

It is highly recommended that company officials visit the countries to examine the markets where they are considering selling their products before any transaction occurs. As discussed in [Chapter 2](#), many foreign markets can differ greatly from the United States and by visiting a country, a company can familiarize itself with cultural nuances which may impact the design, packaging or advertising of the product. Moreover, traveling abroad allows one to locate and cultivate new customers, as well as improve relationships and communication with current foreign representatives and associates. As in the United States, clients and customers prefer to conduct business in person before concluding a transaction.

Typically, a successful business trip requires months of planning. This chapter focuses on the many steps required before traveling abroad and offers recommendations that will make the trip more successful.

Proper Documentation

All overseas travelers are required to have proper documentation before leaving the United States. Businesspersons are required to have a current U.S. passport, visas from certain host countries and, in some instances, vaccination records. If the company is bringing a product for demonstration or sample purposes, then an **ATA carnet** may also be required. Businesses should allow six to eight weeks to acquire all of these documents.

Carnets: The ATA (Admission Temporaire) Carnet The ATA Carnet is a standardized international customs document used to obtain duty-free temporary admission of certain goods into the countries that are signatories to the ATA Convention. Under the ATA Convention, commercial and professional travelers may take: commercial samples; tools of the trade; advertising material; and cinematographic, audiovisual, medical, scientific, or other professional equipment into member countries temporarily without paying customs duties and taxes or posting a bond at the border of each country to be visited.

The traveler should contact the U.S. Council for International Business to determine if the country to be visited is a member of the ATA Convention. The U.S. Council for International Business will answer questions regarding ATA Carnets and assist U.S. companies with the application. A fee is charged, depending on the value of the goods to be covered. A bond, letter of credit, or bank guaranty of 40 percent of the value of the goods is also required to cover duties and taxes that would be due if goods imported into a foreign country by carnet were not reexported and the duties were not paid by the carnet holder. 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; telephone 212-354-4480.

Passports: A valid U.S. passport is required for all travel outside the United States and Canada. Passports may be obtained through passport agencies, certain local post offices, and U.S. district courts. Application may be made in person or by mail. A separate passport is needed for each individual who will be traveling. Applicants must provide proof of citizenship, proof of identity, two identical passport photos, a completed application form, and the appropriate fees. The cost is \$65 per passport (\$40 for travelers under 18). The usual processing time for a passport (including time in the mail) is three weeks, but travelers should apply as early as possible, particularly if time is needed to obtain visas, international drivers licenses, or other documents. Emergency situations can be expedited within two weeks for an additional \$30 and proof of the need for the service. REMINDER: If you have a current passport, make sure that it remains valid for the entire duration of the trip. Some countries require that the passport has a validity period of up to one year after travel to the country.

Information is available from the nearest local passport office or by calling the Office of Passport Services in Washington, D.C. (202-647-0518). Individuals can obtain a nationwide listing of government offices which have passport applications or they can download a printable application from the U.S. Department of State homepage at <http://travel.state.gov>.

Visas: Visas are required by many countries and cannot be obtained through the Office of Passport Services. They are provided by the foreign country's embassy or consulate in the United States for a small fee. The traveler must have a current U.S. passport to obtain a visa; many cases, a recent photo is required. The traveler should allow several weeks to obtain visas, especially if traveling to developing nations. It is important to note that some foreign countries require visas for business travel but not tourist travel. Therefore, when company representatives request visas from a consulate or embassy, they should notify the authorities that they will be conducting business. Business people should check visa requirements each time they 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. While there may not be any restrictions on direct travel to and from the United States, there may be restrictions if individuals travel indirectly, by stopping over in one country before reaching their final destination. Vaccinations against typhus, typhoid, and other diseases are advisable even though they are not required. The Center for Disease Control (CDC) maintains a fax-back system and a homepage to advise travelers of current and accurate country and region conditions. To receive a document dial 888-232-3299 and follow the prompts. The CDC internet address is <http://www.cdc.gov>.

Foreign Customs: Since foreign customs regulations vary widely with each country, travelers are advised to learn in advance the regulations that apply to each country that will be visited. If allowances for cigarettes, liquor, currency, and certain other items, are not taken into account, they can be impounded at national borders. Business travelers that plan to carry product samples with them may be required to pay import duties. In some countries, duties and extensive customs procedures on sample products may be

avoided by obtaining an ATA Carnet.

Planning an Itinerary

Travel Agents: 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. Since travel agents' fees are paid by the hotels, airlines, and other carriers, this assistance and expertise may be free to the traveler.

A well-planned itinerary enables a traveler to make the best possible use of time abroad. Although it is expensive to travel and a businessperson's 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 the businessperson to rush from one meeting to the next before business is really concluded. If possible, an extra rest day to deal with jet lag should be planned before scheduled business appointments. The following travel tips should be kept in mind:

- The travel plans should reflect goals and priorities.
- Obtaining names of possible contacts, arranging appointments, and checking transportation schedules should be accomplished before the trip begins. The most important meetings should be confirmed before leaving the United States. The Department of Commerce can offer assistance through programs such as the Gold Key Service. Refer to [Chapter 13](#) for additional information.
- As a general rule, the businessperson 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 make it necessary to miss the next scheduled meeting.
- The traveler should confirm the normal work days and business hours in the countries being visited. In many Middle Eastern regions, for instance, the work week typically runs from Saturday to Thursday. Moreover, lunch hours of two to four hours are customary in many countries.
- Foreign holidays should also be taken into consideration. The Department of Commerce's *Business America* magazine annually publishes a list of holidays observed in countries around the world. Information from this useful schedule, entitled "World Commercial Holidays," can be obtained by contacting the local Export Assistance Center.

- The U.S. traveler should also contact an Export Assistance Center to learn of any travel advisories issued by the U.S. Department of State for countries to be visited. Advisories alert travelers to potentially dangerous in-country situations. The Department of State also maintains a telephone service for recorded travel advisories: 202-647-5225.
- The U.S. business person should be aware that travel from one country to another may be restricted.

Check List for Business Meetings and Travel Abroad

- **Schedule meetings before leaving the United States** - Businesses should determine if an interpreter is required and make all necessary arrangements prior to arriving. REMINDER: Business language is generally more technical than the conversational speech with which many travelers are familiar and mistakes can be costly.
- **Prepare new business cards in proper languages** - In most countries, exchanging business cards at any first meeting is considered a basic part of 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. Some international airlines can arrange this service.
- **Prepare for adverse weather conditions** - Seasonal weather conditions in the countries being visited are likely to be different than the United States.
- **Address health care issues** - Plan appropriately for prescription drugs, health insurance, vaccinations, diet, and other matters.
- **Electrical current** - A transformer and/or plug adapter may be needed to demonstrate company products and to use personal electrical appliances.
- **Money** - U.S. banks will be able to provide a list of ATMs overseas, exchange rates, and traveler checks.
- **Transportation** - Companies should prepare for any travel in-country via public or private transportation.
- **Communication** - Individuals should leave phone and fax numbers and an itinerary with proper company officials in case of an emergency.
- **Culture** - Individuals should familiarize themselves with basic cultural traits such as hand signals, street signs, and basic courtesy such as tipping.

- **Foreign goods** - Individuals should be aware of U.S. Customs regulations on what can be brought into the United States.

Assistance from U.S. Embassies and Consulates

Commercial and economic officers in U.S. embassies and consulates abroad provide assistance to U.S. exporters through in-depth briefings and by arranging introductions to appropriate firms, individuals, or foreign government officials. Because of the value and low cost of these services, it is recommended that the exporter contact the local Export Assistance Center before traveling to a foreign country.

When planning a trip, business travelers can discuss their needs and the services available at particular embassies with the staff of the local Export Assistance Center. The business traveler will also find it useful to read the appropriate Country Commercial Guide provided by the Department of Commerce. Additionally, it is advisable to write directly to the U.S. embassy or consulate in the countries to be visited at least two weeks before leaving the United States and to address any communication to the commercial section. The U.S. business traveler should identify his or her business affiliation and complete address and indicate the objective of the trip and the type of assistance required from the post.

Also, a description of the firm and the extent of its international experience would be helpful to the post. Addresses of U.S. embassies and consulates are provided in *Key Officers of Foreign Service Posts*, a publication available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402-9371; telephone 202-512-1800. The cost for this publication is \$5 for one year, and it is issued three times per year.

Cultural Factors

Business executives 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. Business manners and methods, religious customs, dietary practices, humor, and acceptable dress vary widely from country to country. It is recommended that business travelers prepare for country visits by reading travel guides, which are located in the travel sections of most libraries and bookstores.

Some of the cultural distinctions that U.S. firms most often face include differences in business styles, attitudes toward development of business relationships, attitudes toward

punctuality, negotiating styles, gift-giving customs, greetings, significance of gestures, meanings of colors and numbers, and customs regarding titles. For example, consider the following:

- The head is considered sacred in Thailand so never touch the head of a Thai or pass an object over it.
- The number 7 is considered bad luck in Kenya and good luck in the Czech Republic, and it has magical connotations in Benin. The number 10 is bad luck in Korea, and 4 means death in Japan.
- In Bulgaria a nod means no, and shaking the head from side to side means yes.
- The "okay" sign commonly used in the United States (thumb and index finger forming a circle and the other fingers raised) means zero in France, is a symbol for money in Japan, and carries a vulgar connotation in Brazil.
- The use of a palm-up hand and moving index finger signals "come here" in the United States and in some other countries, but it is considered vulgar in others.

Understanding and heeding cultural variables such as these are critical to success in international business. Lack of familiarity with the business practices, social customs, and etiquette of a country can weaken a company's position in the market, prevent it from accomplishing its objectives, and ultimately lead to failure.

American firms 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 much more subtle in style and value the personal relationship more than most Americans do in business. 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, if misunderstood, can cause confusion and misunderstanding. 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, on the other hand, one might arrive any time from ten minutes early to 45 minutes late for a luncheon appointment.

When cultural lines are being crossed, something as simple as a greeting can be misunderstood. Traditional greetings may be a handshake, a hug, a nose rub, a kiss, placing the hands in praying position, or various other gestures. Lack of awareness concerning the country's accepted form of greeting can also lead to awkward encounters.

People around the world use body movements and gestures to convey specific

messages. A misunderstanding over gestures is a common occurrence in intercultural communication, and misinterpretation along these lines 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 the United Kingdom, France, and Denmark) it is appropriate to use titles until use of first names is suggested. First names are seldom used when doing business in Germany. Visiting business people should use the surname preceded by the title. Titles such as "Herr Direktor" are sometimes used to indicate prestige, status, and rank. Thais, on the other hand, address one other 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," while Flemish-speaking contacts should be addressed as "Mr." or "Mrs." To confuse the two is a great insult.

It is also important to understand the customs concerning gift giving. In some cultures, gifts are expected and failure to present them is considered an insult, whereas in other countries offering a gift is considered offensive. Business executives also need to know when to present gifts - on the initial visit or afterwards; where to present gifts - in public or private; what type of gift to present; what color it should be; and how many 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 normal custom in Belgium or the United Kingdom either, although in both countries, flowers are a suitable gift when invited to someone's home.

Customs concerning the exchange of business cards also vary. Although this point seems of minor importance, observing a country's customs for 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, to know who the decisionmakers are, to be familiar with the business style of the foreign company, and to understand the nature of agreements in the country, the significance of gestures, and negotiating etiquette.

As illustrated in the examples, it is very important to have a working knowledge of the business culture, management attitudes, business methods, and consumer habits before traveling abroad. This can be accomplished through research or training and is very likely to have a positive impact on overseas travel.