

4. Comparisons of Key Lessons from Each Country

Doing Business in the United Kingdom

Canadians are viewed positively. The British have a very positive view of Canada. Canadians are seen as having the straightforwardness of North Americans, but not the brashness of Americans. Nevertheless, the image held can be a little dated, as demonstrated by the use of Mounties and lumberjacks in advertisements for Canadian products.

Some British people underestimate Canada's ties with the United Kingdom. Some of those who are more familiar with the modern industrial Canada, and who know how highly integrated the Canadian economy is with that of the United States, can exaggerate the similarities of the U.S. and Canadian business and social cultures, and underestimate the links and similarities with the United Kingdom. In particular, Canadian legal and business cultures are much closer to the British cultures than to those of any other European country. To that extent, it can be easier for Canadian companies to establish their corporate culture in a subsidiary based in the United Kingdom rather than elsewhere in Europe. Similarly, management and other systems may frequently be transferable.

Overstating the similarities can lead to problems. Some difficulties can arise if national or cultural differences are ignored. While rarely serious, differences in syntax or vocabulary can lead to misunderstandings or failure to communicate effectively. The sense of humour may differ, and Canadians can be thought flippant or too familiar. One result is that advertising and communications campaigns may need to be adapted to the U.K. market. Finally, Canadian headquarters should remember that the time difference can impose some strains if U.K. staff are regularly required to work in the evening.

Differences in business practices should be allowed. Canadian companies establishing and developing a subsidiary in the United Kingdom must acknowledge the following differences:

- staff terms and conditions differ, and staff have different expectations. In particular, holidays are longer in the United Kingdom than in Canada, and fringe benefits are more generous. On the other hand, salaries are lower than in Canada;
- planning and building rules are more strict in the United Kingdom and formalities take longer to sort out; and
- decision-making and management change are slower, whether getting a buyer to commit, or changing attitudes among blue or white collar employees.

Britain's free trade tradition can be an advantage. Like Canada, Britain has a long tradition of free trade policy. While its membership in the EC leads to the application of tariffs and quotas as in other countries, Britain is usually at the liberal end of the argument, and this can be helpful to Canadian companies that want to establish a subsidiary that can trade throughout the Community.