

## **JOHN L. ROBINSON, INTERIOR DESIGNER, TORONTO, ONTARIO**

John Robinson is an interior designer from Toronto who has lived and worked in Mexico for many years. He has seen a lot of foreigners arrive with big ideas and leave disappointed. "I don't think the cultural differences are stressed enough; it is the biggest hurdle foreigners must overcome and its impact on doing business should not be underestimated," he says.

Robinson has seen large, sophisticated operations founder on the inability of its expatriate staff to handle day-to-day business. "It is not just the language, it is the culture. You might understand the words, but what do the words really mean?" asks Robinson, referring to the many nuances a Mexican can place on what, to a foreigner, may sound like a straightforward conversation.

New entrants to the Mexican market should look for a partner "who is bicultural as well as bilingual," counsels Robinson. Not only does it take a great deal of time, patience and sensitivity to tap into the Mexican culture, there also exists a certain amount of hesitancy on the part of Mexicans to deal with North Americans. "There are insecurities on both sides," explains Robinson, "and these have to be understood." However, Robinson is quick to point out that cultural differences should pose no barrier to selling services into the Mexican market. For his part, Robinson loves the warmth and generosity of the Mexicans. Notes Robinson: "The people are terrific to work with."

As negotiations continue, it is important to anticipate as many challenges as possible, but it is unlikely that all contingencies can be provided for in the initial agreement. After all, one of the purposes of forming a partnership is to accommodate rapidly changing circumstances. Even the most carefully constructed arrangement will need to evolve as conditions change. Flexibility in its structure, however, will be useless unless it is matched by flexibility among the participants. The partners themselves must be open to ongoing modification of their arrangements. In successful partnerships, the negotiation process never really comes to an end.

The success or failure of any partnership depends on whether or not it successfully meets the objectives of both sides. To develop a stable partnering arrangement, the firm needs to be clear about its own goals and about those of the potential partner. Some goals and objectives may be explicit and clearly stated; some may be implicit and unstated. Understanding both is essential to success. The former can be discovered through the process of negotiating a partnering agreement. The latter, however, may require a careful study of the prospective partner's corporate activities even before the parties come to the negotiating table.

The two sides in a partnering arrangement do not necessarily need to have the same goals. It is enough, and perhaps even preferable, if their goals are complementary; however, incompatible ideas may indicate you are entering a venture with a high risk of failure:

- you experience difficulty agreeing on what is proprietary data;
- your prospective partner is trying to push you into making quick commitments;
- you sense they are not being honest and straightforward with you;
- they are uncomfortable discussing their intentions and plans; and/or
- they are spending a lot of money without serious thought.

If all else fails, negotiators must be ready to say "no" to a bad partnership deal or to receive a "no" from their negotiating partners.

## **CULTURAL ISSUES**

Partnering in Mexico introduces the element of (national) cultural differences into the business equation. How well-prepared is the Canadian firm to deal with these? Small firms can fit easily into a single overall strategy. The goals of both sides, however, should be reflected clearly in the partnering agreement. That may go a long way toward reducing the effort required to manage the relationship. It may also avoid a situation in which the partners may be confronted with a choice between opportunities that favour very different goals.