

# *BUSINESS WITH GERMANY – A HITCHHIKER’S GUIDE*

*Insights, society backgrounds and practical information  
on how to present and act in negotiations with German  
business prospects*

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Germany is regarded as Europe’s industrial powerhouse and is in fact the world’s second largest exporter: it is a leading exporter of machinery, vehicles, chemicals and benefits from having a highly skilled labour force and also from the fact that it is the only nation within Europe rich enough to save the Euro.

Recently I was asked the question “what is typical German business behaviour?” This was connected to a discussion on how difficult it is to deal with Germans.

The fact is that it is very hard to ignore this country and its economy if you want to do international business. On the other hand I have to admit that Germans are somewhat special to deal with.

The question actually brings up some strange and funny stereotypes, but does not help to deal with Germans. So I thought it is time to demystify some wonders and help bring understanding of some of the unique behaviour you will experience when dealing with “the Germans”. Firstly,

let me introduce myself: I am German but I left Germany almost 9 years ago. In the meantime, I have lived and worked in Switzerland, Hungary and the UK. I still like to work with Germans but in doses of a homeopathic level as those behaviour (which must have been mine as well) now strike me as strange.

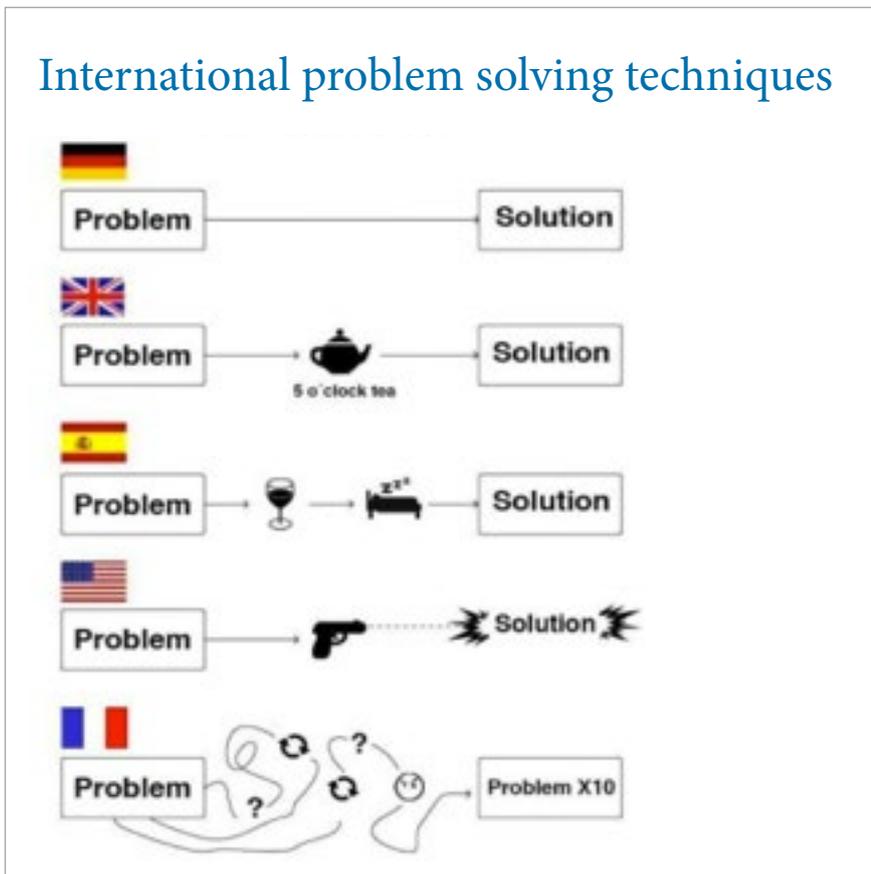
My own culture and behaviour has become hybrid, I may still have many “typical German” ethics, values and behaviour but from my experience I am able to switch between several cultural standpoints – I have become an Expatriate.

I should of course make it clear that although I prefer Germans in homeopathic doses and I have a more distant view, I still like you!

### Culture and differences - introduction

Rather than give an extensive discussion of culture I prefer to give just a short explanation: culture is a “sum of collective behaviour” or as Fons Trompenaars puts it: “culture is the way in which a group of people solve problems”.

Culture itself affects us by sub-



Graphic source: facebook

consciously applying stereotypes. This helps to reduce the amount of information we need to memorise and recall, but we shouldn’t ignore the down side of this which is that we then tend to consider only extremes which are furthest away from our own behaviour and – being only human – we tend to direct our focus mainly on the negatives.

I prefer to work with the simple, almost Zen like belief “there is no right or wrong, it is just different”. Putting this into practical use it simply means: what is considered normal and acceptable in one group maybe considered unacceptable, rude or even shocking in another group. Of course nobody is free of judgement and we always map other, nonconforming behaviour against our own values.

Keeping the idea of “Not wrong, just different” in mind helps maintain a mind open and to step back if you meet a behaviour which seems to be completely out of your own cultural norms and context.

We will inevitably meet different behaviour when dealing with different countries and cultures – it should be regarded as an experience and a chance to learn more than can be found in books and courses. In my own work experi-

ence, an aspect I greatly enjoyed was the discussions which I had with colleagues, such as talking and learning about ancient history of Egypt (from a colleague whose office gave him a view of the Pyramids), or what “huddle” means in business or tropical fish and the value of “barbies” in Australia (they are not referring to the toys).

How far we accept and tolerate other behaviour depends on our ability to respect and cope with what is different. As those problems are very often two-way, experience, knowledge, skills, and awareness are needed to create a positive and long term business relationship.

I would also like to add, that there is a slight but important difference between working “with” Germans and working “in Germany”, both times entering this market with your products or services.

### The art of turning a “no” into a “yes” – or: they are “mostly harmless”

When thinking of “how to work with Germans - what to expect and what not” it needs to be considered that introducing a new

idea, product or service is very likely to get a “no” at a very first stage and then thousands of reasons why things cannot be done or work the new way (“we never did that”, “we have no experience with that” and also “wo kommen wir denn da hin?”).

People in Germany are brought up to place a high value on laws, rules and regulations, which means that they need to have a clear structure, process and procedure – which opposes anything new, where procedures and processes might not be defined yet.

The answer might be different if the idea comes from another country and then we need also to differentiate from which country this idea or invention might come from. To overcome the initial “no” is an art, which you can learn and is very helpful in doing business with Germany.

Let me give you a mixture of observations, stereotypes and mention some lovely quirks: Germans are highly structured, organized and efficient. They are keen on punctuality and timely commitment. Compare for example the amount of free days with the gross national product – nowhere else on Earth have people so many free days yet manage to have such a powerful



economy. This is efficiency, not idleness!

Germans are also straight to the point – to the point of appearing rather blunt or direct. In the UK you cannot say “Thank you” enough whereas if you would do this in Germany it is very likely to be regarded as subservient, overdoing it or being sarcastic. Some cultures are very explicit in the meanings of the words. Others are less direct and may find directness rude. I would suggest to go with “Germans are not rude – they are efficient”, even in their language.

Again, in the UK it’s common to poke fun at yourself but in Germany you never ever make fun of yourself especially not in

business. It is regarded as downgrading your competencies and also a waste of working time. Germans are very disciplined – they come into the office, have a quick chat, then sit down and work. Time for jokes and laughter are during breaks and after work – “*Dienst ist Dienst und Schnaps ist Schnaps*” (work is work and booze is booze) would be a fitting quote. Work and duties are taken serious and separated: having fun comes later as this is – of course – not serious! (although it should be said, in the right time and place the Germans will work hard at having fun as well!)

This explains why you keep private matters and business strictly separate – when you deal “with”

Germans. They might adapt to opening a conversation with chatting about the last weekend, holidays or some other private matters, but if you deal “in” Germany you would be better off avoiding this as it’s regarded as seriously overstepping borders.

Another reason for Germans being straight to the point is that they believe that relationships do not have a major impact on work objectives and results. Consequentially people can work together without having a good relationship, although good relationships are generally important. Germans still act very hierarchically - sometimes hiding behind higher authorities such as the Manager, the Rules - whatever they are (and you can

be sure there are some!) - or the “Arbeitskreis”, literally translated the working circle. This has the added touch as sometimes moving in circles is a strategy to avoid taking responsibility and making decisions. Be aware that you may meet extremely rude people in leadership positions, but those are simply rude (and this isn’t a trait that’s unique to Germany). In my opinion such behaviour is sometimes related to low self-confidence, some managers seem to believe that a lack of manners demonstrates power.

There are limits but as many people accept too much from their superiors and don’t dare to speak up because they fear to lose their jobs, those ‘leaders’ are still around. The question I would like to ask here is whether you really want to deal with companies whose representatives act like dictators. What climate and culture could you expect from and within such an organisation?

The way to successfully persuade Germans to take on a new idea is to make sure you have done plenty of detailed preparation. Make sure you have documented plans that you can show and be ready to discuss possible sticking points at some length. Be ready for criticism and have arguments at hand to counter ob-

jections with properly thought out strategies and plans – always have a plan! (A useful tip here, make use of the services of an ex-pat that has experience of living and working in both countries).

### Why roses and dinner are not enough – no platitude will make it

All sales pitches and business negotiations follow certain stages. This is no different to other countries, but inherent distrust and a kind of hysterical aversion against manipulation are still an underlying and historically handed down in Germany.

On a side note: my personal opinion is that coping with this trauma is still stuck in the process of healing and dealing – far, far away from adaptation or integration, this is one of the reasons why Germany has still no coherent standpoint on immigration and integration and also on how to deal and trade with foreigners. Coming down to the personal level: we are not talking about politics, but about understanding reasons for potential resistance.

Although science has already

proven that it is impossible to manipulate people into any action opposed to their own interests, good presentations and speeches focussing on emotions are regarded with mistrust.

This can be seen reflected quite well in local advertisements, sales pitches and business presentations instead of a shiny glossy brochure you get rather a technical manual. German Business presentations are stuffed with facts and figures – although they understand quite well the emotional and soft factors which are a crucial part for sales and buy, do not expect to get something simply glamorous and dazzling. Please do not deliver such presentations if you expect to get down to business. Germans will look for percentages, facts and figures and directly dig into contradictions and incomplete descriptions. Even a one page executive summary should contain technical information and be at least a bit related to this need otherwise your product or service will be almost immediately regarded as shallow.

Apart from satisfying the desire to understand the technical ins and outs, giving this information enables the Germans to make, explain and justify decisions – it makes them feel far more comfortable.

Avoid some common mistakes in your presentations as these can directly close down your negotiations:

**“Indian style” presentation**

- > more presentation than content
- > too colorful and too animated
  - > too distracting
  - > too happy

*Predictable like the ending of a Bollywood movie*

**“American style” presentation**

- > plenty of buzz words & superlatives
- > lots of repetition & blown up out of proportion
  - > with quotes of unknown people
  - > no disadvantages, bright future only

*Yes, they are serious and not sarcastic or funny*

... but German style presentations have also their difficulties:

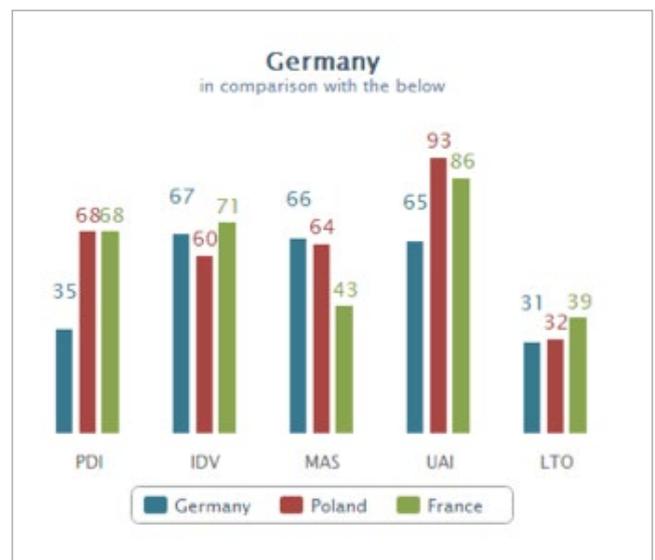
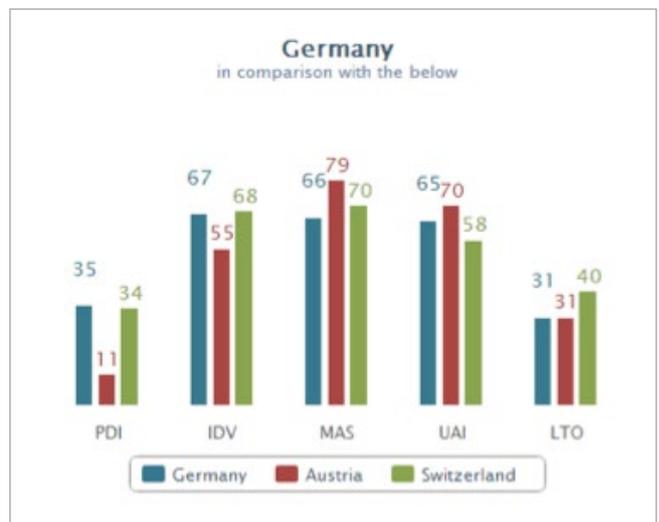
**“German style” presentation**

- > too much content on one slide
  - > far too many details
- > “Cheesy” graphics, often irrelevant to the topic
  - > Graphs and charts with illegible detail
  - > Overuse of color and various fonts

*About as interesting as reading the Berlin phonebook*

**Getting there**

Before getting close to “them” it is useful to understand your own cultural position. This will give you an idea of where your culture differs most to what you will experience. A country comparison between the 3 German speaking countries Germany, Switzerland and Austria reveals significant cultural differences – Germany compared with Poland and France even more:



Source: <http://geert-hofstede.com/>

To give a short explanation here, in the first graph, “PDI” relates to Power Distance and gives an indication of how members of the society relate to authority and hierarchy – the higher the number the more likely the people are to accept authority from above and it can be seen that Germans are more accepting than their neighbours Austria and Switzerland. More explanation of these graphs can be found on Geert Hofstede’s website ([www.geert-hofstede.com](http://www.geert-hofstede.com))

There are some tools available which give you more insight and you can also find education and various courses which are very useful. Entering their turf, do not expect Germans to be aware of all those details – it might be the case especially if you deal with those who were already living and working abroad. At least one thing can be taken for sure: they will be as much surprised by your attitude and style as you will be by theirs.

Let’s assume you have made a contact now and ask yourself which step to take next. Firstly it is always easier to hide behind the computer, writing mails back and forth. This is a mistake as it gives the other side time to involve everybody and everything (remember the Arbeitskreis?) or to simply come up with a “no”.

Emails and letters can be misleading or distracting, you may receive mails which appear to challenge your expertise. Without knowledge though this is only an assumption and very likely arising from cultural or subtle language differences (a classic is the difference between sensitive and sensible in English and German, they mean the opposite in English) – do not read between the lines and do not develop a relationship based on assumptions. It is always better to directly contact the person and talk.

### We need a plan! Expectations and goals.

Although what I described above seems a more “Can’t do” culture, outsourcing is quite well established amongst most of the German corporations. Of course, Germans like everyone else love to save money so they will not be initially reluctant to any kind of offering in this area, but they do have a distinct approach to quality. The label “Made in Germany” has developed from an original attempt to show something as inferior into a sign of quality. This influences the expectations and judgement of foreign products and services as well – so the expectation is

clearly to receive the same quality and service which they have already but now from a foreign based company.

In general it will depend on the kind of offering they are open to deal with. Now, most companies have realised that the biggest business cost factor are the people related costs and not those related to technology and assets. Moving tasks from home to an outsourcing provider located in let’s say Eastern Europe might reverse the cost ratio to technology and assets with the lower proportion becoming people. It mustn’t be forgotten: outsourcing is likely a people utilisation related issue in all buyer’s markets.

Companies located in more mature buyer’s markets such as UK have meanwhile made the experience that the estimated value or advantage might not be realised. The biggest point right now is the point of “Innovation”, where customers are also dissatisfied with their providers. There are academic research results available which show, that 44% of companies already pulled back work from outsourcing providers in low cost countries.

A trend which needs to be addressed concerns Sales Techniques. Always offering “exclu-

sive deals or opportunities” and always describing the future as bright and shining simply decreases credibility immediately. For some of the late entrants to the Outsourcing market, buyers or vendors, this might be the main point but this is definitely a beginner’s mistake which will hit back like it did with many organisations already. What then will innovation mean? It is also a highly overused and mainly blurry attribute – some vendors define this innovation as cleaning up the faults and disruptions in the underlying technology which they receive. We find this within ITO and also within the Business Process area (BPO) – this is dressing up ‘business as usual’, dealing with a not well thought through strategy.

The future trend will be far more focussed on automation – we will likely see a comparable trend to the earlier stages of the automotive industry. Thus every high-volume, repetitive and low level task, which is done by humans right now needs to be reviewed and will be automated as much as possible, provided it is work which is necessary, which needs to be assessed upfront.

Otherwise we will only see a lift and shift from humans to machines without any added value. This will of course affect the services related industry and it will be an interesting point to see if there will be vendors selling services which will become superfluous and intentionally replaced by technological advances such

as high-performance computers combined with Natural Language processing software.

Providers with a lower position on the value chain might get the rest of what’s left, but those who want to establish a prosperous and long term business relationship with Germany will likely follow this approach. The more interesting question is, where will this trend be coming from? My personal opinion is that this framework will be refined within the UK and defined near to perfection within Germany - the UK has been the first country entering the post-industrial state and Germany is fast on the way to this as well.



**Carola Copland** is a bi-lingual, qualified German Lawyer with more than 12 years experience within a Fortune 50 Global IT company. She has held senior and international management positions in nearly all areas of Strategic Outsourcing business: international Outsourcing sales projects, contract management, Shared Services and Delivery Centre start up and operations – covering the range between New Logo full scope Global IT Outsourcing down to local Base Growth requests (RFS). She left Germany in 2005, since then she has lived and worked in Switzerland, Hungary and since mid 2012 lives in the UK.

Carola started her own consulting business end of 2013. She is adding some international business experience and ‘continental skills’ to SMEs and Charities, specifically caring about adult education and literacy. From time to time she is as well working as a consultant in the Outsourcing arena. Her motto: “Order does not come by itself!”.

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# Imprint

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