

Tips for Negotiations with Latin American Business Partners

Interview with Gerardo Müller Albán, CEO of INBEL – Intercultural Business Euro Latin, www.inbel.eu: on the differences between Germans and Latin Americans in business.

- Are all Latin Americans the same or are there differences? What about stereotypes?

One of the stereotypes of Latin Americans is that they are unpunctual, but, as we know, Germans and Swedes are not always on time. Therefore, one should be careful when generalizing about Latin Americans. There are greater disparities between Germans and people in the Caribbean, coastal and tropical regions than between Germans and people in the countries with a more European influence, such as Chile and Brazil. However, those who come with an open mind and do not adopt prejudices are on the right path to becoming interculturally competent.

- Let us take a classic stereotype. What does the concept of time mean to a Latin American?

Appearing calm, cool and collected prevails over punctuality. The North European would rather appear punctually even if he risks looking disheveled. The Latin American on the other hand prefers to change his shirt in the hotel at the risk of being late. In Germany, respect and trust are acquired through punctuality. However, in Latin America people take particular care with regard to their appearance and believe in spending valuable time with business partners. This is how they gain respect and trust. It therefore goes without saying that one needs to have a flexible time schedule when doing business in Latin America.

- To what extent are business relations influenced by social factors in Latin America?

Business and private life are more closely interwoven in South America. Having trust in one's business partner is based more on personal relationships than on technical expertise. Therefore, invitations to one's home and excursions with one's business partner are a key to success. My advice is to be open-hearted. This means, for example, bringing small gifts for your business partner and some photos of your family with you. Praising the foreigner's country and finding something you have in common with your partner will be most appreciated. Be very careful not to appear arrogant by criticizing some of the country's weaknesses, such as the crime problem in Brazil or drug trafficking in Colombia, as this might be offensive.

- What about hierarchy?

The hierarchical structures in Latin America are steeper than in many other cultures. It is wise to show authority in Latin America and not to rub shoulders with those of a lower standing. So it's important to keep's one distance to employees, such as a doorman, where a tap on the back would be out of place. It is even common to clearly demonstrate one's status. For example, staying in a five-star hotel is not a sign of extravagance but is a signal that you are showing respect to their country.

South Americans love to gesticulate.

Especially with high-context cultures body language is usually more important than the spoken word. Here are some examples in the photos.



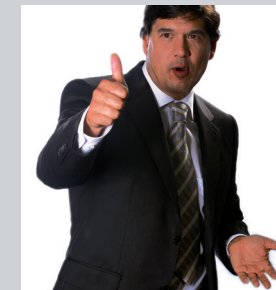
Agreed! That's how we'll do it.



Be careful what you do. The partner wants to caution you.



Take care, this situation is extremely dangerous.



Tudo Bem - everything is great.

Tudo Bem is the most typical gesture in Brazil and means pure optimism – and not without a reason!

- One often hears the affirmative 'yes' as opposed to a 'no' in a business context.

A 'yes' does not necessarily mean a 'yes'. Learn to read between the lines as Latin Americans tend to communicate indirectly. When in doubt, do not hesitate to ask diplomatic questions. The real key to getting on well with Latin Americans is a positive attitude. In case some kind of criticism is called for, a Latin American would invite his guest for a coffee, chat about football, tell him he's doing a great job and only then tell him what he could do better and how that could benefit everyone. Criticism should only be made in private, and neither in front of superiors nor subordinates, as a face-saving technique. The more direct style of communication prevalent in German comes over as too harsh for South Americans, who are much less direct.

- South Americans are very spontaneous. What about planning and following up projects?

Spontaneity precedes any sort of planning in South America. Where many things are uncertain and where the political situation as well as private affairs could change from one day to the next, spontaneity is the norm. This may conflict with the German need to plan. This means you have to be creative, but it also means time buffers need to be built in with regard to appointments.

As anything can happen in South America, it is your responsibility to keep yourself informed at all times. The client needs to check up and have all agreements confirmed regularly. Unless there is close personal contact there is a danger that your business might fall prey to the saying: 'out of sight, out of mind'.

Hans Gäng

CEO, local global GmbH

INBEL

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