

Case study: nora and sakari

Business



The venture would allow the new company to manufacture and commission digital switching exchanges in order to meet the needs of the telecoms companies in Malaysia and other countries around it. Telecoms Malaysia Berhad (TOMB) wanted the country's aging telecoms system to be upgraded and needed it to migrate from a primarily analogue system to a digital system. Since they lacked the resources to do it by themselves they extended a substantial contract to other telecoms companies to bid on the project.

This is how Nora started to negotiate with Karri so they could together build a venture that would be able to take on this task. Joint ventures are set up in many countries to facilitate business and have an edge on competition. Nora did not have the resources to go into the project on its own and needed the expertise and technology of other companies in order to compete in the marketplace.

For this reason, as with most joint ventures, Nora started its negotiations with Karri, because they had the technology needed for the project.

This would be beneficial to both companies, because Karri would be able to enter a foreign market that would be, in part, run by a local company that understands the underlying culture and way to do business in a foreign environment. For Nora, they would be getting the support and backing, both in technology and expert workers etc...

From a multinational company. This would ensure that Nora and Sari's joint venture would be able to enable Nora to not only secure the contract for Malaysia but they could further explore the markets of other neighboring countries.

It seems, from the beginning the negotiation process looked as if it was not going to go well. Zinnia admitted that there was a tremendous deference between the dealings with United States based companies and Karl. While the US companies were always vocal and presented their presentations in a well-planned way, Karri people were quiet and cold. In fact, their interest in the venture was in question because there was no indication whether they were really interested in the project at all.

The Finnish culture should have been researched by Zinnia and the team because if they actually had some information, they would have known Finns always appear reserved and like to proceed very slowly. They are a cautious people so their lack of enthusiasm or facial expressions etc... is not necessarily an indication that they are not interested in proceeding with the project. It is not wise to assume that silence or very limited visualization is a negative indicator because in Finland, it is considered rude to actually interrupt anyone when they are speaking.

He should not have treated the negotiating team from Finland as he usually does. Walt's counterpane arts trot ten unlaces Lana I Delve a realize how slow the negotiations were going to be but this is built into the Finnish culture. Another example of the Karri team not understanding the need to have the right people with the right attitudes in the negotiations is the fact Pekinese (senior accountant) was asked to leave the negotiations. Nora had said that he seemed way too arrogant and insensitive to local cultures.

Malaysian culture looks at arrogance as extremely negative and since they are keen on familiarity, respect and personal trust Pekinese's attitude was

probably a tremendous turn-off for Nora and their people. Karri should have understood how Pekinese negotiated and should have advised him of the Malaysian 'psyche' or sent someone who was known to be less arrogant and would understand the Malaysian outlook.

Another example of slip up on the part of Karri was in the negotiations of salaries.

Nora, being a Malaysian company expected Karri to do the research and be well versed in all the key issues but it seemed they were not prepared. They quoted salaries that were well above the salaries offered in the local market in Malaysia. The cost of living is much lower in Malaysia than in Finland, this point was not really taken into account by Karri. Usually Malaysian negotiators are willing to make concessions but with Sari's unreasonable quotes for the salaries, Nora immediately took a "take-it or leave-it" stance and quoted figures that were in lines with other JP companies.