

The Canadians

Business



The Canadians should have taken time to study the culture of the Chinese people. The two teams were of different opinions primarily because of cultural difference between the two. People in Canada are more capitalistic than the Chinese. People in Canada concentrate on the main business process.

Research should show that Canadians do not value relationships as the Chinese do. The Canadians should have known that they would be expected to bond before any business discussion could materialize. The case study actually shows a great difference between the two teams. The Chinese get busy with trips and party moments while the Canadians long for the commencement of the deal. Canadians should have agreed on the schedule of events with their Chinese clients.

Having a working plan is very important for such business trips. Schedules help the concerned parties to operate in harmony without any conflicts. The situation in the case study however reveals that no plan had been jointly agreed upon. Each team had its own plan. Nobody knew the program of the other party. This was a very potential point of conflict.

Conflicts should be avoided at all costs. Negotiating parties should have absolute harmony in all secondary issues. Secondary issues are those that do not touch on the actual product. Canadians should have done a competitor analysis on possible challengers. This calls for knowing the other options that the Chinese firm had. The Canadians should have known all the companies that could offer the same product to the Chinese firm.

Having knowledge about once competitors helps one to negotiate brilliantly. The Canadians did not offer to service the equipment in the event of a breakdown. It is most likely that the Japanese firm agreed to extend their cover to maintenance. Having prior knowledge of the competitor helps one to apply competitor advantage. One can challenge an opponent in many ways. Price differentiation is one way through which the Canadian company could outdo all other competitors.

This calls for setting the price lower than all other equipment manufacturers. Competitor advantage can also be obtained through cost differentiation. One can also offer extra services that the challenger does not offer. An opportunity to service the equipment is one such 'extras'. The Canadian firm should have taken time to study the client.

Client's financial position is one major aspect of study. The financial position would make the seller quote a price that is tenable to the buyer. The client company structure is also important. The Canadian company should have known the negotiating procedure of the Chinese. This would have helped reduce anxiety on their side. The negotiating procedure and composition are all very important pillars for preparation.

These will help the Canadians with psychological preparations. The Canadian team should have hired an interpreter for themselves. This would have helped reduce suspicion. It would have been better if the Canadians learned some basic Chinese language before the venture.