

# Lesson 4 - Cultural Issues in International Business

In this lesson, you will learn how cultural issues can affect international business. We will analyze a case study and make recommendations for smoother business relations between two cultures. Business communication, non-verbal communication, and etiquette are examined. We will also research cultural theory and analyze how the theories relate to international business negotiations.

# Read the article “International Business Etiquette”

▶ See Handout for Article

# Non-Verbal Communication in International Business

- ▶ Become familiar with modes of non-verbal communication and the difference among various countries by reading the second article in your handout.

# Culture Theory & Its Impact on International Business

- ▶ We will no become familiar with cultural theory and its impact on international business - see next page in your handout

# Assignment #2 - Cultural Dimension Chart

- ▶ Complete the [Cultural Dimension chart handout](#) based on the note you've just read as well as your own research on the Internet. Submit your chart when finished.

# Read *Magnum Paper Ltd.* - Case Study

- ▶ See [Handout](#) for Case Study
- ▶ Answer questions on Case Study on next slide

# Questions on Case Study

- ▶ What is the significance of business cards in Japan?
- ▶ Is it fair to assume that the Japanese were not happy with the price listed in the contract?
- ▶ What does silence mean in Japan?
- ▶ How is decision-making different in Japan vs. North American culture?
- ▶ What is the protocol for gift giving in Asian cultures?
- ▶ What would you recommend Robert do the next time he is trying to do business with an Asian firm?

# Business Protocol Quiz

- ▶ In which culture would giving a set of 4 objects as a gift be considered inappropriate?
- ▶ In which country must you take your shoes off to show respect?
- ▶ True or False: In some countries the “O.K.” hand gesture is a symbol for peace.
- ▶ Some businesses give time for 2 prayer breaks a day. Which religion does this cater to?
- ▶ In which countries is management more team oriented, instead of having top-down decision-making?



# Lesson 5 - Canadian Border Services and Canada's Reaction to World Events

- ▶ In this lesson, we will look at the logistics involved with transporting goods across borders and the need for border control. Specifically, we will learn about the role the Canadian Border Service Program plays in international business.

# Import and Export Planning

- ▶ First, let's become familiar with some key logistical functions integral to an international company's operations.
- ▶ Canadian international trading companies use intermediaries to help them expedite the importing and exporting process. The main types of intermediaries used are freight forwarders, customer brokers, and logistics companies that perform a number of different functions for their client companies (continued on next slide)

# Freight Forwarders

A freight forwarder looks after documentation and transport arrangements. They may negotiate rates with shipping companies or airlines and even arrange storage, packaging, or marketing services. No matter what the size of the company, a freight forwarder may be used since they are experts in international distribution.

# Custom Brokers

Custom brokers are intermediaries that specialize in clearing goods through customs in a country. They make sure that the goods are classified properly and conform to the country's regulations.

# Logistics Companies

Some exporters and importers hire logistics companies to handle all shipping needs. These may include:

- ▶ Providing storage
- ▶ Planning customs clearance
- ▶ Arranging insurance
- ▶ Obtaining quotes for transportation
- ▶ Planning routes

# Export and Import Documentation

There are many important pieces of documentation that are needed to move goods across the border. If a company isn't prepared, not only does it hold up their goods and delay sales, but the company will also incur additional costs since re-doing the paperwork takes additional time and human resources.

# CHECK YOUR UNDERSTANDING - POP QUIZ! (1 of 4)

1. Which of the following companies look after documentation and transport arrangements?

- a. Custom Brokers
- b. Freight Forwarders
- c. Border Services
- d. Importers

*b. Freight Forwarders*

# CHECK YOUR UNDERSTANDING - POP QUIZ! (2 of 4)

2. \_\_\_\_\_ are intermediaries that specialize clearing goods through customs in a country.

*Custom Brokers*



# CHECK YOUR UNDERSTANDING - POP QUIZ! (3 of 4)

3. Is the following statement true or false?

One of the costs of not being prepared at the border is that goods will not cross the border as quickly as if you were prepared.

*True*

# CHECK YOUR UNDERSTANDING - POP QUIZ! (4 of 4)

4. Name three tasks that a logistics company could help an exporter with.

*Providing storage, planning customs clearance, arranging insurance, obtaining quotes for transportation, and planning routes*

# Assignment #1 - Canadian Border Service Program

- ▶ See Handout for Assignment #1

# Assignment #2 - The Business of Crossing the Border

▶ See Handout for Assignment #2

# Assignment #3 - Discussion

- ▶ See Handout for Assignment #3