**How to Avoid Being the "Ugly American" When Doing Business Abroad by Andrew Rosenbaum**

You know the stereotype: They're bold, brash, and all business. They've got lots of money but little culture. They're immune to self-doubt and oblivious to cultural nuance.

They're the Ugly Americans.

The 1958 book and 1963 film adaptation gave the stereotype its name. How closely does the stereotype fit the reality of Americans doing business abroad today? How "ugly" are American businesspeople as they work with foreign partners in this our globalized world?

"Americans have a much greater willingness to adapt to other cultures than they did when that book was written," says Prabhu Guptara, director of the Executive Development Centre for UBS bank in Wolfsberg, Switzerland. "But Americans often still need to improve self-consciousness to understand that the qualities that make you win in the U.S. could as easily make you fail in Europe or Asia."

American execs need to be especially sensitive about three aspects of communications when they go abroad:

The rhythm of negotiations. Speed and directness are not necessarily qualities that foreigners appreciate, even though Americans like them.

The dynamics of personal relationships. Business in most of the developed world is people-based, not deal-based, so don't parachute in with the "lawyers and the dollars."

The depth of presentation. Slick speeches and PowerPoint slide shows may not get you far in cultures that value depth. You'd better have all the numbers and know what they mean.

Why these areas in particular? "Because Americans tend to value fast and agile deal making, and intense and skilled marketing, while not putting much value on personal relationships in business," explains Ann McDonagh Bengtsson, a France-based international consultant specializing in change management, especially where a number of different cultures are involved. "Whereas, most Europeans and many Asians want to develop a solid personal relationship before even considering a deal, and then expect very detailed and painstaking research to have gone into the preparation of any accord," Bengtsson says. "Attempts to hurry your foreign interlocutors along may just make them withdraw from the discussions altogether." Ann McDonagh Bengtsson, consultant

Says Japanese intercultural expert Shinobu Kitayama: "American culture emphasizes the core cultural idea of independence by valuing attending to oneself and discovering and expressing individual qualities while neither assuming nor valuing overt connectedness. These values are reflected in educational and legal systems, employment and caretaking practices, and individual cognition, emotion, and motivation."

In contrast, Bengtsson and Kitayama argue that Asian and European cultures tend to emphasize interdependence by valuing the self and individuality within a social context, connections among persons, and attending to and harmoniously coordinating with others. When Kitayama asked sixty-five middle-class American and ninety Japanese students attending the same Oregon university to list situations in which they felt that they were winning or losing, the American students focused more on ways in which they won individually, while the Japanese students won when the group with which they were associated enjoyed a success.

American execs abroad have to take these differences into account. So, when abroad: Slow down.

The rhythm of negotiations and all business discussion is much slower outside the United States, as executives from the New York-based Bankers Trust had to learn when it merged with the Frankfurt-based Deutsche Bank two years ago.

Deutsche Bank was a very large, "universal" bank, as the Germans call such an entity. The bank was active in all sectors of banking, but the area where it needed the most reinforcement was investment banking. Hence the plan to merge with investment house Bankers Trust, a dedicated merchant bank with an American, "deals-based" culture.

The American executives quickly found that they could not fathom their German partners, reports international management professor Terry Garrison of the Henley Management College (Henley-on-Thames, England). "Accustomed to making split-second decisions, and managing on a project basis in which planning rarely extended beyond a given deal, the Bankers Trust 'hot-shots' found themselves working with 'universal' bankers who planned several years at a time, for whom a given 'deal' was something they felt they could take or leave, and who operated within a corporate governance framework that looked and felt completely alien to the Americans. "Achieving trust with European and Asian partners is a key factor in success outside the U.S." Prabhu Guptara, UBS bank

Garrison ran a seminar in which he helped the American execs get in tune with Continental banking culture. "It was a matter of teaching the Americans to slow down and think in different terms," Garrison says. "Those Germans who had spent a lifetime in a credit-management culture saw themselves as needing not just a crash course in merchant banking but a whole new vocabulary rooted in American capitalism."

Deutsche Bank executive Siegfried Guterman admits that "there were a lot of immeasurable factors that were difficult to take into account before we accomplished the merger."

It is not that Asians and European cultures do not value efficiency. Rather, business for them is more conceptual and long-term. A given transaction is only interesting if it is part of the accomplishment of a much more stable, greater objective. "Attempts to hurry your foreign interlocutors along may just make them withdraw from the discussions altogether," Bengtsson points out.

Don't arrive with "the lawyers and the dollars." Personal and business relationships are more intertwined in Europe and in Asia than they are in the United States.

"Achieving trust with European and Asian partners is a key factor in success outside the U.S.," Guptara says. "Americans may not like each other, but if there is a 'deal' on the table, they do business. Most Asians and Europeans even the British want to get to know you first. They want to assure themselves that you are reliable, that you will not only go the distance for them this time, but that you will be there to do it again when they call upon you."

So, take the time to go for lunch with your prospective business partners abroad. Don't talk business right away - ask them about what things are like in their country. Find something that you have in common with them. Maybe you both like a certain sport? Perhaps you share an interest in Italian wine?

During this time, you can observe your interlocutor's reactions. What makes him laugh? Does he react with hostility to certain kinds of expressions? "When you get around to dessert, bring up the subject of the business at hand in a very casual way. Get some indications from his reaction about how to proceed. But let your interlocutor lead you through it all," says Guptara.

Negotiating experts agree that forcing a conclusion with a foreign partner can only cause problems. "Don't be afraid to drop the matter and to talk about the weather," says Garrison. "Don't be too serious, especially at the outset. Show your interlocutor that you are in no hurry to conclude, and he will assume that you are serious. Insist on a conclusion, and he will assume that you are desperate."

Establishing trust is a factor that an American businessperson abroad must take into account not only in negotiations, but also in working with Europeans or Asians on a day-to-day basis. "When negotiations are prolonged, or frustrating, these cultural assumptions tend to jump out of the suitcase onto the negotiating table." Ann McDonagh Bengtsson, consultant

Disney had to endure an expensive lesson of this type when it opened Euro Disney outside Paris. The management expected the French employees to conform to American expectations in their work, and did little to build up trust. A long and agonizing conflict with French labor unions was the only result of this policy. Finally, Disney gave up and hired French managers. Labor difficulties were smoothed out when managers and workers began to trust each other.

Get the details right: Although the British may accept a slick PR demo while negotiating, most of the cultures on the Continent and many in Asia do not.

"There is a real academic side to business in Europe and in parts of Asia," Guptara says. "A business presentation to such interlocutors is like defending a Ph.D. thesis. They expect you to have real depth, all the numbers, and to be able to answer every question. Fail at this and they will never trust you. The word that Europeans apply to a businessman who can't answer key questions is liar."

It may seem useless pedantry on the part of your prospective business partners to insist on great detail, "but their view is that the details are the easy part," says Bengtsson. "And a thoroughness in knowledge of your subject means "especially to Europeans, rightly or wrongly" that the risks are being adequately managed."

One American manufacturer recently hit all the wrong buttons in discussions with a French acquisition. Arriving in Paris, the American company promptly invited the board of the French company to lunch. The French board was of the most traditional sort "all graduates of the grandes coles," they perceived themselves to be fashionable, witty, and cultivated.

When the French businessmen arrived at the lunch, they were astonished to find their American colleagues wearing baseball hats and T-shirts with the name of the acquiring company on them. There was also a pile of such hats and shirts on the table, and they were bidden to put them on.

This suggestion did not go over well. But even worse was the period at lunch when the French "after what they thought was a decent delay" began asking strategic questions. It became obvious that the American executives knew little or nothing about the company they were acquiring apart from its balance sheet.

After that, the massive departure of the French businessmen from the company should not have taken the Americans by surprise.

Play by the rules - their rules

When an American executive goes abroad, it's very easy for cultural assumptions to slip into her suitcase. "When negotiations are prolonged, or frustrating, these cultural assumptions tend to jump out of the suitcase, onto the negotiating table," Bengtsson points out. The point to remember at times like this is that you are in someone else's culture and, for the time being, you need to play by their rules.

Because of tighter budgets, companies are sending fewer executives abroad these days, so the executive who is sent to a foreign country has mission-critical work to do. Thus it's essential that the executive adapt to a different culture's rules: for communication, interaction, and negotiation. If he doesn't, if he acts the proverbial "Ugly American," his chances for success are small.