. You think that I can ignore them."

He was right. My pompous assertions were very American; we have a sense that we can go anywhere and sell anything. Americans generally have an optimistic point of view. We see roadblocks to doing business as only temporary, and we certainly never assume that we are the cause of a problem. But here was an executive who thought differently.

In my arrogance, I had thought this banker—a rather conservative fellow; no radical by any means—and I shared the same (American) views. After all, we were both sitting there in Western business suits, eating Western-style food.

As we approach the end of this century, the real Y2K issue may have nothing to do with computers. It may have more to do with our hubris. This has, after all, been the American Century. Our innovations, our marketing skills, and our economic growth are envied around the globe. We see the world much as the Dutch and the British did hundreds of years ago: It's all our market.

There is nothing inherently wrong with that ambition, as long as we recognize that our point of view

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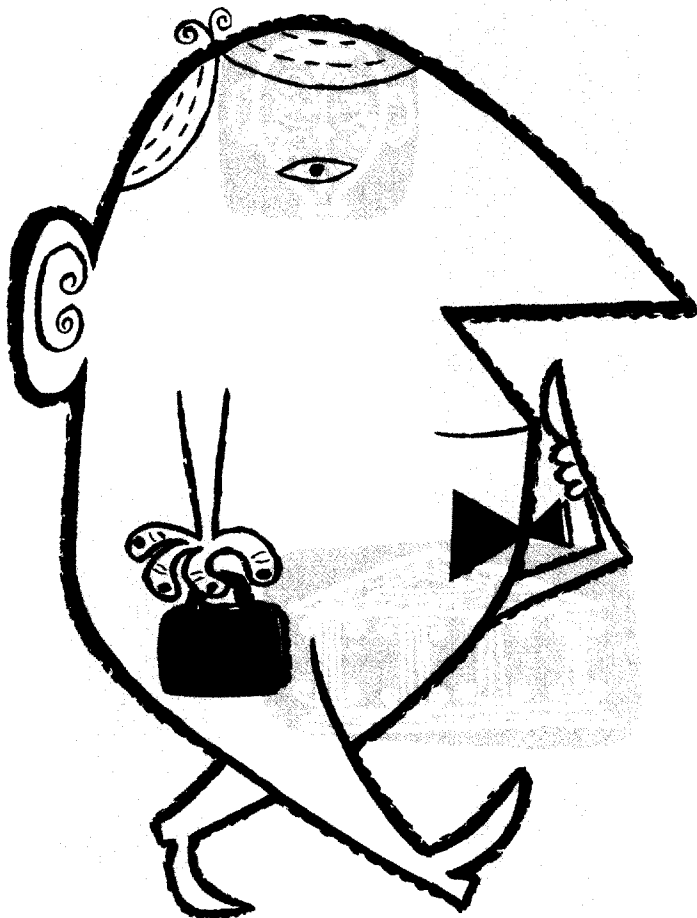


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may not always be right. So as you venture into this global marketplace, don't be lulled by apparent similarities among your customers or by superficial descriptions of cultural differences. Go deeper and give credence to another person's point of view.

Here are some differences to watch for:

■ It's now de rigueur in America to try to develop long-term relationships in selling. In many countries, particularly in Eastern Europe, a relationship is only a collection of transactions. Every deal stands on its own. A relationship is nice to have, but the only thing that matters is the quality of your last deal.

■ Americans are perhaps more willing than others to forget mistakes. Some customers in other countries will remember your errors as deficiencies that can never be fixed. Don't discount the cost of performing poorly, even once. And don't assume that politeness—the kind that you get from, say, the British—means forgiveness.

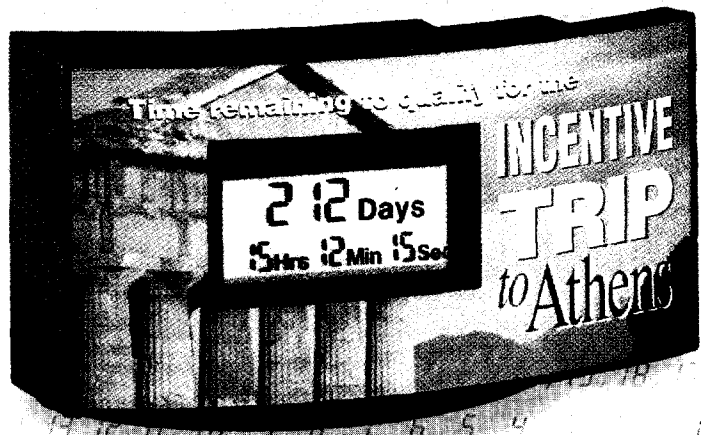
■ Americans believe that organizational and business change happens for the greater good. However, not everyone agrees; in many countries, customers cannot understand how American businesses can maintain worker loyalty and productivity, given the degree of restructuring. The Japanese have held this concern for many years.

○ In the U.S., customer and shareholder interests often supersede employee interests. In many countries, employee interests are dominant. This tradition continues today, even in large industrialized countries like Germany.

As always, do not assume that one point of view is correct; many have validity. What's important is to demonstrate a sense of balance in thought and action. Such a thoughtful approach will make us all far more cosmopolitan—and far more successful players in the global economy. □

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