

# [Global business environment and cultural considerations](https://assignbuster.com/global-business-environment-and-cultural-considerations/)

[Business](https://assignbuster.com/essay-subjects/business/)

Their suppliers reside in the Lillian area (comprising the Gudgeon, Gauging, and Fijian provinces), and they specialize In Waling tea, although some of their suppliers also grow green, black, and white teas. During the past fiscal year, the number of retailers interested in purchasing their product in bulk has increased by 37 percent. Twelve Trees attributes their product’s rise in popularity to an increasing interest in alternative health treatments, particularly among young and middle-aged women, and to the fact that the teas are certified organic and grown in a socially responsible manner.

While they are excited bout the prospects of increased business, Twelve Trees is struggling to find enough Chinese farmers to fill their orders.

There are several guidelines Twelve Trees requires their suppliers to meet. First, the tea must be grown in a way that maintains the long-term fertility of soils without using artificial inputs such as chemical fertilizers or insecticides. Second, the tea should be grown on an agriculturally diverse farm, a farm on which tea is not the only plant being produced.

Third, the employees at the farms must be paid competitive wages, enough to sustain a decent tankard of living. This final point is dependent on the location of the farm – a decent’ standard of living is relative to the market forces of the region in which the farm is located.

These three principles are ensured through regular visits to the farms by independent observers. By virtue of these inspections, Twelve Trees is able to guarantee an organic and socially responsible product to their consumers in Canada.

Diversification and cooperation After speaking with some of their independent suppliers in China, Twelve Trees covered a cooperative of small tea farmers in the Southwest area of China, which includes farmers from Yuan, Gaucho, Chuan, and Tibet. This area produces mainly black and green teas, and specializes in Purer tea, which has been used in China for hundreds of years as a cleansing and detoxifying drink. The cooperative is called Defanged House’s, and it meets the three principles Twelve Trees insists upon to maintain their socially responsible and organic brand, and allows Twelve Trees to diversify their product offerings.

An added bonus of Defanged House’s is that all of the participating farms have been growing tea for centuries, adding a rich historical background to the product. Twelve Trees is interested in securing a long-term contract Witt the cooperative, but in order to do so, they need to travel to the Yuan province to inspect operations and to create a stable relationship with the cooperatives executive members. Twelve Trees does not currently employ anyone fluent in Mandarin. They have managed their previous Chinese business through an interpreter.

Twelve Trees decides to continue using interpreters to begin contract negotiations with the Chinese cooperative.

After a detailed negotiation process, Twelve Trees and Defanged House’s successfully agreed upon contract terms, and the cooperative is now preparing its first major tea shipment to Canada. Case Study 2: Questions 1 . What are some actions Twelve Trees should take when working with an interpreter, to ensure the success of their business deal? 2. China is considered a ‘ high context” society.

What does this term refer to, and what qualities of such a ultra have the potential to affect an international business relationship? 3. Although no one on the Twelve Trees trade mission team can speak Mandarin, they can each pay close attention to non-verbal communication in order to “ read” the general reception they are being given.

List some non-verbal communication techniques, and explain why it is important to read and understand these symbols. 4. What steps can Twelve Trees take to ensure that the agreement they have with Defanged House’s continues to be profitable and stable well into the future?