

The cultural challenges of doing business overseas



The Cultural Challenges of Doing Business Overseas

Major differences between the U. S and Czech cultures

There are many differences and incompatibilities between the U. S and Czech Republic cultures and if Steve needs to expand his business here in the Czech Republic he is going to have to consider the differences and take them into reflection in his business decision-making method. According to the information obtainable by Culture Grams, there is some noticeable difference between the American and Czech cultures in view to food and diet, in Czech, dining out is an unusual incidence.

In the United States the pizza which is a preferred and well-liked dish is considered a whole food itself that can be eaten at the restaurant, carried, or delivery to the home for eating whereas the Czechs have pizza only as a snack on the streets where it sold as by lane vendors and beer, juice, and soda are well-liked throughout the day in Czech, a lot of desserts are also prepared from fruit. With these differences, Steve has to judge the best marketing strategy to expand for selling cocktail and pizza with desserts in the new overseas market.

Major business risks

Czech cookery has both influenced and been influenced by the cuisines of nearby counties, a lot of the fine cakes and pastries that are well-liked in Central Europe originated in the Czech lands. Czech cuisine is noticeable by a strong importance on meat dishes, pork is quite frequent, and beef and chicken are also famous. (Anonymous, 2007).

More prominently, Pizza will directly participate with the Czech snacks, the Fried Cheese that perhaps the less noble but this snack is the most modern of Czech national dishes and the piece of cheese is about 1 cm thick.

Mitigation of these risks For customer services, the Chicago Style Pizza franchiser Steve Kafka should research the differences between the U. S. value of modernism and enjoy a good sense of comedy, counting sarcasm, and the Czechs value tutoring, intelligence, communal standing, modesty, and wit. The U.

S. and Czech both carry out uniqueness but there are many contrasting factors connecting both of these countries. If Steve Kafka does not study the Czech culture his Chicago Style Pizza franchise perhaps failed, Steve Kafka can evade this risk by researching the way of life and ingestion habits of the Czech Republic.

Comparative Advantages in the Czech Republic The Czech Republic grows the majority of its own wheat, hops, sugar beets, barley, rye, onions, potatoes, and fruit; though it imports extra vegetables than it exports.

There may be a benefit in pizza crust dough and cocktail, but there are no other advantages, hence no comparative advantages Steve can obtain advantage of. (Le, 2006).

Hofstede's Four Primary Dimensions

Dutch researcher Geert Hofstede found there are 4 dimensions of culture that help to clarify how and why people from a variety of cultures act as they

do. The elements of Hofstede's four primary dimensions modes are:- Power distance- Uncertainty avoidance- Individualism- Masculinity

Recently Hofstede further added a fifth dimension to his model known as Long Term Orientation.

Power Distance Index is the degree to which the less influential members of organizations and institutions (like the family) believe and expect that control is distributed unevenly. This represents disparity (more versus less); it suggests that a society's level of dissimilarity is authorized by the group as much as by the leaders, power and disparity, of course, are tremendously primary facts of any culture and anybody with some global experience will be alert that ' all societies are uneven, but some are more imbalanced than others.

Individualism on the one face against its opposite, collectivism, that is the level to which individuals are incorporated into groups, on the individualist side we find societies in which the ties between persons are loose, everyone is likely to look after him/herself and his/her instant family. On the collectivist side, we find societies in which public from birth onwards are incorporated into tough, cohesive in-groups, often comprehensive families (with uncles, aunts and grandparents) which go on protecting them in exchange for absolute devotion.

Masculinity against its contradictory, femininity refers to the sharing of roles between the genders which is an additional basic issue for any society to which a variety of solutions are found. The IBM studies exposed that (a) women's standards differ less among societies than men's standards; (b) <https://assignbuster.com/the-cultural-challenges-of-doing-business-overseas-2/>

men's values from one country to another hold a length from very self-confident and ready for action and maximally different from women's standards on the one side, to self-effacing and gentle and similar to women's values on the further.

The firm pole has been called 'masculine' and the humble, loving pole 'feminine', the women in feminine countries have the similar self-effacing, loving values as the men; in the masculine countries they are fairly confident and ready for action, but not as a lot as the men so that these countries show a space between men's and women's values.

Uncertainty Avoidance deals with a society's broadmindedness for uncertainty and vagueness; it eventually refers to man's hunt for Truth. It indicates to what level a society programs its members to experience moreover uncomfortable or comfortable in amorphous situations, uncertainty avoiding cultures try to reduce the likelihood of such situations by harsh laws and rules, shelter and security measures. Inhabitants in uncertainty avoiding countries are also extra emotional, and provoked by internal nervous energy, the contradictory type uncertainty accepting cultures are further tolerant of opinions unlike from what they are used to; they try to have as few regulations as possible, and on the theoretical and spiritual level they are relativist and allow many currents to flood alongside. (Barker, 2008).

Long Term Orientation in opposition to short-term orientation: this fifth dimension was found in a study amongst students in 23 countries around the globe, using a survey designed by Chinese scholars it can be said to contract with virtue regardless of fact. Values connected with Long Term Orientation

are prudence and firmness; values linked with Short Term Orientation are esteem for custom, fulfilling social obligations, and shielding one's ' face.

Results of this evaluation

People of the Czech Republic have a better feeling that power is dispersed unevenly than in the United States and they have more capability to deal with doubtful. Their culture has a better feeling of community and a greater enthusiasm to help a member citizen out than in the United States and the sharing of roles between the genders is secure to that in the United States. The Czech Republic has a shorter term orientation than the United States which advises the citizens has more esteem for tradition, accomplish their social obligations and try to protect their characters. There is an extensive difference in all the elements apart from masculinity which advise the culture of the Czech Republic is much diverse than that of the United States.

With this study Steve can plan for these dissimilarities and armed with this perceptive of the culture be better geared up for the trade barriers inside the Czech Republic. (Richard, 2007).

Trade barriers

The Czech Republic is a part of the European Union and a part of the World Trade Organization consequently there are very little trade barriers that would have an effect on Steve's challenge to open a pizzeria in Prague.

Assessment of the Demand of Pizza prices

To review the demand of pizza at unusual prices Steve would explore any existing restaurants serving pizza; he would study the vendors that trade pizza on the street to conclude their prices and the order for their products. Steve would examine the cost of ingredients, labor, and fixed cost for the restaurant and once he had this statistics he could appraise per pizza cost and evaluate that with the demand for pizza to establish the business logic of opening a pizzeria.

In order for Steve Kafka to be a focus for clients he will have to produce a advertising and promotion plan to influence the Czech Republic culture to munch at the Chicago Style Pizza Place. Steve Kafka should start talking to people he knows, have inexpensive prices, and good client service to exert a pull on clients, he should also converse with citizens of the Czech Republic to get comments on what are the likes and dislikes of Czech Republican junk food places.

Conclusion

The accomplishment of a pizzeria will depend on the mounting cultural pressure of the west surrounded by the Czech Republic, trade will be slow until Steve establishes a folks oriented environment and until the ethnicity of the Czech Republic accepts having dinner out at a pizzeria. (Schein, 1993).

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