

# Cultural barriers

As part of a fortnightly series, **Sergey Frank** analyses the communication and language difficulties when doing business in post-communist Poland



## How to negotiate

Poland's political transformation has left its stamp on the country's business life. With economic liberalisation has come growth, especially in financial services, telecoms and insurance.

A reform of the pensions system and privatisations in telecoms and power have attracted large amounts of foreign capital.

In the big cities, at least, Poland has a decent transport network with good roads and up-to-date telecoms. It can also furnish essential specialists such as international lawyers, chartered accountants and secretaries with knowledge of foreign languages.

In rural Poland, telecommunications are improving fast and facilities are generally available. But if you find yourself doing business outside Warsaw, Poznan or Krakow, you might need an interpreter - and country roads often leave a lot to be desired.

Infrastructure can be rebuilt in a decade. Established behaviour and thought patterns are harder to change. The market economy cannot be embraced overnight - less still become second nature. Thus you will

still see in Poland the remains of the old way of thinking.

In negotiations, the important question is who you are dealing with. Some younger managers have been educated in either western Europe or the US. Some have worked in subsidiaries of western companies, and can communicate and negotiate in a western-European or US style.

It is a different matter if you are negotiating with Polish business partners who are older and have spent most of their working life within the socialist system.

Such a negotiating partner will probably be well-educated and possess great technical expertise. Yet, you may face difficulties in dealing with commercial and business subjects, such as accounting standards. You should spend time explaining complex commercial issues clearly, so your partner understands you.

Psychologically, this is not always easy - especially during a tense process such as a negotiation. A schoolmasterly or arrogant manner is to be avoided at all costs. Adopt a friendly, unthreatening posture to build confidence between you and your counterpart. This will help you to clarify the subject of the negotiation, and means you will be well rewarded later in the process.

Your counterpart's managers and staff may need training. In-house training will be of great value to your business partner, and reduce your own costs. You can also suggest this during the negotiating process.

Because of the Polish law's complexity, contracts and technical and commercial documents, such as a feasibility study, will be very detailed. You should document agreements precisely so that you have some protection should the law change.

Polish managers do not spend much time on small talk, even at the start of a relationship. Negotiations tend to be unemotional and directed towards a goal.

Because Polish managers may be unfamiliar with the range of commercial techniques, your negotiating partners will probably find it hard to react in a flexible way when something unexpected crops up.

As well as this lack of flexibility, which may be severe enough to wreck the negotiating process, managers have to observe complex procedures if they want to secure the permits and licences that many deals require.

In order to get these, you will have to approach the public authorities, which are still rigid, poorly motivated and extremely slow. Hence, you should plan for a rela-

tively long-drawn-out timetable for your negotiation. That way, you can accommodate any delays caused by the authorities, and respond to any of their demands.

When negotiating with Polish business partners you will usually communicate in German or English. Although their grasp of a foreign language might seem quite advanced, it is easy to over-estimate someone's fluency.

Even if your business partner speaks German, this does not necessarily mean he or she will understand complex issues, especially commercial implications, or be able to express problems and interests properly.

This applies perhaps even more to English. As a rule, you should assume the average Polish manager will have insufficient command of the language to conduct a negotiation satisfactorily. If in doubt, you should avoid conducting the negotiation in the foreign language and seek the help of an interpreter.

Because the interpreter might come to play an important role in the negotiations, it is worth finding a reputable one.

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