For many U.S. entrepreneurs, the next step after national expansion is doing business around the world. After all, global markets can represent large opportunities for profit and growth, and it's easier than ever to connect and communicate across time zones and geographical locations.

But the technological simplicity of global communications doesn’t mean automatic business success from working with overseas partners. For Americans used to dealing exclusively with other people in the U.S., negotiating with international partners can still be a challenge, even in the globalized 21st century.

Professors William Hernández Requejo and John L. Graham of the University of California, Irvine, Paul Merage School of Business are experts in helping Americans create viable business relationships all around the world. Business News Daily asked the two about the challenge of these relationships and the solutions. [See Related Story: Going Global: How to Expand Your Business Internationally]
Business News Daily: What should readers know about your background on this topic?

John Graham: [William Hernández Requejo and I] have spent the last three decades deeply involved in international negotiation representing Fortune 500 companies; studying negotiation styles in 20 countries; [and] teaching international negotiations to American and foreign managers including Israelis, Cubans, and U.S. Marines. And between us, we’ve written four books on the topic. Our most recent and most controversial is “Inventive Negotiation: Getting Beyond Yes” [Palgrave Macmillan, 2014, co-written by Lynda Lawrence].

BND: Why do American business owners struggle to negotiate with international partners and customers?

William Hernández Requejo: Americans struggle in their negotiations with international partners and customers because they are not aware of the complexities such efforts entail. International work requires a lot of homework and a significant dose of patience. But most importantly, it requires innovation and provokes innovation. Americans [also] value good personal relationships less than our international partners [do]. We’re more interested in information, and they’re more interested in trust. We’re interested in making deals. They’re interested in building sustainable commercial relationships.

Graham: We see four kinds of problems in working in diverse groups: differences at the level of language, nonverbal behaviors, values and decision-making processes. Speaking the languages of your customers is key, yet Americans are lousy at languages. Already, interest in learning Chinese is beginning to wane in the U.S.

BND: How important a problem is this? Does it impact profits?

Graham: All these differences can get in the way of innovation and profits. The rituals of negotiation and the mutual decision-making processes vary around the world. In the States, negotiators prefer a one-thing-at-a-time approach, settling quantity, price, warranty, etc. sequentially. In Asia, a more holistic process is typical, where all issues are discussed in an apparently — to Americans — haphazard way. Americans get angry when a Chinese partner brings up price for the third time. Also, Americans can’t measure progress in the talks and tend to give things away when the other side is actually about ready to settle.

BND: What are some of the most common issues? Language? Humor? Others?

Hernández Requejo: Most of the problems we’ve described above can best get straightened out by investing time in building personal relationships first. As we mentioned, Americans need to understand the critical value this plays within negotiations.

BND: Are there particular cultures or nations that Americans struggle with?

Graham: The pitfalls of international negotiations vary from country to country. For example, Americans can’t keep their mouths shut during Japanese silent periods. That limits the information we can get, while we spill the beans to the Japanese. Alternatively, Americans don’t handle Israeli interrupts well. We get
annoyed with the Israeli aggressiveness. German frankness is off-putting, while Mexican indirectness is frustrating.

**Hernández Requejo:** One of the problems we have seen recently is the discord created when Cubans frequently interrupt Americans. The Americans get cranky, and the Cubans don’t learn as much as they’d like, because the conversational styles don’t mix well at the nonverbal level.

**BND: How can business owners do better at this? Training? Delegation? Consultants?**

**Graham:** All of these can be helpful. We know that training in innovation process can lead to more-inventive agreements and relationships. One of our clients, an executive at Ford, told us, "When you’re negotiating with Japanese, keep your mouth shut," which worked wonders in their joint venture with Nissan. Also, the importance of involving bicultural locals can’t be overstated. Trade always follows immigration, and perhaps the greatest asset we have in this country is immigrants from around the world.

Americans will do well to borrow ideas about negotiation from some of our foreign partners, particularly the Dutch and Japanese. Both are great at building sustainable and innovation-filled commercial relationships, by nature. We can also learn from Silicon Valley and Hollywood about inventive negotiation. Indeed, one of the most divisive international problems is intellectual-property-rights thefts by Chinese companies. However, we note some good news about inventive collaboration — teams of researchers that included both Americans and Chinese garnered a record 1,681 U.S. patents in 2015.

**BND: Where are we going with this? For instance, are cultural differences with potential Cuban partners likely to be a more important issue soon?**

**Hernández Requejo:** After more than half a century of commercial silence between our two countries, the doors of cooperation are beginning to creak open. During those 50 years, we have forgotten how to work together. Somewhere between Karl Marx and Wall Street is the middle ground of inventive negotiation — that is, collaboration and creativity.