

How Cultural Understanding and Adaptation Drives Business Success

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Having been raised on different continents, I learned from a young age the significance of being mindful of cultural nuances and the ever-important aspect of assimilation. In the business world, this could not be more profound.

I was working in China several years ago when a US-based client was looking to partner with a Chinese company in Shanghai. One of my conditions for representing him was that he would follow the protocols that I laid out for him. The most important was to avoid business talk in the first meeting with his potential partners unless they do so first. The Chinese feel the need to first build a connection, respect and a sense of understanding prior to delving into business.

He chose to ignore my counsel and instead dove right into business specifics within minutes of sitting down with the Chinese executives. That turned out not so well, as that was the beginning of the end for him and this particular client.

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Navigating the nuances

Whether you work in a small office in Omaha, corporate headquarters in New York or a high-rise in Singapore, today's tech industry is global, which means cultural knowledge and

understanding, as well as adaptation, can help ensure broader success. If it hasn't happened yet, sooner or later you and your business are going to come face-to-face with significant cultural differences. When that time comes, you'll need to be ready.

Over the years, I've developed a handful of reliable techniques for navigating cultural nuances to make deals, build partnerships and drive better collaboration. I'm always happy to share them and encourage broader business understanding.

Workshops and diversification

One of the most widely known, and oft-criticized, tactics is cultural sensitivity training. Yes, in some cases, particularly in corporate settings, sensitivity training can be dull, soulless and largely unhelpful. But when thoroughly researched and delivered with a human touch, it can be compelling and highly effective.

The young founders of an Austin-based startup looking to go global, for instance, could learn a great deal from workshops on Indian business and etiquette. These lessons could prove invaluable in finalizing a deal that significantly expands the tech firm's footprint and outlook.

Who might lead these workshops? Well, if the startup has followed my next recommendation, embracing hiring diversity, it may already have a staffer with an Indian background who could take the lead. Hiring diversity, in terms of gender, background, ethnicity and abilities, is not just ethically right, it's also great for morale and business understanding.

My next tactic takes this one step further: instituting similar inclusivity in team-building and leadership. It's nearly impossible to diversify every single team, due to the limits of in-house talent. But whenever possible, every team

should embrace diversity, while the C-suite and board should be similarly open to the widest range of candidates. The result is a broader range of ideas and a greater likelihood of connection and understanding with other teams and external businesses.

Related: Diversity Matters: Defining (And Developing) Your Cultural Quotient

Communicating is not only about words

One area of cultural difference that's often overlooked is communication. It's no secret that people from different countries tend to use different languages. But many businesspeople assume that if they have a reliable translator and know what their interlocutor is saying, they'll be on solid ground.

That's not always the case, due to variations in communication, manners and sensitivities. A German executive, for example, might appreciate and respond to a direct but fair criticism of his company's offer, while a Japanese CEO could take offense at the same remark and walk away. Knowing how people tend to communicate, and what they prefer to avoid, can determine success or failure.

Don't forget the low-hanging cultural fruit

Holidays and cultural traditions may be the low-hanging fruit of cultural differences, but they're still forgotten. It's never a good idea, for instance, to suggest a negotiation call on the day your potential partner will mark his country's independence. And did you know that some countries celebrate Christmas on January 7?

It only takes a minute of research to ensure your business vision doesn't conflict with any key dates and traditions. This also applies in-house – business leaders need to respect the cultural differences of their staff. This might mean time off on Hindu holidays, for instance, or special considerations for Muslim employees who wish to fast during Ramadan. This not only boosts employee morale but also helps encourage a work environment where everybody feels heard and understood, which tends to increase loyalty and reduce attrition.

In recent weeks, Silicon Valley companies snapped up two Israeli cybersecurity firms worth hundreds of millions of dollars. Israel's IT sector is white-hot and growing fast, yet there's no question these major deals involved some cultural understanding and adaptation, whether related to the ongoing conflict, Judaism or some other concern.

Related: Business Etiquette Basics From Around the World (Infographic)

It should go without saying, but the benefit for these American firms is not only about the products they now control and the potential boost to profits. It's also about planting a flag in a new country, gaining experience in a new region and adding to the firm's understanding of global cultural nuances – all of which are likely to drive long-term success. I think it is summed up best by what I was once told when in China: *"You Americans measure success from one quarter to the next. In China, we measure the same success but in dynasties."*

As my friend learned in Shanghai, Americans are never going to remake the world in their image, no matter how much we like to overestimate our influence. There's no substitute for learning, understanding and adapting to significant social and cultural differences. The fact is, the more informed and respectful your negotiations, the more likely they are to succeed.

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