

# Industrial marketing at latin american country



Management at a large manufacturer located in the Mexican state of Nuevo León decided to improve productivity at one of its subsidiaries by investing several million dollars in state-of-the-art production equipment. As word circulated about the planned investment, vendors in Asia, Europe, and North America put together proposals. One such vendor was American company “Y”, which had a global reputation for quality products and service. Management at the American firm reviewed the size of the order and decided to bypass its regular Latin American representative and send its international sales manager instead.

The sales manager arrived and checked in to the leading hotel. He immediately had some difficulty pinning down just who was his business contact. After several days without results, he called the American Embassy where he found out that the commercial attaché had the necessary up-to-the-minute information. The commercial attaché realized the sales manager had already made a number of mistakes, but, figuring that the locals were used to American blundering, he reasoned that all was not lost. The attaché informed the sales manager that the Global Purchasing Manager was the key man and that whoever got the nod from him would get the contract.

He also briefed the sales manager on methods of conducting business in Latin America and offered some pointers about dealing with the purchasing manager.

The attaché advice ran somewhat as follows:

1. “ You don’t do business here the way you do in the States; it is necessary to spend more time. You have to get to know your man and vice versa. Latin Americans like to do business with people they can trust. Many times it takes
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two or three lunch meetings before business is even discussed. And when the topic finally does come up, it is not uncommon for it to be discussed during the last few minutes of a two-hour lunch meeting.”

2. “ You must meet with him several times before you talk business. I will tell you at what point you can bring up the subject. Take your cues from me.” (At this point, our American sales manager made few observations to himself about “ cookie pushers” and wondered how many payrolls the commercial attaché had met.)

3. “ Take that price list and put in your pocket. Don’t get it out until I tell you to. Down here price is only one of the many things taken into account before closing a deal. In the United States, your past experience will prompt you to act according to a certain set of principles, but many of these principles will not work here. Every time you feel the urge to act or to say something, look at me. Suppress the urge and take your cues from me. This is very important.”

4. “ Down here people like to do business with men who are somebody. The person you are going to meet graduated from a prestigious university in Latin America. Titles are important here, and I recommend you use his title, especially when you are introduced to him. He is a Licenciado, which means he is a university graduate, and he will expect to be addressed using his title. (The sales manager thought to himself that it wasn’t that big of a deal- everyone in the United States at this level has a university degree. He just didn’t understand the importance of this in Latin America.)

5. “ You will also note that the people here are very proud of their past and their Spanish blood, but they are also exceedingly proud of their liberation

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from Spain and their independence. The fact that they are a democracy, that they are free, and also that they are no longer a colony is very, very important to them. They are warm and friendly and enthusiastic if they like you. If they don't they are cold and withdrawn." The commercial attaché advised the sales manager not to talk about history, politics or religion unless the purchasing manager brought the topic up.

6. " And another thing, time down here means something different. It works in a different way. You know how it is back in the States when a certain type blurts out whatever is on his or her mind without waiting to see if the situation is right. Such a person is considered on impatient bore and somewhat egocentric. Well, down here you have to wait much, much longer, and I really mean much, much longer, before you can begin to talk about the reason for your visit." (By now the sales manager was becoming frustrated. Back at home, time is money, and he shouldn't have to spend so much time here to get the order - the purchasing manager should already know what he wants!)

7. " There is another point I want to caution you about. At home, the man who sells takes the initiative. Here, they tell you when they are ready to do business. But most of all, don't discuss price until you are asked and don't rush things."

#### ThePresentation

The next day the commercial attaché introduced the sales manager to the purchasing manager. First, there was a long wait in the outer office while people went in and out. The sales manager looked at his watch, fidgeted, and finally asked whether the purchasing manager was really expecting him.

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The reply he received was scarcely assuring, " Oh yes, he is expecting you but several things have come up that require his attention. Besides, one gets used to waiting down here". The sales manager irritably replied, " But doesn't he know that I flew all the way down here from the United States to see him, and I have spent over a week already of my valuable time trying to find him?" " Yes I know" was the answer, " but things just move much more slowly here."

At the end of about 30 minutes, the purchasing manager emerged from the office, greeted the commercial attaché with a double abrazo, throwing his arms around him patting him on the back as though they were long-lost brothers. Now, turning and smiling, the purchasing manager extended his hand to the sales manager, who, by this time, was feeling rather miffed because he had been kept in the outer office so long. As the sales manager took a seat in the purchasing manager's office, the telephone rang. The purchasing manager took the call; as he was speaking, an administrative assistant walked in carrying several checks and other documents that needed the manager's signature. Then a second telephone call came in on another line; the purchasing manager quickly finished the first call and picked up the second call.

After what seemed to be an all-too-short chat, the purchasing manager rose, suggesting a well-known cafe where they might meet for dinner the next evening. The sales manager expected that, considering the nature of their business and the size of the order, he might be taken to the purchasing manager's home, not realizing that the Latin home is reserved for family and very close friends. To invite a stranger to his home becomes an act of great

symbolism: the host is showing the real face of how he lives by sharing the intimacy of his family.

Until now, nothing at all had been said about the reason for the sales manager's visit, a fact that bothered him somewhat. The whole setup seemed wrong; additionally, he did not like the idea of wasting another day in town. He told the home office before he left that he would be gone for a week or 10 days at most, and made a mental note that he would clean this order up in 3 days and enjoy a few days in Puerto Vallarta or Mexico City. Now the week had already gone, and he would be lucky if he made it home in 10 days.

Voicing his misgivings to the commercial attaché, he wanted to know if the purchasing manager really meant business, and if he did, why could they not get together and talk about it? The commercial attaché by now was beginning to show the strain of constantly having to reassure the sales manager. Nevertheless, he tried again: "What you don't realise is that part of waiting, the purchasing manager was rearranging a very tight schedule so that he could spend tomorrow night with you. You see, down here they don't delegate responsibility the way we do in the States. They exercise much tighter control than we do. As a consequence, this man spends up to 15 hours a day at his desk. It may not look like it to you, but I assure you he really means business. He wants to give your company the order; if you play your cards right, you will get it."

The next evening was more of the same. Much conversation about food and music, about many of people the sales manager had never heard. They went to a nightclub, where the sales manager brightened up and began to think

that perhaps he and the purchasing manager might have something in common after all. It bothered him, however, that the principal reason for his visit was not even alluded to tangentially. But every time he started to talk about production equipment the commercial attaché would nudge him and proceed to change to subject.

The next meeting was to be held over morning coffee at a cafe. By now the sales manager was having difficulty hiding his impatience. To make matters worse, the purchasing manager had a mannerism that he did not like. When they talked, he was likely to put his hand on him; he would take hold of his arm and get so close that he nearly spit in his face. Consequently, the sales manager kept trying to dodge and put more distance between himself and the purchasing manager.

Following coffee, they walked in a nearby zocalo (downtown plaza). The purchasing manager expounded on the shrubs, the birds, and the beauties of nature, and at one spot he stopped to point at a statue and said: " There is a statue of the world's greatest hero, the liberator of mankind!" At this point, the worst happened. The sales manager asked who the statue was of and, when told the name of a famous Latin American patriot, said, " I never heard of him," and walked on. After this meeting, the American sales manager was never able to see the purchasing manager again. The order went to a Swedish concern.