

Building trust comes slowly with German and European companies

In the highly competitive European automotive market, a fundamental human principle still underlies all business deals, claims one global expert.

Trust is still at the heart of what drives most business decisions, said Franz Neumeyer, citing this recent Automotive News headline: "Suppliers prefer the Japanese - trust, prospect for profit are worse at Big Three."

The definition of trust and who is worthy of it varies around the world, Neumeyer said. He is a cross-cultural global executive coach, founder and president of Global Synergies LLC in Oxford, Mich.

"What is highly valued in a society is a reflection of what creates trust," explained Neumeyer, who has more than 15 years senior management experience in global corporations and has been involved in business coaching for more than 10 years.

In Germany, for example, a person's credibility is based upon credentials, position, dependability, long-term commitments and formality. Distrust and skepticism are the normal first response to meeting a new person, while the person's performance, in-depth knowledge and technical expertise are evaluated, said Neumeyer,

That stands in sharp contrast to a U.S. businessperson, who comes from a culture where trust is readily extended until people prove themselves untrustworthy.

"Global leaders need to know which specific character traits and competencies define a trusted business leader in the different cultures and markets in which they are dealing," he said.

"The United States may have the only culture where trust is freely given. People see the good in others until they are proven wrong."

The implications of that disconnect go both ways in international business.

Neumeyer described the situation of a German-based manufacturer exploring product changes for the U.S. market. Because the German managers distrusted the suggestions of their American counterparts, they did not take them seriously and tried to ignore them. The end result was frustration, a lost contract and perceived incompetence by both sides.

"Trust goes to the bottom line and translates to meeting timelines and frustration," Neumeyer said.

From the other side, it is not unusual that a potential U.S. customer doesn't trust the products of a German organization if they are presented by a more formal, introverted German business leader with limited English skills, he said. And many U.S. service providers, such as law firms and recruiting firms, have learned that their typical short, focused, high-energy "get it done" meetings seldom lead to successful business relationships in Europe, especially in Germany.

Neumeyer suggested that auto suppliers considering venturing into Europe consider several key points:

- ▶ Do your homework. Learn the cultural background of the companies you are dealing with so you can better understand their motivations and why they do certain things in certain ways.
- ▶ Make building cross-cultural trust a strategic initiative. Prepare your employees to work with people in other cultures. Put together a team that is trained to work with Germans, for example, and make sure they value being analytical and have available all the data they need. Plan ahead to eliminate surprises.
- ▶ Plan to build trust through personal contact. Knowing that other cultures do not give trust until it is earned, plan on spending the time to earn trust by building competence first.

"Acquiring knowledge about another culture's expectations and announcing your intention to adapt are activities to reduce short-term inefficiencies," Neumeyer said. "Long term, highly successful

global leaders will develop new skills and a balanced personality, which enables them to access a wider variety of behaviors, such as being confident and humble at the same time."

Building trust in other cultures requires an open mind that recognizes there is more than one right answer and a desire to learn from the rest of the world.

"The difference between the profits of the Big Three and the Japanese car manufacturers shows that investing in higher trust levels pays off," Neumeyer said.

*Franz Neumeyer is founder and president of Global Synergies LLC, which specializes in cross-cultural coaching programs for global executives and multicultural teams to improve business results in an increasingly borderless industry. He can be reached by email at sbcoaching@ameritech.net. **GAI***