

**But business relationships are less formal than in Canada.**

Surprisingly, although relations with people are generally formal, the contractual environment is rather loose. Verbal agreements are perfectly valid and common practice. If there is a problem regarding an agreement even embodied in a written contract, "on peut toujours s'arranger" and a solution will be sought outside court. Even if matters arrive in front of a court the magistrates will encourage a settlement outside court.

**Don't forget the French are individualistic.**

The French are not natural teamplayers. The educational system is geared to promote individual achievement and respect for hierarchy. This reflects in the way management information and decision-making systems are devised in French companies. It can be very difficult for a Canadian newcomer to impose a North American consultative team practice.

**The discipline of the 'bottom line' may be new to some French business managers.**

French companies tend to be much more product oriented than Canadian companies and tend to give less attention to financial control. For example, many Canadian companies are surprised to find out that their French partners are using standard costs (costs averaged over a period of time and sometimes not including a full allocation of overheads) instead of real costs. Again this is related to the education system which sends the brightest minds to engineering schools rather than to financial matters. Also, management pride will often be set on a new technological development without any consideration of its profitability. The French liking for prestige 'grands projets' in the public sector is widely understood abroad, but the phenomenon is also evident in private companies. However, when Canadian parent companies impose a stricter financial control, French executives although complaining about the extra work, generally appreciate the benefit of having more precise decision making tools. The only area of friction is regarding the perceived short-termism of financial return requirements, a feature associated in France with North American business philosophy in general.

**Mixed experience of how to implement new financial controls.**

Acquisition is a favoured route to market entry in Europe but Canadian acquirers have to be able to implement their financial controls in the new French subsidiaries. Experience regarding the method used has been mixed. Some Canadian acquirers have chosen a soft route introducing the new controls gradually. In this way, they hope to preserve the sensitivities of the local management and to ensure therefore a better acceptance of the new measures. Other Canadian acquirers have chosen to implement new management information systems in a block without any transition period. The reasoning is that a half implemented system is bound to have failures and therefore be an easy target for criticism from the local management. Training is always an important feature of the introduction of new controls. Whichever method has been used to introduce new controls they have been successfully accepted by French management. In conclusion, the best method of introduction depends very much on the internal culture of the Canadian acquirer rather than on peculiarities of French business culture.

**Canadian products may need to be adapted to the French market.**

The fact that French industry is more product oriented has as a consequence that overall specifications are more precise, more expensively engineered, and more design oriented. Products are often designed for a longer life cycle than in North America. Canadian companies have to be able to adapt their products to these new demands but can also gain from their association with French companies.