

STAFFING AND PERSONNEL ISSUES

MEETINGS

Working around cancelled meetings is a common problem. You can make an appointment but it may be cancelled by your Mexican counterpart on very short notice. Fine distinctions must be made in such matters. For instance, the other party may cancel a meeting because a positive outcome is deemed unlikely. Or your Mexican counterpart may feel forced to cancel because of a sudden demand for his or her time by a senior official. Mexicans avoid giving offence at all costs. A cancelled meeting may be seen as a much lesser offence than failing to agree to a meeting in the first place.

Doug Clark, Managing Director, Northern Telecom, Mexico, D.F.

LANGUAGE

"Language extends far beyond the spoken word. Very often that which was written in English or Spanish, and which both parties have appeared to understand, is badly interpreted in practice. The innuendo of the language, be it English or Spanish, is as important as the spoken word. Body language often communicates the message and cannot be readily interpreted by someone new to either the Mexican or Canadian culture. The nuances of body language will tell you more about the state of your business transaction than the spoken word. Misinterpretations can quickly dispel the advances made in your discussions."

Minister Counsellor, Embassy of Canada

ESTABLISHING THE RIGHT ATMOSPHERE

"Establishing the right atmosphere is the most important task in alliance management," observed one alliance manager. "Unless your managers have the right chemistry with their counterparts in the partner firm, the alliance will not go anywhere. The manager defined right chemistry as 'organizational trust, that is, trust within a firm and trust between a firm and its partner'. The alliance manager is responsible for creating and preserving both."

Michael S. Yoshino and U. Srinivasa Rangan.⁷

MANAGERS

Finding the right person to run the strategic alliance, or to look after liaison between the partners, is of vital importance. Such an individual must possess enough power within your firm to make things happen, plus a good understanding of the culture and the way things run in both parent companies. He or she must be active listeners, able to sense the unspoken and hidden dynamics of the other side and find reasonable compromises.

This "champion" is the driving force. Having taken responsibility within the firm for the successful formation of the relationship, and frequently having acted as a negotiator, the champion should continue to support the partnership once a deal is struck. It is vital that the benefits of the relationship continue to be promoted to other executives in the parent organization.

Apart from a champion in head office, a successful partnership will need a good manager on the ground. This manager should be flexible, and know the parent company well. In Mexico, a knowledge of Spanish is a definite asset, as is prior experience either in Mexico itself or in other overseas markets. It might be wise, for example, to designate one of the individuals involved in negotiations to serve as a key manager once the venture is launched.

The general manager can make or break the joint venture. Whether he or she is recruited from within the company or from outside, the general manager must be able to understand and balance the needs of both parent companies and the interests of the joint venture itself. It would be a mistake to hire the general manager from within your own ranks in the hope that he or she will favour the interests of your company over those of your partner's. It is upon such short-sighted motivations that joint ventures easily founder. Zero-sum games — games in which a winner is always balanced by a loser — should be avoided. After all, why should the loser cooperate?

It is important that other managerial staff in a joint venture be able to work well with the general manager and with each other. It has been suggested that members of the board of directors should be competent to effectively monitor and advise on specific areas of the joint venture. Technical staff will probably have to adapt to new ways of doing things and to a new and evolving culture. And, given the rapidly changing environment most strategic alliances have been created to tackle, the success of your venture may well depend on the quick and effective work of your technical people. Clearly, they will need to have both strong technical and interpersonal skills.

⁷ Michael S. Yoshino and U. Srinivasa Rangan. *Strategic Alliances. An Entrepreneurial Approach to Globalization*. Boston: Harvard Business School Press. 1995, p. 123.