

Free-talking and fast results

In the third article of a fortnightly series on overcoming cultural barriers, **Sergey Frank** examines the casual but ruthlessly focused style of business negotiating in the US



How to negotiate

The US is an attractive market. Its business culture, which has brought the world "shareholder value" and "IPOs", has been leading commercial thinking in recent years and will continue to do so. But whoever wants to succeed in the US needs to remember the rules of the game.

US business is described by the lyrics of the song *New York, New York*: "If you can make it here, you can make it anywhere!" Yet a euphoric approach to business is by no means enough. Although business communication in the US is pleasant and easy-going, it is at the same time ruthlessly focused.

Communicating is a natural talent of Americans. When negotiating partners meet, the emphasis is on small talk and smiling. There is liberal use of a sense of humour that is

more direct than it is in the UK. If you give a talk in America, you should speak in a relaxed way and with plenty of jokes.

Informality is the rule. Business partners renounce their academic titles on their business cards. Sandwiches and drinks in plastic or boxes are served during conferences. Your business partners tend to act casually in the office.

This pleasant attitude persists in the negotiation itself. US negotiators usually attach little importance to status, title, formalities and protocol. They communicate in an informal and direct manner on a first-name basis. They are relaxed and casual with their gestures and body language.

But the focus soon intrudes. The attitude "time is money" has more influence on business communication in US than it does anywhere else. After the neutral warm-up, US negotiating partners quickly come to the point.

Although Americans do

business in a very pragmatic way, they want to win. Developing a personal relationship with the business partner is not as important as getting results.

And US negotiators tend to want those results fast. As financial results are reported every quarter, it is essential to secure profitability on a short-term basis. Hence, US impatience in negotiations, which should not be perceived as impoliteness, but as the corollary of "time is money".

This attitude has a strong influence on negotiations, since strategic alliances and other long-term projects are evaluated in terms of their potential to achieve a quick return on investment.

Because the Asian negotiating approach tends to be long-term in nature, it is also one of the main reasons why so many joint ventures and alliances between US and Asian companies have failed to meet expectations.

US negotiating partners are usually aware of this difference in negotiating style,

thanks to the huge supply of literature and videos on Asian business. The trouble is that this material concerns itself mostly with the "what" behind the business and not on the more subtle questions of "how" and "why" business and communication patterns differ. US executives preparing for projects abroad tend to make themselves familiar with most of the specific negotiating patterns of the other country. Yet once the negotiating situation changes, mistakes are common.

When doing business in the US, you should take the following considerations into account.

- Conducting negotiations on a highly professional level and making presentations with the help of state-of-the-art technology is appreciated in the US. You should observe a negotiated agenda, or even a draft agreement. The negotiation will proceed in a well-prepared, calm, matter-of-fact and pragmatic manner.

- Present and market your case in a positive way. You should not be too modest about your own company's products, services, and market position. Instead, take a "can-do" attitude.

- Moreover, do not be misled by your negotiating partner's relaxed style of communication. Subjects such as religion, politics or ethnic background should only be touched on cautiously, even in private conversation.

- The casual attitude in the US does not mean there is no hierarchy in US companies. On the contrary, status is expressed in a very subtle way, and it may take some time to gain a detailed understanding of the ranking system.

The second part of this article will look at the negotiating process in the US and the role of in-house-lawyers and attorneys.

The author is partner of Kienbaum Executive Consultants and managing director of the London office. www.kienbaum.co.uk