

Expect higher costs than in Canada. Most costs are higher than in Canada. The largest differences concern salaries, telecommunications and taxation levels. This implies that margins must be higher than in Canada to support the extra costs.

German staff are not mobile. Although most German executives speak fairly good English, they will be generally reluctant to move abroad. An argument put forward is that they do not want their personal routine disturbed. Another reason for their refusal to transfer is the attachment to their region, including its natural beauty. This attitude means that exchange programs are rarely implemented between German subsidiaries and foreign parent companies. As a result, foreign companies have a disadvantage in competing to recruit good people.

The distaste for travelling is also found among agents. Canadian companies who have used agents in many countries often find that their German agent never comes to see them.

Personal relations are extremely formal. Never use the familiar address form *Du*, or the first name unless you are asked to, which is extremely unlikely. Always use people's full titles such as *Herr Doktor* with their last names. If you break these rules, your German counterparts will think you are rude and therefore inferior. You will find that colleagues having worked 20 years side by side will address each other in this formal way and may never have set foot in each other's house.

There is little corporate entertaining. Corporate entertaining is not an important feature of doing business. It is rarely expected for two reasons.

The first reason is efficiency. If you have a meeting with a German business contact, a long time will be set aside for it, but there will be no small talk about the weather or the latest sports results. The meeting will start immediately with the core of the subject. Doing otherwise is considered a waste of time. If you are invited to have dinner with a business contact it is probably because there is no time to see you otherwise and the conversation will be almost entirely professional.

The second reason is the strong separation of personal from professional life. German executives guard their personal life. You will rarely be invited to a German colleague's home. This can be lonely for foreigners, who will need a long time to settle in and create a social life for themselves.

Most German executives have a good working knowledge of English. English has been taught as a second language systematically since the end of the Second World War, and the younger generation is influenced by American culture. However, a good working knowledge of English on the part of your German staff will not preclude misunderstandings related to language differences.

Germany offers proximity to Eastern Europe. Germany is seen by many Canadian companies as the best place for a company wishing to take advantage of the opening up of Eastern Europe while being based within the EC.

Doing Business in the Netherlands

In business, Canada has a neutral image. The Netherlands is a country that historically has been open to foreigners. Being a foreign company in the Netherlands is not a disadvantage and nationality does not affect business decisions.

Canada is associated with America for tough employment practices. Potential employees might associate Canadian companies with American companies, which have a reputation for using people