



Fight the Fear: Maximize Your International Business through These Four Pathways

“The world is a global village.”

You may have heard the expression before, but how has its meaning changed in light of the global economic downturn? No part of the world seems untouched by the recession, and as we all share the burden, leaders are seeking ways to maximize current business investments, cut costs and root out inefficiencies. Some people, on the other hand, let fear control their decisions, and therefore they retract into isolation.

No one can deny we are living in difficult times. Sometimes it seems like only two choices exist: be a realist and give in to the continuous flow of bad news or be an optimist and assume that plenty of opportunities exist out there. I’m not sure about you, but neither of these models works for me. As I have mentioned in previous articles, anything that creates an “A or B” dilemma limits our creativity and our ability to solve problems outside the box.

What if we could make more of what we already have? What if you could choose both A and B, and be conservative yet creative with your resources?

Many companies have chosen to react to the economy by refocusing their efforts on developing solid international strategies. This decision is a wise one, because recent events have proven that there is no such thing as a strictly domestic economy anymore. Companies prepared to leverage that fact will thrive, if not now, then when things turn around. These successful organizations may be suffering in the short term, but their long-term plans to establish a presence in emerging markets, for example, will carry them through and aid their growth. Here’s something to consider: India and China, in spite of the recession, are still growing.

Now let’s assume you have made the wise decision to seek out global options, whether in the form of cost savings through offshoring or expanding your market share in Asia. How do you maximize those investments in these tough times? How can you make the most out of your stretched resources while still thinking globally?



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Consider These Four Pathways to Global Success

1. Save More with Offshore Teams that Perform at Peak

Less-than-ideal statistics on offshoring to India are rolling in at an alarming rate. In a 2007 study by Deloitte and Touche, “major cultural differences” was listed as one of the top three challenges in working with Indian providers. Although offshoring is used as a savings measure, many companies are unaware of its hidden costs. If not addressed, the failed communication and lags in productivity caused by cultural differences can account for up to 27% in additional costs.

In these hard times every company wants better results for their clients and customers, and cost containment is critical to ensure continued viability. For many companies cost containment means offshoring some of their processes, painful though it may be. To obtain top results and to keep more jobs on home soil, wouldn't you do everything in your power to make sure that any barriers affecting cost savings are broken down? Studies also show that most companies don't do what it takes to make offshoring successful for them. They ignore the “soft” issues and end up spending more money to correct tasks done incorrectly, to give instructions multiple times, and to make up for missed deadlines. These time- and money-wasters are often preventable through better planning and understanding of the cultural differences that could keep the team from performing at peak.

Think of your global colleagues as part of the team. What would you do to form a top-performing team in your headquarters office? Would you have a face-to-face kickoff meeting? Would you ensure clear roles and responsibilities and set specific expectations? Would you form positive relationships? Most of the best practices needed for onshore teams need to be applied global teams as well. Although fear of job loss may affect some onshore team members, it pays to get past that and into working together to meet objectives. Relationship management was found to be one of the key success factors in offshore projects, but a study by Let's Bridge IT concluded that only about 20% of companies actively engage in that process.



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To learn more about global team best practices, click here:

<http://www.globalatlanta.com/article/17172/>

2. Address Communication Across Cultures Proactively

A 2006 Accenture study concluded that communication style differences remain the top challenge to global business. Inefficiency is no longer an option in an environment of the tightest margins in history, so global teams have to get past the cultural issues that slow them down. Companies also cannot afford to lose global customers as a result of communication challenges.

Have proactive discussions with your global team members. Decide how often you will communicate, when you should bring a problem to the table, and your preferred form of communication. Always take meeting minutes and distribute them, encouraging meeting participants to clarify any vague point or misunderstanding. Apply the Platinum Rule of communication to your international customers: Treat others as they want to be treated. Learn your client's style and adapt; learn what offends them and how to avoid it.

Most of all, be on the lookout for hidden messages. Let's say you give instructions to your team in Korea to complete a project by June 25. You ask if they can realistically meet that deadline, and they all say "yes." When June 25 rolls around, however, the project is not done. Think back to when they said "yes." Was there hesitation in their voices? Did any of them look uncomfortable? Many signals of "yes" meaning "no" might be right in front of you, but are overlooked. Overlooking hidden messages can result in wasted time, missed deadlines, and inefficiency.



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3. Think AND not OR in International Strategy

In this economy it's easy to think about what can be cut to reduce costs. We might even limit our spending in our personal lives. Now is not the time, however, to limit our thinking, even if we don't act on all of our best ideas right now. Many companies have taken advantage of the cost-reduction platforms in emerging markets. While drawing on the resources of emerging markets may prove to be a positive choice, these cultures and countries have much more to offer than low-cost labor.

According to Dr. Anil Gupta of the China India Institute, successful companies think long-term and wide-scope about their international investments, even in a down economy. They look at globalization as a two-way street, bringing solutions back and forth from the U.S. to China and back, for example. Companies like IBM, Cisco, PepsiCo and Proctor & Gamble leverage innovation through research labs in their global markets. They assign their top leadership to live and work in Europe, China or wherever the company wants to establish a strong presence. These companies throw off the "narrow lens" of cost reduction alone and seek out new markets. In other words, they pursue a multi-track strategy overseas, and the results of their success speak for themselves.

In this volatile market, we cannot afford to shut off our creativity. We need to think of more ideas and better ideas and seek more solutions from worldwide sources. Now is the perfect time to think about what opportunities you might be missing in your overseas strategy. What new areas might you expand into when the market turns around? Wouldn't you want to have a solid plan to do so? There is no better time, while the world waits for relief, to be proactive about new horizons.

For an excellent guide to China and India strategy, click here:

<http://www.gettingchinaandindiaright.com/Book/Tableofcontents.html>



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4. Educate Yourself to Stay Globally Savvy

With so many people being laid off and the market fluctuating wildly, our first instinct may be to retreat, give less, or hide away and send out résumés all day. While these actions are understandable, another approach is to see the economy as a time to seek out the education for which we never before had time. Read a book on global business; take a negotiating class; sign up for a newsletter to keep abreast of trends in emerging markets; take the time to mentor your employees and learn from them as well.

The slow economy has proved to us that the world may or may not be a global village, but it is most certainly a global web, full of interconnected and interdependent nations and cultures. The more detailed and specific knowledge we can gain about best global business practices, the more competitive we can be, and the more prepared we will be when the market turns around.

For free reports and articles on global business, click here:

<http://www.highroaders.com/reports.shtml>

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Times are tough; of that there can be no doubt. Now is the time to implement the Four Pathways to Global Success: maximize efficiency in your global operations, address communication issues proactively, think AND not OR for your international strategy, and educate yourself on global issues. When you get creative and make the most of the resources you have, you'll not only cut costs for now, but you'll also be ready to take on the world when the storm passes.



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Is Your Global Workforce Soaring, or Are You Paying the Hidden Costs of Culture?

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About the Author



Vicki Flier Hudson, President of Highroad Global Services, helps global organizations turn cultural challenges into productive teamwork. She prepares people to live, work, negotiate and build teams across cultures. Vicki specializes in the continent of Asia, helping countless large-sized corporations have successful operations between India and the United States. She is a recipient of Kennesaw State University's Instructor of the Year award for International Programs. Vicki is a certified administrator of the Intercultural Development Inventory (IDI), a statistically reliable, cross-culturally valid measure of intercultural competence for meeting goals. She is also certified to coach IDI-guided development. Previously, in Atlanta, Georgia, Vicki supervised and conducted training for international and domestic distribution and manufacturing for Immucor, Inc., a worldwide blood-bank automation company with affiliates throughout the globe. She spent several years in software development in the company's IT department. In the past, Vicki has lived and/or worked in Belgium, China, Germany, India, Nepal and Thailand. She has survived a fifty-five hour train ride across India and ridden a rickshaw, a camel, a cement truck and buses all over the globe. She has traveled in many countries, including Austria, Costa Rica, Czech Republic, England, France, Greece, Israel, Jordan, Mexico and Panama. She has brought cross-cultural excellence programs to United Parcel Service (UPS), The Home Depot, Cisco, Intercontinental Hotels Group, Prudential Financial, Emory University School of Medicine, Philips Electronics, Proctor & Gamble, The Carter Center and more.

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