

# The truth about cross-cultural B2B relationships

PART 2: CULTURAL FLUENCY IN BUSINESS



# Introduction

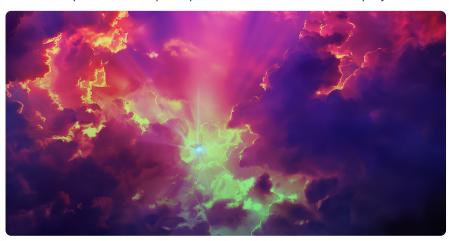
International business-to-business (B2B) relationships are human relationships. The culture of client and supplier impacts on the success of a business deal.

In part two of this series on international business relationships, the International Chamber of Commerce (ICC), Jus Connect, and McCann Truth Central have brought data and insights to understand the role of culture in business.

This study, based on desk research, 1,701 new quantitative surveys with business leaders and legal professionals, and over 20 in-depth interviews with global experts in B2B relationships, started by exploring the role of human emotion in business relationships. This second installment examines how culture plays a part.

This series of reports provides insight into the balance of human experience and the strength of business agreements. By understanding how culture and contracts interact, businesses can learn to form and maintain long-term, successful relationships.

This series provides new principles for a new cross-cultural playbook and



the opportunity to re-map the world, not by geographic regions, but by business culture and practice.

## **Key insights for this series include:**

#### Part 1 - Emotional influence in B2B

Understanding that emotion is key to B2B decisions should frame the understanding of other steps in the business journey. It's also important to anticipate the right emotions at the right time. Not only are business leaders two times more emotionally connected to B2B brands than FMCG brands, but these emotions range from a high positive at the start of a new B2B business journey and during long-term delivery, to strong negativity when business relationships hit moments of friction.

#### Part 2 - Business culture fluency reduces friction

Studies on cultural fluency often focus too much on local customs and traditions. This study takes a step further and looks at how local culture and business culture impact the day-to-day behaviour and cultural expectations of people in business. We provide a new cultural playbook.

This study shows that there are cultural clusters, with businesspeople in one country having a higher tendency towards one behavior than another, but and provides additional context to show that business culture varies within businesses inside a country. This helps to challenge cultural stereotypes, allowing businesses to explore and discover the cultural preferences of their client or supplier and adapt behavior to suit that relationship.

When understood, business culture offers a framework for anticipating a client or supplier's needs and helps to avoid or address potential points of friction. Remapping the world according to business culture rather than geographic or economic criteria offers insights into achieving business cultural fluency.

#### Part 3 - Contracts or people?

For some, the contract is an opportunity to lock a scope; for others, it's the basis for a flexible relationship. Finding out your client's or supplier's cultural perspective on contracts helps provide clearer approaches to using them.

#### Part 4 - Win-win is better than win-lose

Business leaders favor amicable approaches to building long-term business relationships and, when things go wrong, prefer similar win-win dispute resolutions over legal proceedings (what is also called "interest-based outcomes").

#### Part 5 - Siloed departments limit business success

Departments traditionally assigned a single role (like legal teams or marketing teams) can be integrated deeper into the B2B journey to bring their skills to other stages of the process.

#### Part 6 - One size does not fit all

Not only does this series of reports show that one global approach to B2B relationships doesn't work, but it also demonstrates differences between countries and within different groups, like different genders, ages, and professions.

## Global cultural insights, local impact

The global reach of ICC, Jus Connect, and McCann Truth Central provided a significant resource pool for mapping cultural differences. Our initial report showed that most international B2B journeys begin with positive emotions like excitement and intrigue, reflecting the chance to win new clients or onboard suppliers. However, beneath this enthusiasm, businesspeople share a common concern about international deals.

It is not a worry about differences in international contract law, navigating customs barriers, or fluctuations in exchange rates. Instead, it comes

back to the fundamental foundation of successful B2B relationships: people.

In our research, we asked over 1,700 business leaders and legal professionals in nine different countries what their main concern was about starting a new business relationship. The top two responses were about communication on a human level: language barriers and cultural differences.

To help businesspeople navigate those concerns about cultural differences in an international business relationship, we highlight two important principles:

- 1. People in different countries show a tendency towards specific cultural values. Anticipating those can help businesses have more cultural fluency and avoid friction in international business.
- 2. Our research identified four broad cultural segments based on behavioral preferences in business relationships.

These segments can be found in all countries but in different quantities.

Why is this important, and how can it improve how you conduct business?

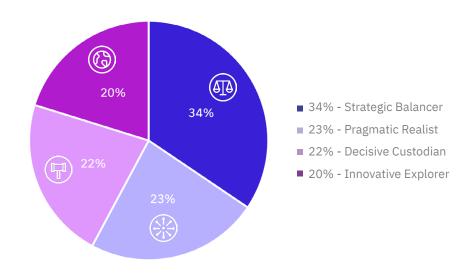
First, avoid thinking of a country's culture as a single stereotype. In our in-depth interviews, some individuals' perceptions of a country's culture were based on only a few interactions with businesspeople from that country.



Secondly, learning about the cultural segments is a quick and easy way to identify how the client or supplier might prefer to interact, enabling you to tailor your engagement strategy to suit their preferences and ensure a more productive and harmonious business relationship.

## **Meet the cultural segments**

Our data showed how people from different cultures behave in business settings. Questions ranged from the importance of emotional connections and clear contracts to simple micro-behaviors, such as whether they would CC a boss on an email or their preference for meeting agendas. Our analysis cut through traditional geographic boundaries to offer a fresh perspective on global business interactions, identifying four distinct cultural segments:



**Base**: 1,701 surveys of senior B2B business leaders and legal professionals

## The Strategic Balancer



The largest cultural behavior group in B2B relationships. As their name suggests, Strategic Balancers navigate a mix of pragmatic requirements and creative potential, prioritizing transparency, mutual growth, and a combination of solid track records with innovative approaches to foster long-term, flexible partnerships.

These people approach business deals and interactions with an ability to balance often opposing forces of risk aversion and a desire for creativity. Direct in their approach to communication, and less likely to worry about causing offense at the expense of clarity, Strategic Balancers seek partners that are transparent and able to display a proven track record at the outset of a business relationship.

#### Watch outs:

Some people might be offended by their preference for giving direct, unfiltered feedback. Remember, they do this because they prefer to ensure clarity in feedback rather than accept the risk of ambiguity.

Strategic Balancers prefer contractual agreements with realistic goals, which works for most, but this might frustrate those who prefer a looser contract that allows them to focus on the vision of the outcome. This doesn't mean Strategic Balancers don't embrace long-term vision; they just try to achieve it in realistic, incremental steps.

# The Pragmatic Realist



While they prefer structure and detail in business relationships. they are also the most likely to give a little flexibility in a contract

#### Watch outs:

# The Decisive Custodian (🖫)



#### Watch outs:

# The Innovative Explorer (3)



The smallest cultural segment, representing only around 1 in 5 people in business. They champion open communication and creativity, valuing emotional chemistry and co-creation over rigid structures, and viewing business relationships as collaborative partnerships that thrive on flexibility and shared success.

They are also the most likely to set ambitious, sometimes even unrealistic goals. This helps them reach as high as possible, and their flexible approach to business means that if this takes them further than expected, even if they don't reach the target they set, it's still a positive outcome.

#### Watch outs:

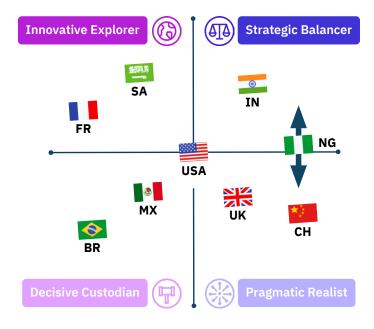
They are the most likely to involve junior colleagues in important decisions. While they see this as a positive collaboration step, other segments could potentially be offended if they think it's best to have senior-to-senior decision-making.

They're also the least likely to agree that "the customer is always right," with suppliers in this segment sometimes insisting their way is right. While this could cause offense among hierarchical cultural segments, embracing their confidence could also deliver unexpected outcomes... for better or worse!



## **Country prominence of cultural** segments

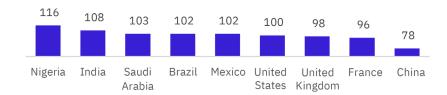
All four cultural segments exist in all nine markets. There is no single "archetype" for a businessperson from a single market. However, data analysis can highlight the prominence and frequency of where these segments are more or less likely to appear.



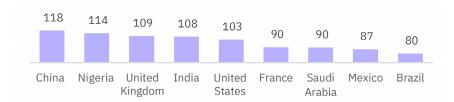
The positioning shows where countries significantly over-index compared to the global average in having more businesspeople in their country who prefer the business behaviors of that segment. An index of 100 is average; higher indices indicate greater country prominence.

#### **COUNTRY PROMINENCE:**

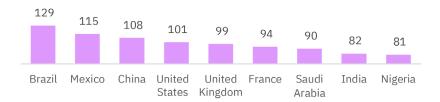
#### **Strategic Balancer**



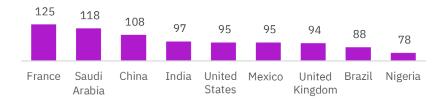
#### **Pragmatic Realist**



#### **Decisive Custodian**



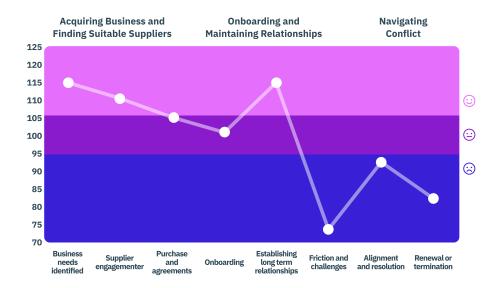
#### **Innovative Explorer**



## How to have cultural fluency along the B2B journey

In our first report on B2B relationships, we highlighted the key stages of the B2B journey, shown in the table on the right. This shows the high points of emotional positivity and the risks of negativity and conflict.

In the table below, we summarize the cultural preferences of the four segments, acting as a quick reference guide to how people in business can plan and adapt their behaviors to suit the needs of business partners all over the world, not simply by anticipating a single behavior based on nationality, but by identifying the preferences and acting accordingly.



	Acquiring Business & Suppliers	Onboarding & Relationships	Navigating Conflict
Strategic Balancer	They look for a balance of pragmatic requirements and creative potential with clear expectations & room for flexibility.	Direct communication, will address concerns promptly, believes in mutual growth through collective trust.	Setting realistic goals means they expect them to be met. Likely to take swift and decisive action if they are let down.
Pragmatic Realist	Expect the detail of the exact requirements from the start. Expect evidence of how it will be a benefit to their business growth.	Once the project starts, they are pragmatic, sharing only the information needed to keep the project moving forward.	Friction and problems are dealt with pragmatically. Second chances given, if they are convinced the outcome will still be met.
Decisive Custodian	Contract detail and agreements are the foundation of a strong relationship. Expect senior stakeholders involved throughout.	Expect business partners to stick to a clear project plan and deliverables in line with the contract.	Will escalate problems to seniors quickly and likely to cancel a contract the quickest if expectations are not being met.
Innovative Explorer	Are inspired by the vision and end-goal when starting a new project. Value emotional chemistry and co-creation of outcomes.	Prefer to have both junior and seniors involved in delivery. Prefer a flexible and collaborative approach to relationships.	A higher willingness to set unrealistic goals can lead differences in success measures. Prefer consensus on the resolution.

## How to identify and anticipate

This report highlights four broad cultural segments which help businesses adapt behaviors, improve cultural fluency, and reduce business friction.

In order to make this work, a culturally fluent businessperson also needs to do some of their own research to work out which segment a new business partner leans toward. This can be done both at an organizational level, to see whether the overall culture of a new client or supplier leans more toward one segment or another, as well as at an individual level, identifying how their day-to-day individual contact person prefers to manage business relationships.

- 66 Do your homework. Find out about the country, the company, but also the person. Listen to them first to understand how they like to do business. 99
  - Global business leader
    - 66 Historically, we've organized teams by geography and region for practicality. Al tools mean that perhaps in the future we should match teams to culture and behavior, not just the geography. ??
      - Global business leader

#### Two approaches to identifying preferences in business behavior and cultural segments:

#### 1. Ask questions and record observations

Ask questions about how new business contacts prefer to do business, observe business behaviors, and read the content of the organization's online materials or the language used in correspondence.

These could include direct questions like:

"How important is flexibility vs. fixed outcomes in a contract to you?"

"Is it more important to set a vision for a supply relationship or to set out a step-by-step delivery plan?"

"Should I bring every issue or concern to you first, or do you prefer the supplier to find a solution before flagging a problem?"

"Do you prefer clear meeting agendas and detailed project plans or more open, flexible, and collaborative meetings?"

#### 2. Use technology and AI to identify behaviours and cultural segments

Natural language analysis can scrape, code, and identify the language used by a supplier to determine a language of caution, pragmatism, or exploration.

Using online databases and tools to involve the best expert or business lead in a business interaction or relationship management.

favor of AI & Tech for resolving **business disputes** 

# **Conclusions**

This report challenges old country stereotypes, highlighting that individual behavioral and cultural preferences cross borders and exist in all countries.

It shows that while these four key segments of business behavior can be found in all countries, they are also more or less prominent in some countries.

This study shows how understanding feelings and different cultures helps businesses work better together across the world. We looked at four main types of business culture and behaviors: Strategic Balancer, Pragmatic Realist, Innovative Explorer, and Decisive Custodian. While every businessperson is an individual, these segments help to provide a cultural framework to explain how different people start new business deals. handle ongoing business relationships, and solve problems.

# **Implications**

### **Recommended actions:**

#### 1. Enhance cultural training and fluency

Invest in comprehensive cultural training for their teams. This could include introducing the four segments of business behavior: Strategic Balancer, Pragmatic Realist, Innovative Explorer, and Decisive Custodian.

Other behavioral segmentation frameworks also exist, which can be a useful tool, but these tend to focus on individual personality types, which are more focused on individual values and personality, instead of being specifically about cross-cultural and international B2B business relationships, which our study has been more focused on.

#### 2. Implement adaptive communication and team structures

Create team structures and communication approaches that can adapt to different supplier or client needs and preferences. This could include tailoring the way business partners are engaged at the very start of a potential relationship, through to ongoing relationships, through positive highs and challenging lows.

#### 3. Leverage research and technology for cultural insight

Our research found that people easily go into new relationships with assumptions based on anecdotal evidence and previous experience. Encourage teams to do their research to identify the cultural segment of a new business partner by asking direct questions or using technology to identify their cultural preferences and tendencies.

## **About the organizations**

#### **International Chamber of Commerce (ICC)**

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 170 countries. ICC's core mission is to make business work for everyone, every day, everywhere. Through a unique mix of advocacy, solutions and standard setting, we promote international trade, responsible business conduct and a global approach to regulation, in addition to providing market-leading dispute resolution services. Our members include many of the world's leading companies, SMEs, business associations and local chambers of commerce.

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#### **Jus Connect**

Originating from the extensive Jus Mundi arbitration and international law database and empowered by Conflict Checker, Jus Connect epitomizes informed decision-making. We provide legal teams with unparalleled data-backed profiles and analytics, enabling them to strategically choose external counsel, experts, or arbitrators while avoiding conflicts of interest. But it's not just about selection; law and expert firms find in us a partner that amplifies their reach and revenue. With our tailored business development solution, arbitration teams can showcase their practice, setting them apart in a competitive market.

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#### **McCann Worldgroup Truth Central**

McCann Worldgroup Truth Central is McCann's global intelligence unit dedicated to unearthing the macro-level truths that drive people's attitudes and behaviors about life, brands, and marketing. Truth Central leverages its expertise in global marketing and communications to navigate and articulate complex cultural nuances, shaping insights that drive strategic business decisions.

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# → Next time

In the next installment of this series, we take a deeper look at the role of the two main components of a successful B2B business deal: the contracts and the people. We ask business leaders which matters most to success and understand how the importance of emotion and cultural preferences influence how a business person viezs contracts and people in a deal.