

4. COMPARISONS OF KEY LESSONS FROM EACH COUNTRY

Doing business in the UK

Canadians are viewed positively.

The British have a very positive view of Canada and Canadians, being seen to have the benefit of the straightforwardness of North Americans without the brashness of the American. Nevertheless, the image held can be a little dated, as underscored by the use of Mounties and lumberjacks in advertisements for Canadian products.

Some British people underestimate Canada's ties with the UK.

Some of those who are more familiar with the modern industrial Canada, and who are aware of how highly integrated the Canadian economy is with that of the US, can exaggerate the similarities of the US and Canadian business and social cultures, and underestimate the links and similarities with the UK. In particular, the Canadian legal and business cultures are much closer to the British than 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 UK than elsewhere in Europe. Similarly management and other systems may frequently be transferable.

Overstating the similarities can lead to problems.

A number of difficulties can arise if no account is taken of national or cultural differences. While rarely serious, differences in syntax or vocabulary can lead to misunderstanding or failure to communicate effectively. The sense of humour may differ, and Canadians can be thought flippant or over-familiar. One result is that advertising and communications campaigns may need to be adapted to the UK market. Finally, Canadian HQ's should remember that the time difference can impose some strains, if UK 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 UK will need to take account of the following differences:

- I Staff terms and conditions differ, and staff will have different expectations. In particular, holidays are longer in the UK than in Canada, and fringe benefits are more generous. On the other hand, salaries are lower than in Canada.
- I Planning and building rules are more strict in the UK, and formalities will take longer to sort out.
- I 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.

In common with Canada, Britain has a long tradition of free trade policy. While its membership of 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 which want to establish a subsidiary which can trade throughout the Community.