

Negotiating International Business - Ireland

This section is an excerpt from the book "Negotiating International Business - The Negotiator's Reference Guide to 50 Countries Around the World" by Lothar Katz. It has been updated with inputs from readers and others, most recently in March 2008.

Though the country's culture is quite homogeneous, Irish businesspeople, especially those among younger generations, are usually experienced in interacting and doing business with visitors from other cultures. However, that does not always mean that they are open-minded. When negotiating business here, realize that some people may expect things to be done 'their way.' In addition, many prefer to deal with other Irish people rather than with foreigners. Unless you have a valuable proposition to make, it may prove difficult to be accepted as a business partner.

Most Irish people are very proud of their country and expect others to show appreciation for its history and accomplishments.

Relationships and Respect

Building lasting and trusting relationships is very important in Ireland and can be crucial for your business success. People in this country usually want to do business only with those they know, like, and trust. If they initially seem suspicious and non-committal, you may be able to overcome this with consistent friendliness and goodwill. Proceed with serious business discussions only after your counterparts have become very comfortable with you. This includes letting them see your personal side, as the Irish often mistrust people who are 'all business.' Relationship building can be a very time-consuming process that may require several trips to strengthen the bonds. You may be able to establish trust by emphasizing common ground. For example, express your own distrust of authority or bureaucracy whenever there is an opportunity for it. While compliments are generally appreciated, you should refrain from praising or rewarding anyone in public. Unlike in many other cultures, it may raise suspicion about your motives.

Business relationships in this country exist both at the individual and company level. If your company replaces you with someone else over the course of a negotiation, it may be easy for your replacement to take things over from where you left them. Likewise, if you introduce someone else from your company into an existing business relationship, that person may quickly be accepted as a valid business partner.

Families play an important role in Ireland's society and business life. Many companies are family-owned or controlled. Families often extend into powerful networks that include friends, business partners, and others. Becoming integrated into such networks through personal relationships is vital to doing business in the country. Whom you know may determine whether people want to get to know you. Similarly, whether people think you are worth knowing and trusting may weigh more strongly than how competent you are or what proposals you may have to make. As a trusted business partner, you may be expected to attend family events such as weddings or funerals.

While the Irish are usually warm and friendly, they are also very proud and may be easily offended by comments that leave room for misunderstandings. 'Saving face' and respecting everyone's honor and personal pride are crucial requirements for doing business in the country. Openly criticizing someone in front of others can have a devastating impact on your negotiation. Avoid open conflict, and know that politeness is crucial. In addition, showing genuine interest and compassion will win people's hearts.

In Ireland's business culture, the respect a person enjoys depends primarily on his or her education and achievements. Status and rank usually play only a small role. The Irish tend to be distrustful of authority and may become very cynical with people who seem elitist or snobbish. There is usually much greater respect for the 'underdog' than for those with great wealth or power. Admired personal traits include modesty, a sense of humor, and sociability.

Communication

Irish English is usually easy to understand for native English speakers, but may represent a challenge for others. Some people in Ireland have a tendency to talk very fast when excited. At times, you may have to ask them to slow down.

While discussions may get animated and emotional, the Irish generally dislike loud and boisterous behavior. They may show their emotions openly. When someone is teasing you, try not to be offended. If you feel compelled to tease back, do so in an affable manner. Silence is rare and may make people uncomfortable. The Irish generally converse standing around two to three feet apart.

Communication is usually quite direct, but almost never confrontational. For that reason, some Irish may find it difficult to say 'no.' If you do not get a clear 'yes' right away, do not assume that you have won them over. People rarely communicate 'between the lines,' so it is usually best to take what they say quite literally. Try to be equally clear in your own communication.

Gestures and body language can be lively, but not overly so. There may be some physical contact with others of the same gender. Eye contact should be frequent, but do not stare at others.

Initial Contacts and Meetings

Having a local contact can be an advantage but is usually not a necessary precondition to doing business. Negotiations in Ireland can be conducted by individuals or teams of negotiators.

Scheduling meetings in advance is required. However, you can sometimes do this on short notice, especially if the parties have had previous business interactions. One good way of getting to know people is to meet for coffee in a good hotel. This does not require a formal request; the prospect of discussing the possibility to do business together is usually all it will take. While meetings may start considerably late, the Irish generally expect foreign visitors to be punctual. Avoid being more than 10 to 15 minutes late, and call ahead if you will be.

Names are usually given in the order of first name, family name. Use *Mr./Mrs./Miss* plus the family name. If a person has a title, such as *Doctor* or *Professor*, use it instead, followed by the family name. Before calling Irish people by their first name, wait until they offer it. Introductions are accompanied by handshakes. The standard greetings are 'Pleased to meet you' or 'How are you?'

The exchange of business cards is not an essential step, but it is best to bring a sufficient supply. Offer your card to everyone present. You may not always get one in return. When presenting your card, smile and keep eye contact, then take a few moments to look at the card you received. Next, place it on the table in front of you.

Meetings start with small talk, which may be extensive. This may include personal questions about your background and family, allowing participants to become acquainted. Let the other side set the pace. However, you may find that the overall pace of the meeting can be faster than you might have expected. Meetings are often relaxed and informal. People appreciate a sense of friendly humor, but avoid being sarcastic or cynical. While the primary purpose of the first meeting is to become acquainted, the discussion will mostly focus on business topics. Be prepared for your counterparts to 'size you up' during the initial encounter.

Presentation materials should be attractive, with good and clear visuals. Keep your presentation simple and straightforward. However, be prepared that people may be easily distracted and willing to digress if they think an idea is interesting. There can be a lot of superficiality early in the business interaction, so take premature promises with a grain of salt.

Negotiation

Attitudes and Styles – In Ireland, negotiating is usually viewed as a joint problem-solving process. While the buyer is in a superior position, both sides in a business deal own the responsibility to reach agreement. They expect long-term commitments from their business partners and will focus more on long-term benefits than on short-term gains. The primary negotiation style is cooperative and people may be open to compromising if viewed helpful in order to move the negotiation forward. Since the Irish believe in the concept of win-win, they expect you to reciprocate their respect and trust. While people respect a strong achievement orientation, avoid appearing overly pushy and aggressive.

Should a dispute arise at any stage of a negotiation, you might be able to reach resolution through give-and-take compromising and appeals to your counterparts' fairness.

Sharing of Information – Irish negotiators may share some information as a way to build trust. Be careful with what you are willing to share yourself and protect your intellectual property.

Pace of Negotiation – Negotiations are usually swift. While the upfront relationship building may take some time, information gathering and bargaining usually move smoothly, and decision making can be very fast if you are dealing with the right people.

Bargaining – Irish businesspeople are used to hard bargaining and may employ some haggling. However, they do not appreciate aggressive sales techniques. Prices may move by about 25 to 35 percent between initial offer and final agreement. However, the profitability of a business deal may be valued higher than gains in market share or access to new markets. Company policy is usually strictly followed, particularly in larger organizations, so be careful not to demand concessions that go against it.

The Irish often prefer a straightforward negotiation style. They use deceptive techniques only infrequently, such as telling lies, sending fake non-verbal messages, pretending to be disinterested in the whole deal or in single concessions, or misrepresenting an item's value. Do not take such tactics personally and refrain from lying at or grossly misleading your counterparts, as doing so might damage business relationships. 'Good cop, bad cop' is not advisable as the tactic may lead the Irish side to question your trustworthiness. Businesspeople may claim limited authority, stating that they have to ask for their manager's approval. More often than not, this will be the truth.

The Irish dislike being pressured, so most pressure techniques are not advisable. Opening with your best offer may hurt their pride. Do not make a final offer too early in the bargaining process and avoid making one more than once. Silence may be perceived as cold and unfriendly. Do not use pressure tactics such as applying time pressure or making expiring offers. The Irish could view these as signs that you are not willing to build a long-term relationship and may choose to terminate the negotiation.

Irish negotiators avoid most aggressive or adversarial techniques. While they may make indirect threats and warnings, they will be careful not to appear aggressive when doing so. Extreme open-

ings may be viewed as unfriendly and are best avoided. Never walk out or threaten to do so in an aggressive fashion as your counterparts will likely take this as a personal insult and may end all talks. However, threatening a 'friendly walkout' while strongly emphasizing the relationship may be very effective.

Emotional negotiation techniques, such as attitudinal bargaining, attempting to make you feel guilty, grimacing, or appealing to personal relationships, may occasionally be employed. It is best to remain calm. Irish negotiators may frequently employ defensive tactics such as blocking or changing the subject, asking probing or very direct questions, or making promises.

Corruption and bribery are rare in Ireland, though not completely unheard of. Both legally and ethically, it is advisable to stay away from giving gifts of significant value or making offers that could be read as bribery.

Decision Making – Two different styles exist in Ireland: Some companies, especially family-owned businesses, may be quite hierarchical, with the person at the top being the sole decision maker. Here, decisions can be very fast. Many other companies, however, are less hierarchical and involve people at several levels of the organization in the decision process. While it will inevitably be a bit slower, this approach can still be fairly swift and effective in Ireland. In any case, it will be beneficial to win the support of the top executive of the organization.

When making decisions, businesspeople usually consider the specific situation rather than applying universal principles. Empirical evidence and other objective facts weigh more strongly than personal feelings and experiences do. Most Irish are moderate risk takers.

Agreements and Contracts

Capturing and exchanging meeting summaries can be an effective way to verify understanding and commitments. Deals may still be sealed with a handshake, though this is becoming less common. It is vital to keep all commitments as failing to do so may lock you out not only from this partner but also from many potential others in Ireland.

Written contracts tend to be lengthy and often spell out detailed terms and conditions for the core agreements as well as for many eventualities. Nevertheless, writing up and signing the contract is a formality. The Irish believe that the primary strength of an agreement lies in the partners' commitment rather than in its written documentation.

It is recommended to consult a local legal expert before signing a contract. However, do not bring in your attorney until the negotiations have concluded. Irish people may read it as a sign of mistrust if you do.

Contracts are usually dependable, and the agreed terms are viewed as binding. Requests to change contract details after signature may be considered as bad faith and will meet with strong resistance. It is important to maintain on-time deliveries.

Women in Business

While women enjoy similar rights as men, most Irish women are still struggling to attain positions of similar income and authority. However, visiting businesswomen should have few problems in the country as long as they act professionally in business and social situations.

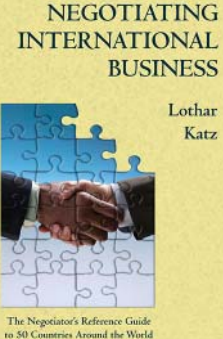
Other Important Things to Know

Business attire is less important in Ireland than elsewhere. However, men should wear a suit and tie at initial meetings.

Social events do not require strict punctuality. While it is best to arrive at dinners close to the agreed time, being late to a party by 15 to 30 minutes or more is perfectly acceptable.

If you are offered a beer in a pub, you will be expected to pay for the next round. Not living up to this expectation is a major faux pas.

Gift giving in business settings is rare. It is best not to bring a gift to an initial meeting in order to avoid raising suspicions about your motives. Later on, small gifts will be appreciated on special occasions, such as Christmas.

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