



BUSINESS TRAVEL ABROAD

In This Chapter

- Documents you need to travel internationally
- Tips for travel and business meetings in your destination country
- Cultural factors to take into account

**FACT:**

Gathering and generating the proper documentation for overseas business travel requires time and attention to detail.

INSIGHT:

Allow six to eight weeks to acquire all the documents.

It is important to visit overseas markets—before any transaction occurs. As discussed in Chapter 3, many foreign markets differ greatly from the domestic market, and by visiting another country you can familiarize yourself with cultural nuances that may affect the design, packaging, or advertising of your product. Traveling abroad can generate new customers. As in the United States, clients and customers overseas often prefer to conduct business in person before concluding a transaction.

A successful business trip typically requires substantial planning (see Box 16.1). This chapter focuses on the many steps you need to take before traveling abroad and offers recommendations that will make the trip more successful.

OBTAINING PROPER DOCUMENTATION

All overseas travelers are required to have proper documentation before leaving the United States. You must have a current U.S. passport, visas from certain host countries, and—in some instances—vaccination records. If you're bringing a product for demonstration or sample purposes, an ATA carnet may also be helpful. Businesses should allow six to eight weeks to acquire all the necessary documents.

Carnets

The ATA carnet is a standardized international customs document used to obtain duty-free temporary admission of certain goods. The abbreviation ATA is derived from the French words *admission temporaire* and the English words *temporary admission*. Countries that are signatories to the ATA Convention require the carnet. Under the ATA Convention, com-

BOX 16.1 PREPARING FOR BUSINESS MEETINGS AND TRAVEL ABROAD

Preparation will help make your trip smoother and more productive. Here are some tips:

- **Schedule meetings before leaving the United States.**

You should determine if an interpreter is required and make all necessary arrangements before arriving. Business language is generally more technical than the conversational speech that many travelers are familiar with—and mistakes can be costly. The U.S. Commercial Service can assist in locating qualified translators.

- **Prepare new business cards in the proper languages.** In most countries, exchanging business cards at the first meeting is considered good

business manners. As a matter of courtesy, it is best to carry business cards printed both in English and in the language of the country being visited.

- **Prepare for different weather conditions.** Seasonal weather conditions in the countries being visited are likely to be different from conditions in the United States.

- **Address health care issues.** Plan appropriately for prescription drugs, health insurance, vaccinations, diet, and other matters.

- **Find out about the country's electrical current.** A transformer, plug adapter, or both may be needed to demonstrate company products

and to use personal electrical appliances.

- **Think about money.** U.S. banks can provide a list of automatic teller machines overseas, exchange rates, and traveler's checks.

- **Consider transportation.** You should be aware of the means of public and private transportation available in the country, have a plan in mind, and make any necessary arrangements before you arrive.

- **Prepare for differences in culture.** You should become familiar with basic cultural manifestations such as hand signals, street signs, and tipping.

commercial and professional travelers may temporarily take commercial samples; tools of the trade; advertising material; and cinematographic, audiovisual, medical, scientific, or other professional equipment into member countries without paying customs duties and taxes or posting a bond at the border of each country to be visited.

You should contact the U.S. Council for International Business to determine if the country you are visiting is a member of the ATA Convention. Carnets are generally valid for 12 months. To receive an application or to ask questions, contact the U.S. Council for International Business, 1212 Avenue of the Americas, New York, NY 10036; call (866) 786-5625; or visit www.uscib.org.

Passports

All travel outside the United States and its possessions requires a valid U.S. passport. Information is available from the nearest local passport office. A wealth of information is available online from the U.S. Department of State about U.S. passports, applications, and renewals. You can obtain a nationwide listing of government offices that have passport

applications, or you can download a printable application from the State Department at www.state.gov.

Visas

Many countries require visas, but they cannot be obtained through the Passport Services Directorate. Visas are provided by a foreign country's embassy or consulate in the United States for a small fee. You must have a current U.S. passport to obtain a visa, and in many cases, a recent photo is required. You should allow several weeks to obtain visas, especially if you are traveling to developing nations. Some foreign countries require visas for business travel but not for tourist travel. When you request visas from a consulate or an embassy, you should notify the authorities that you will be conducting business. You should check visa requirements each time you travel to a country because regulations change periodically. Contact an Export Assistance Center to learn about documentation requirements for the countries where you will be traveling.

Vaccinations

Requirements for vaccinations differ by country. Although there may not be any restrictions on direct travel to and from the United States, there may be restrictions if you travel indirectly and stop over in another country before reaching your final destination. Vaccinations against typhus, typhoid, and other diseases are advisable even though they are not required. The Centers for Disease Control and Prevention (CDC) maintains a Web page to advise travelers of current conditions by country and region at <http://wwwn.cdc.gov/travel/default.aspx>.

Foreign Customs

Because foreign customs regulations vary by country, you are advised to learn in advance the regulations that apply to each country that you will be visiting. If allowances for cigarettes, liquor, currency, and certain other items are not taken into account, those items can be impounded at national borders.

PLANNING AN ITINERARY

Travel agents can arrange transportation and hotel reservations quickly and efficiently. They can also help plan the itinerary, obtain the best travel rates, explain which countries require visas, advise on hotel rates and locations, and provide other valuable services. Because hotels, airlines, and other carriers pay travel agents' fees, this assistance and expertise may be free.

A well-planned itinerary enables you to make the best use of your time abroad. Although it is expensive to travel and your time is valuable, an overloaded schedule can be counterproductive. Two or three definite appointments, confirmed well in advance and

spaced comfortably throughout a day, are more productive and enjoyable than a crowded agenda that forces you to rush from one meeting to the next before business is really concluded. If possible, you should plan an extra day to rest to deal with jet lag before starting your scheduled business appointments. As you plan your trip, you should keep the following travel tips in mind:

- The travel plans should reflect your company's goals and priorities.
- You should obtain the names of possible contacts, arrange appointments, and check transportation schedules before the trip begins. The most important meetings should be confirmed before you leave the United States. The U.S. Commercial Service can offer assistance through programs such as the Gold Key Service. Refer to Chapter 6 for additional information.
- As a rule, you should keep the schedule flexible enough to allow for both unexpected problems (such as transportation delays) and unexpected opportunities. For instance, accepting an unscheduled luncheon invitation from a prospective client should not keep you from missing the next scheduled meeting.
- You should confirm the normal workdays and business hours in the countries being visited. In many Middle Eastern countries, for instance, the workweek typically runs from Saturday to Thursday. Lunchtimes of two to four hours are customary in many countries.
- You should also contact an Export Assistance Center to learn of any travel advisories issued by the U.S. Department of State for countries you plan to visit. Advisories alert travelers to potentially dangerous in-country situations. The U.S. Department of State also includes travel advisories on its Web site at www.state.gov.

OBTAINING ASSISTANCE FROM U.S. EMBASSIES AND CONSULATES

When planning a trip, you can discuss your needs and the services available at particular embassies with the staff of your local Export Assistance Center. You may also find it useful to read the appropriate Country Commercial Guide provided by the Department of Commerce.

Commercial and economic officers in U.S. embassies and consulates abroad assist U.S. exporters by providing in-depth briefings and arranging introductions to appropriate firms, individuals, or foreign government officials. Your local Export Assistance Center can help you access these services, or you can contact embassy and consulate personnel directly. Arrangements should be made as far ahead as possible. You may also find it useful to read the appropriate Country Commercial Guide provided by the Department of Commerce.

Also, a description of your firm and the extent of your international experience would be helpful to U.S. government officials abroad. Addresses of U.S. embassies and consulates throughout the world are available on the U.S. State Department Web site at www.state.gov.

CONSIDERING CULTURAL FACTORS

Businesspeople who hope to profit from their travel should learn about the history, culture, and customs of the countries they wish to visit. Flexibility and cultural adaptation should be the guiding principles for traveling abroad on business (see Box 16.2). Business manners and methods, religious customs, dietary practices, humor, and acceptable dress vary from country to country. You can prepare for your overseas visits by reading travel guides, which are located in the travel sections of most libraries and bookstores.

Some of the cultural differences that U.S. firms most often face involve business styles, attitudes toward business relationships and punctuality, negotiating styles, gift-giving customs, greetings, significance of gestures, meanings of colors and numbers, and customs regarding titles.

The cultural anthropology literature has given us many insights into how other countries do business and how to avoid cultural blunders. One example is that Thais consider it a serious offense for someone to touch them on the head. Useful to know? Maybe. But it's hard to imagine in the United States or anywhere else businesspeople meeting for the first time or even after several times and engaging in head touching or hair messing. So by all means read the literature and talk with people who know the culture. But don't be intimidated and don't be reluctant to meet people. And do keep these general rules in mind.

Understanding and heeding cultural differences are critical to success in international business. Lack of familiarity with the business practices, social customs, and etiquette of a country can weaken your company's position in the market, prevent you from accomplishing your objectives, and ultimately lead to the failure of your exporting effort.

Americans must pay close attention to different styles of doing business and the degree of importance placed on developing business relationships. In some countries, businesspeople have a very direct style, while in others they are more subtle and value personal relationships more than most U.S. businesspeople do. For example, in the Middle East, engaging in small talk before engaging in business is standard practice.

Attitudes toward punctuality vary greatly from one culture to another, and misunderstanding those attitudes may cause confusion. Romanians, Japanese, and Germans are very punctual, whereas people in many of the Latin countries have a more relaxed attitude toward time. The Japanese consider it rude to be late for a business meeting but acceptable—even fashionable—to be late for a social occasion. In Guatemala, though, one might arrive from 10 minutes early to 45 minutes late for a luncheon appointment.

FACT:

First impressions are important.

INSIGHT:

Americans must pay attention to different styles of doing business. In some countries, businesspeople have a very direct style, while in others they are more subtle and place more value on personal relationships.

BOX 16.2 TOP 10 BUSINESS CULTURE TIPS

1. Answer queries. Always politely and promptly answer e-mail, fax, and telephone inquiries from overseas. Provide price lists, quotes, and other information. Build your own marketing list from the contacts. The query you ignore today could be your next best source of future business.

2. Start with what you know. Consider doing business first with a business culture and system similar to that of the United States. Canada and the United Kingdom are good markets to start in.

3. Learn from your domestic customers. Apply cultural knowledge you gain from selling to Latino, Asian, and other consumers in the United States. Preferences, product usage, and business protocol won't translate perfectly, but helpful information can be harvested here in the United States and applied to market entry efforts abroad.

4. Be patient. Different cultures have different concepts of time. Few markets have a faster business pace than the United States; many are slower.

5. Take time to develop personal relationships. Especially do so with distributors or large-volume buyers. Remembering birthdays and other important events in the lives of your business associates and their families are good intercultural business practices. It is generally not difficult for Americans to be warm, welcoming, respectful, and thoughtful. Be yourself—or even a little more. If you can't, or the self you know doesn't fit this profile, consider sending someone else.

6. Learn the language. A few words of the native language of your buyers or business associates will go a long way. They will appreciate the effort. Words of welcome on your Web site, and maybe a currency converter, will further demonstrate your interest in doing business in ways that are mutually respectful.

7. Get an intern. As business develops with overseas customers, consider recruiting a college student intern who

speaks the language and understands the business culture. Interns are especially valuable in doing business with customers in Japan, China, and Arabic-speaking countries.

8. Attend a U.S. trade show. Find one in your industry where foreign buyers are present. You can make good contacts—even sales—and test the waters before heading overseas.

9. Attend an international trade show in your industry. The U.S. embassy often staffs a U.S. pavilion where U.S. sellers and foreign buyers, often from many countries in a region, meet. A great way to understand a different business culture is to do business, not read about how others do it.

10. Get help. Before you head overseas on a business development trip, contact the U.S. embassy and the U.S. Commercial Service. They'll line up qualified buyers for you to meet, and they'll counsel you on business protocol, market intelligence, regulatory issues, and much more.

When cultural lines are being crossed, something as simple as a greeting can be misunderstood. Traditional greetings include shaking hands, hugging, kissing, and placing the hands in praying position. The “wrong” greeting can lead to an awkward encounter.

People around the world use body movements and gestures to convey specific messages. Misunderstandings over gestures are common occurrences in intercultural communication and can lead to business complications and social embarrassment.

Proper use of names and titles is often a source of confusion in international business relations. In many countries (including Denmark, France, and the United Kingdom), it is appropriate to use titles until use of first names is suggested. First names are seldom used when doing business in Germany. Visiting businesspeople should use the surname preceded by the title. Titles such as “Herr Direktor” are sometimes used to indicate prestige, status, and rank. Thais, however, address one another by first names and reserve last names for very formal occasions and written communications. In Belgium, it is important to address French-speaking business contacts as “Monsieur” or “Madame,” whereas Flemish-speaking contacts should be addressed as “Mr.” or “Mrs.” To confuse the two is a great insult.

Understanding the customs concerning gift giving is also important. In some cultures, gifts are expected, and failure to present them is considered an insult. In other countries, though, offering a gift is considered offensive. Business executives also need to know when to present a gift (on the initial visit or afterward, for instance); where to present the gift (in public or private, for example); what type of gift to present; what color it should be; and how many gifts to present.

Gift giving is an important part of doing business in Japan, where gifts are usually exchanged at the first meeting. In sharp contrast, gifts are rarely exchanged in Germany and are usually not appropriate. Gift giving is not a usual custom in Belgium or the United Kingdom either, although in both countries, flowers are a suitable gift when you are invited to someone’s home.

Customs concerning the exchange of business cards also vary. Although this point may seem of minor importance, card giving is a key part of business protocol. In Japan, for example, the Western practice of accepting a business card and pocketing it immediately is considered rude. The proper approach is to carefully look at the card after accepting it, observe the title and organization, acknowledge with a nod that the information has been digested, and perhaps make a relevant comment or ask a polite question.

Negotiating is a complex process even between parties from the same nation. It is even more complicated in international transactions because of the potential misunderstandings that stem from cultural differences. It is essential to understand the importance of rank in the other country and to know who the decision-makers are. It is important to be familiar with the business style of the foreign company, to understand the nature of agreements there, and to know the significance of gestures and negotiating etiquette.

Through research or training, you can have a working knowledge of the business culture, management attitudes, business methods, and consumer habits before you travel abroad. That knowledge is very likely to have a positive effect on your overseas travel. Your local Export Assistance Center can provide what you need to make a strong first impression.

CASE STUDY:

Candy Bouquet International

“If you do what you love, you will never work a day in your life.”

—Margaret McEntire, founder, president, and chief executive officer, Candy Bouquet International

THE COMPANY

Chocolate vases, squares of vanilla fudge, and sugar-free lemon drops—what better way to grow a business than appealing to the world’s sweet tooth? Margaret McEntire, founder, president, and chief executive officer of Candy Bouquet International, thought so. Her firm is now the largest candy franchise in the world. But it wasn’t always that way. Candy Bouquet started as a one-room operation in 1989, but by 1995, McEntire was looking to expand her business overseas.

THE CHALLENGE

McEntire says her biggest challenges have been learning more about business practices in different cultures, gaining key market information, and learning about channels of trade. Educating foreign businesspeople about American franchises is another challenge, and so is describing what a candy bouquet is. The company has had to explain the concept of rolling a candy store and a florist together and making a product that is really all candy.

THE SOLUTION

In 1995, McEntire attended a trade show in Washington, D.C., where she met a trade specialist from the U.S. Commercial Service. That connection led to her participation in a Commercial Service mission to Eastern Europe and introduced her to doing business in foreign markets.

In the years that followed, Candy Bouquet expanded to dozens of foreign countries. The company’s unique franchising system allows individuals to make a single purchase into the franchise and pay no continual overhead. The only requirement is that their supplies must come from the Candy Bouquet warehouse in Little Rock, Arkansas.

“One of the most helpful things I’ve found in doing foreign business is having a person we know in that country to help us out,” says McEntire, referring to the Commercial Service’s worldwide network of trade specialists. She credits much of her success to Dennis Millard, a trade specialist at the Little Rock Export Assistance Center. “When I know a foreign franchisee is coming, I call Dennis at our local U.S. Commercial Service office, and he provides me

with solid information on the business practices of that culture.”

Millard has also helped her take advantage of many Commercial Service programs. Candy Bouquet participates annually in the International Franchise Trade Show and has taken part in trade missions around the world. In 1999, McEntire participated in the Women in Business Matchmaker Trade Mission to South America and the Women’s Economic Summit of the Americas in Buenos Aires, Argentina. McEntire is also a frequent participant in Commercial Service global video teleconferencing. She is a regular presenter at the international trade events sponsored by the Little Rock Export Assistance Center and shares her experiences with other businesses that are new to exporting. McEntire also advertises in *Commercial News USA*, a product catalog produced by the Commercial Service and distributed to more than 400,000 overseas buyers.

With assistance from the Commercial Service, Candy Bouquet has expanded from a single-room operation to more than 700 franchises in more than 40

countries. McEntire says, “Nobody likes to pay taxes but [the Commercial Service] is the best use of my tax dollars.”

LESSONS LEARNED

McEntire has several lessons to pass along to new exporters:

- **Adapt your product for other cultures.** In one instance, McEntire was trying to sell chocolate vases in Malaysia, but there were few takers: “We discovered that Malaysians ... thought the chocolate pieces were too big. So we got the idea of ordering sample sizes from the manufacturer, and it did the trick.”
 - **Educate yourself about local practices.** On one occasion, McEntire shipped candy to Saudi Arabia in boxes that bore pictures of women’s hands holding drinking glasses. Saudi Arabians don’t drink, so their customs bureau returned the boxes. On another occasion, McEntire invited three potential Candy Bouquet franchise owners from Indonesia, Malaysia, and the United Arab Emirates (UAE) to visit her home for training. The gentleman from the UAE eventually wanted to pray. “Margaret,” he asked, “which way is Mecca?” McEntire has learned to be prepared for any cultural contingency.
 - **Realize that there will be setbacks.** One such setback occurred in Cairo, where women seldom start their own businesses. Much of the candy that her franchisees had ordered was burned on the airport tarmac. Eventually, many of the women were able to persuade their husbands to join in as business partners, making the venture more socially acceptable.
- **Protect your intellectual property.** In China, someone copied McEntire’s brand name and then tried to order additional candy from her. Fortunately, other Candy Bouquet franchisees in China informed McEntire about what was going on. She is now pursuing legal action.
 - **Enjoy your work.** “I love my job; it’s fun to go around the world to help people eat candy and chocolate,” McEntire says. “We are changing the face of the world with a brand-new industry, and it is very gratifying to see our franchisees succeed and help the local economy. If you do what you love, you will never work a day in your life.”

ACTION

Find out if franchising is your window to exporting:

- **Consider the advantages of franchising.** According to Sam Dhir of the U.S. Commercial Service, franchising offers several advantages for businesspeople interested in exporting. First, the franchisee is managing an established concept. It has already been market tested, so the franchise is a low-risk investment. Second, the franchisee is his or her own boss. And third, the franchisee receives the full support from the master franchiser in terms of training, advertising, and market support. For more information about franchising, visit the International Franchise Association Web site at www.franchise.org.

- **Be aware of the social customs of target markets.** Dhir recommends that potential franchisees look closely at the social customs in the country where they would like to do business. Contacting the Commercial Service office in that country is an excellent way to learn about cultural issues and ways of doing business. Visit www.export.gov for the nearest U.S. Export Assistance Center, and that office will contact the appropriate Commercial Service post in the country of interest.



Margaret McEntire, founder, president, and chief executive officer of Candy Bouquet International, started the business out of her garage in 1989. The Little Rock, Arkansas, firm now has candy and flower bouquet franchises in more than 40 countries.