



### INTRODUCTION TO BUSINESS CULTURE: HOW CULTURE **AFFECTS WORK PRACTICES IN LATIN AMERICA**

Tallin, September 20th 2017



Implemented by the consortium led by AESA













# What is ELANBiz? A Project funded by the European Union

# Information web-based platform

Provides comprehensive and updated information to European SMEs on **doing business in seven Latin American countries**: Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico and Peru





# Why **ELANBiz?**

- Market access challenges for EU SMEs in LA countries (complex regulatory frameworks, bureaucracy, certifications and other requirements). Insufficient updated and tailored information.
- Growing system of **EU Free Trade Agreements** with Latin American countries => raising awareness of **improved market access conditions for EU companies**
- For cultural, economic, political, geographic reason, etc. there are no commercial representatives from all EU Member States => ensuring access to relevant information for ALL EU companies.



# Why LATAM?

- A US\$5.3 trillion economy
- Approximately 600 million citizens
- Latin America is a rapidly-growing market
- A fast growing middle class

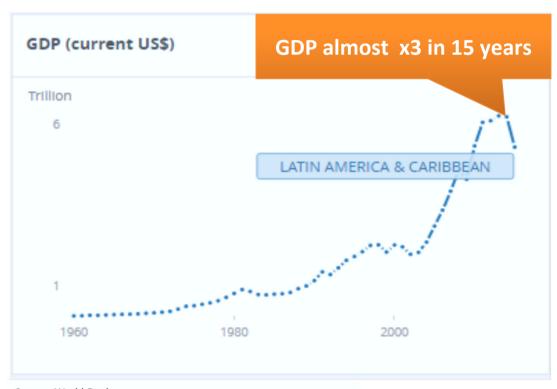
And because diversifying export marets is always a good idea...





# **Why Latin America?**

# **US\$ 5.3 trillion economy**



Source: World Bank



# **Why Latin America?**

# Fast growing middle-class





# **Doing business in Latin America**

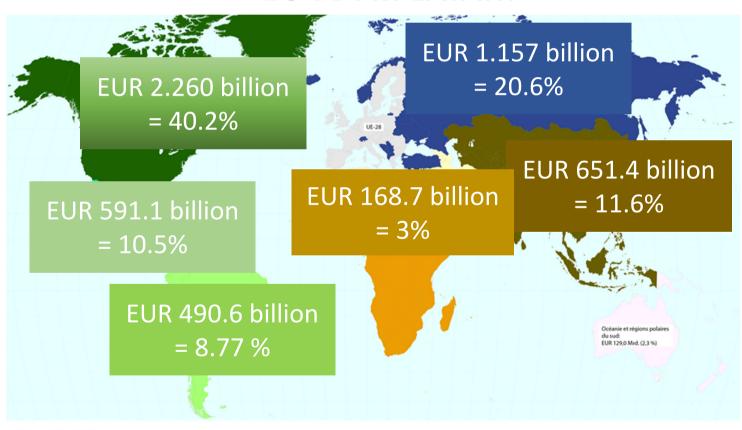
# **EU Free Trade Agreements with LATAM countries**





# **Doing business in Latin America**

# **EU FDI in LATAM**



Source: Eurostat



#### **Context- vs. Content-Focus**

In many EU business settings there is a strong emphasis on the content of communications: the data, facts and specific details.

• Both verbal and written communications tend to be brief and to-the-point.

In Latin America generally there is a **broader focus that includes contextual factors such as relationship, circumstances, timing, and social** appropriateness.

Consequently, the Latino may seem ambiguous or evasive to some EU counterparts.



# Transaction oriented vs. Relationship building

- In many EU cultures, people who work together may develop personal relationships over time but work comes first.
- Latin Americans tend to feel that it is essential to invest in establishing a relationship before focusing on the task:
  - ✓ A warm-up period is typically required to create a good interpersonal environment in which the task can be accomplished most effectively.
  - ✓ An important clue in this regard is the high desirability of being considered simpático or likeable and accessible.



# "Time is money"...vs "Time is precious"

The pace of life and work varies within Latin America. However, it is generally less intense than in the EU:

 Building and maintaining relationships, attending to one's "molecular" networks, and managing the complex contextual dimensions of business simply takes more time.

# Time is a guideline, but rarely a deadline

The EU businessperson may appear hasty, rushed, and pushy, while the Latin American may seem to lack a sufficient sense of urgency.



# **Personal space**

- The accepted amount of personal space that each person has or needs is much smaller in Latin America than in Europe.
- People will touch you more, stand closer when they talk to you and generally get up close and personal
- Latinos will usually stand closer together during conversations, so be prepared for that plus casual touching
- You may even be startled to have a Latin businessman hold your elbow while conversing, or walk down the street arm-in-arm



# Negotiations according to polychronic cultures

Negotiations do not follow a linear logic

Negotiations stages are not neatly sequential:

- ☐ a new stage may begin while the earlier stage is still being discussed, and
- issues already agreed are open for subsequent discussion



# **Negotiations according to polychronic cultures**

Negotiators from <i>polychronic</i> cultures	
	tend to start and end meetings at flexible times
	take breaks when it seems appropriate
	be comfortable with a <b>high flow of information</b>
	expect to read each others' thoughts and minds
	sometimes overlap talk
	view start times as flexible and not take lateness personally.



# Become the friend of your business partner

- Latinos are very warm and friendly people and enjoy social conversation before getting down to business.
- This is a calculated process aimed at getting to know you personally.
- Latinos tend to be more interested in you, the person, than you as a representative of some faceless corporation.





# WHAT IS ELANBiz?





# **ELANBiz, a EU funded Project that provides information on Latin America**

A network of Experts that provides information to European companies on access requirements in 7 strategic Latin American markets:



www.elanbiz.org





# 1. A WEB BASED PLATFORM

Through a virtual platform, ELANBiz.org provides free online content constantly updated by Experts in market access based in the 7 LATAM markets.













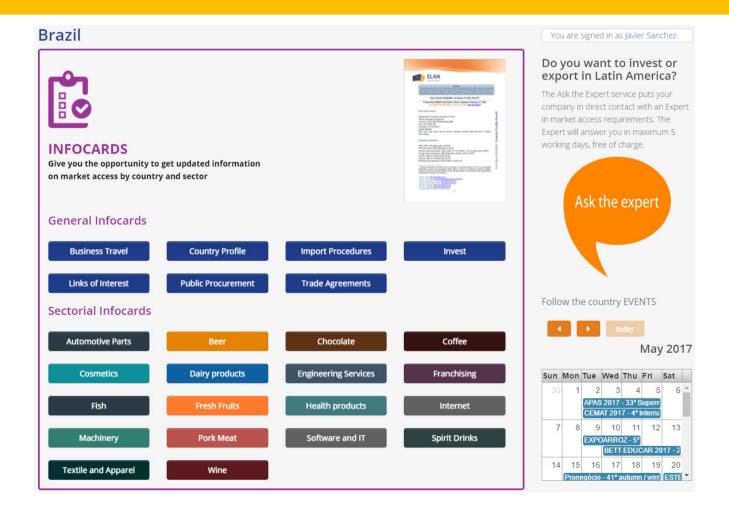
Free and unlimited services for European companies and industry organizations.

www.elanbiz.org



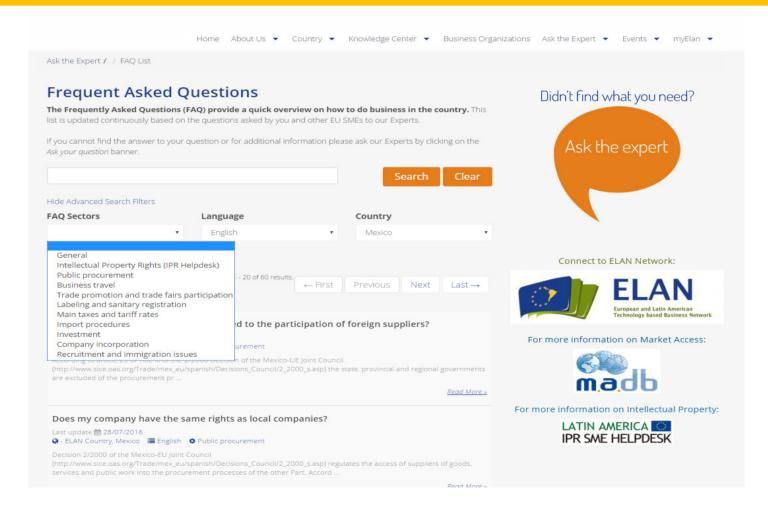


#### **Info cards**



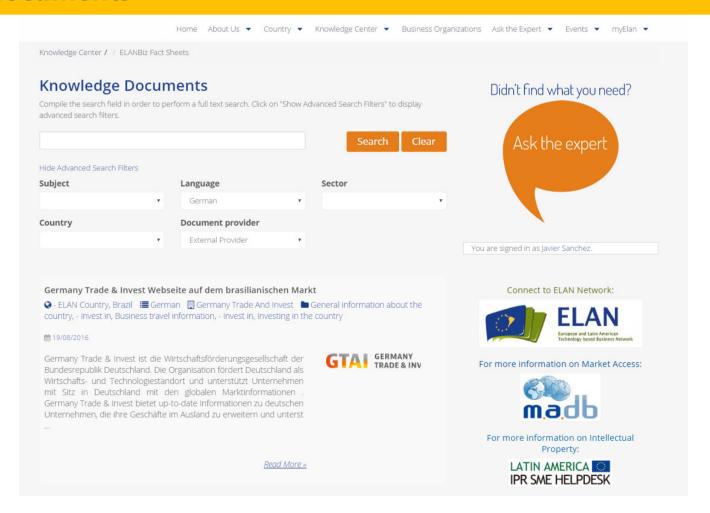


# **Frequent Asked Questions**





#### **External documents**









- 1. Register on <u>www.elanbiz.org</u>
- 2. You will receive by e-mail your access code.
- 3. Ask your question
- 4. You will receive your tailored information within 5 working days, free of charge
- 5. Ask as many questions as you want



We are a company from **Estonia**. We work with software for industrial automation (with remote support) for big equipments in industries. I would like to know about the **market and automations fairs** in your country where I could participate.

We are a company from Latvia. Our product is a medical device Class 1 made up of an electronic device and a software. It has a CE mark and FCC, as our company is ISO 13485 and ISO 9001 certified. For introducing in Latin American markets we could consider exporting separately the electronic device (not medical) and license the software. In this case, we would like to know what are the import taxes for software developments in your country.

Didn't find what you need?

Ask the expert

Our company provides education IT services for teachers and children. We would like to know how would be the withholding tax applicable to payments made from Colombia to Lithuania for the rendering of such services in Colombia?



We are a company from Estonia. Our product is a portable medical device used with low-power DC. This device works as an electrocauter for the treatment of skin for medical and aesthetics purposes. I would like to learn more information about how to register the product in Brazil.

I would like to know what are the sanitary requirements to import into Brazil canned fish (baltic sardines from Baltic sea) from Latvia? Thank very much. Kind regards

We are a **Polish** company interested in exporting **cheese**.

What are the access requirements to export to Mexico in particular for gouda with vegetable fat. Thank you, best regards

Didn't find what you need?

Ask the expert



We would like to learn if there's an opportunity for the cryocoolers on Brazilian market or does Brazil have proper production? Which kind of infrared cameras are used in Brazil: cooled or uncooled IR cameras? Who are the key players in the cryogenic industry in Brazil? Beside the fair LAAD, is there any other important fair for cryocoolers?

We are a company from **Croatia**. We would like to know the market Access requirements for **tractors** in your country

I am interested in exporting frozen filo pastry and filo pastry pies in your country from Romania. How is the market for these products? What are the access rules (custom duties, taxes, sanitary registration and labelling)?



#### **RESULTS ON THE VIRTUAL PLATFORM**

Substantial quantitative and qualitative results on the virtual platform (as of August 31st, 2017).

30.514 ELANBiz users Sessions in the platform 49.133

193.745 Viewed pages

52.181
Infocards
Downloaded





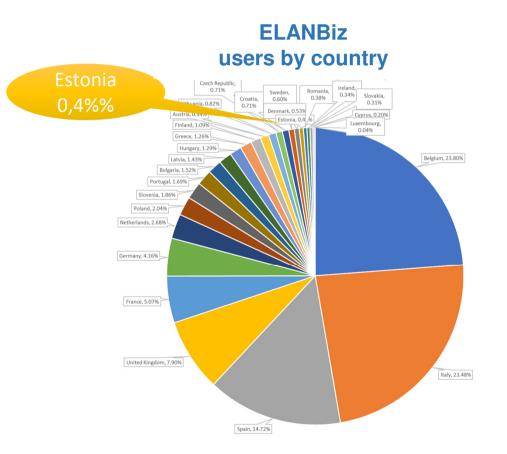
#### **RESULTS OF THE "ASK THE EXPERT" SERVICE**

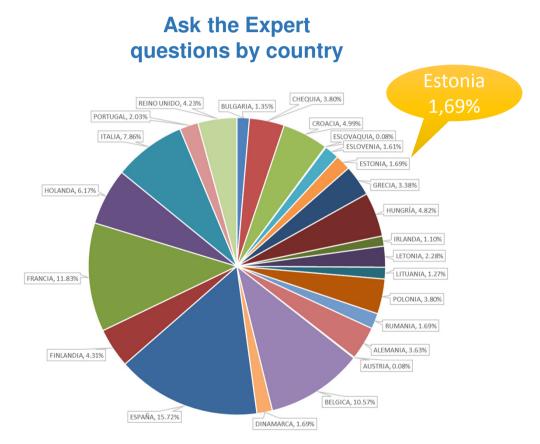
Questions sent 1.243 4.67/5
Average rating





# Results by country, as of August 31st, 2017









# ELANBiz

**European and Latin American Business Services** 

Javier Sanchez j.sanchez@elanbiz.org



www.elanbiz.org

Elanbiz

**Elan Biz Social** 

Implemented by the consortium led by AESA









