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Enhancing Global Sales Skills in Executive Education Programs

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Introduction

The global marketplace increasingly is being viewed as an opportunity rather than a threat to U.S. businesses. Based on recent surveys, almost one-half of U.S. businesses sell products outside the United States, and 56 percent view globalization as an opportunity while only 19 percent consider it a threat (Thornton, 2006). To achieve growth goals in the future, U.S. businesses likely will need to take the initiative and think and act globally. To prosper in a global economy, interpersonal skills will be importance to U.S. businesses. But these skills will be particularly important in the areas of selling, sales management, and business negotiations.

For many firms, especially those in business to business markets, personal selling is a pivotal element in their promotional mix. Salespeople often are the bridge between a company and its customers, impacting sales as well as perceptions of the company. In both international and domestic situations, salespeople meet and interact with prospects and customers that come from different cultural backgrounds. The ability to understand the impact of and adapt to different cultural backgrounds has a positive impact on the success of the salesperson. Thus it is crucial to the firm's success to have a sales force well versed in understanding the customer and developing strong relationships.

The purpose of this article is to examine the need for executive education training in culture, suggest a method for clarifying situations where cultural training is needed, and provide guidelines on the content of executive education training programs for companies pursuing global opportunities.

Need for Training

Personal selling and sales management often assume an even greater role internationally since some elements of the promotion mix, such as advertising, may be restricted either by law or other factors (Johnson, Kurtz, and Schewing, 1994). Personal

selling in an international context involves sending personnel (expatriates) overseas to serve three different functions: (1) to sell a product or service as an expatriate salesperson in a foreign country, (2) to serve as an expatriate sales manager for a native-born sales force, and (3) to negotiate distribution and/or partnership agreements with foreign companies. Individuals sent abroad for any of these functions can benefit from training to better prepare them for their task.

To be successful, U.S. expatriates must understand and be sensitive to the unique cultural and environmental challenges of the international marketplace (Johnson, Kurtz, and Schewing 1994). Individuals given foreign assignments can be selected with great care. But if they do not possess or are not trained to understand the business environment in their foreign assignment, difficulties are likely to arise through culture shock, inadvertent alienation of host country business contacts, or by committing irrecoverable cultural mistakes (Cateora and Graham, 1999). Indeed, estimates suggest as much as 30 percent of overseas tours are outright failures (Samli and Hill, 1998). The cost of these failures is in the billions a year, not including lost sales or damaged foreign relations (Lublin, 1992).

One method for increasing cultural and environmental sensitivity (and reducing turnover) of U.S. expatriates is through training designed to improve efficiency and effectiveness on-the-job. Individuals that develop confidence in their ability to operate within a new environment experience less stress and assimilate into the new environment more quickly and more completely. Almost half of major U.S. companies provide formal cross-cultural training programs before foreign transfers (Kotabe and Helsen, 1998). But, nearly 60 percent of these training programs last a week or less (Mendenhall, Dunbar, and Oddou, 1987). In contrast, European and Japanese firms give their expatriates more comprehensive and longer training programs (Ondrack, 1987; Tung, 1987). U.S. expatriates are therefore much less prepared for sales or sales management positions abroad, and for negotiating effective relationships.

Higher education in the U.S. has done little to help train individuals for foreign assignments. There are no comprehensive programs at accredited universities to train undergraduate, graduate, or executive education students in the skills necessary to effectively sell, manage a sales force, or negotiate in a global setting. The only training available is proprietary, generally a week or less in length, and expensive – with an average cost of \$3,000 to \$6,000 per individual (Kotabe and Helsen, 1998). Increasing the availability and quality of training in the areas of international selling, sales management, and negotiations will enhance the ability of U.S. businesses to succeed in a global economy.

Culture and Cultural Differences

Culture is the essential character of a society that distinguishes it from other groups. The underlying elements of every culture are the language, values, myths, customs, rituals and laws. These elements shape the behavior of the culture, as well as the material artifacts, and are transmitted from one generation to the next. What people eat, how they dress, what they think and feel, and what language they speak are all dimensions of culture. Culture encompasses all the things people do without conscious choice because their culture's values, customs and rituals are ingrained in their daily habits.

Cultural differences have a major impact on sales, management practices and business negotiations. Consider, for example, the importance of building relationships to the sales process. In the United States, having a relationship with the client is not a precondition to making the sale. Instead, relationships are developed primarily after the sale is concluded as the salesperson continues to service the client. But in China salespeople that rush into business are considered rude and uncouth, and they seldom succeed. Thus, in China relationships must be developed before the sales approach begins.

Cultural Knowledge

In dealing with individuals from different cultures, two critical components are important to success. The first critical component is knowledge of the customer's culture. This knowledge includes, for example, an understanding of the preferred order of business, culturally unique motivators, cultural history, and even a few words in the native tongue. Knowing the preferred order of business enables individuals to alter their approach to better achieve their objectives. In India, for example, visitors conducting business are first toured around the countryside and even taken to the family's home before business discussions are started. In Germany, however, business discussions are begun and often completed before social activities.

Sales managers with a native sales force benefit from knowledge of culturally unique motivators as well. In the United States, sales commissions generally are based on individual performance, with contests being between salespeople within a branch. But a similar commission and contest setup in Japan is likely to not be an effective motivator. The Japanese are much more group-oriented, with the best commission and awards structures being based upon group or branch performance. Thus, cultural knowledge enables sales managers to optimize compensation and rewards to match local conditions.

Cultural Adaptability

Knowledge of culture shows a level of respect and interest that goes a long way towards building a cultural bridge and establishing trust. But knowledge alone will not ensure success. The second critical component is cultural adaptability. Sales executives must be adaptable to the culture and avoid ethnocentrism – thinking one's own culture is superior – because ethnocentrism has no place in intercultural interaction. Instead, executives need to observe, appreciate, and enjoy cultural variation. Not only does this make foreign travel easier, it also helps build relationships with customers. In short, sales executives need to change culture clash into cultural appreciation.

Sales executives also need to use information gained through direct interaction to adapt and overcome cultural stereotypes. Cultural knowledge gained from books or other sources may contain incorrect stereotypes and biases. This incorrect information may be a result of the culture being observed through the filter of another person's preconceived notions, or it may be that cultural changes have occurred. Thus, while knowledge gained before intercultural interaction is important, sales executives must be prepared to adjust or drop stereotypes when direct interaction reveals unexpected differences. Adapting means executives recognize inconsistencies and adjust their cultural assumptions immediately while dealing with customers or other individuals.

Assessing Training Needs

Sales executives must have the knowledge and adaptability necessary for success in different cultures. Executive education programs, whether delivered on-campus or in-house, provide an excellent opportunity to enhance these skills. To design these programs the type and amount of training needed must be determined. Figure 1 suggests one approach that provides guidelines on making this decision.

**Figure 1:
Cultural Similarity**

		Similar	Dissimilar
Cultural Experience	Extensive	Little Training Needed	Cultural Knowledge Training
	Limited	Cultural Adaptability Training	Cultural Adaptability & Cultural Knowledge Training

Depending on the similarity of the culture and the cultural experiences of the individual, the type and amount of training required will vary. The more similar the culture, the less important is training in cultural knowledge. When executives have extensive cultural experiences, they also need less training. This is especially true when negotiating with or managing individuals with similar language and historical backgrounds. But sales executives with limited cultural experience, particularly those confronted with very different cultures, will need extensive knowledge of differences before they begin selling to, managing or negotiating with people from very different cultures and languages. They also will need training in adaptability skills so they can assess cultural encounters and deal with them quickly and effectively.

Cultural experiences build cultural adaptability skills. The more cultural experience a sales executive has the more likely they are to be able to easily cross cultural barriers and appreciate cultural differences. In other words, the less training they need in cultural adaptability. But sales executives with little experience in other cultures may lack cultural adaptability and be ethnocentric. As a result, they need training in being culturally adaptive.

Content of Training Programs

In planning executive education programs to train expatriates, the place to begin is with the two critical components of cultural knowledge and cultural adaptability. Each component requires a different pedagogy in order to optimize retention and application of the material.

Cultural Knowledge Training

Executive education programs can not cover all important cultural variances worldwide. Even a modest effort to do so would overwhelm the most brilliant sales executive, becoming a confusing burden rather than a useful tool. Instead, executive education should focus on offering sales executives 1) broad regional cultural differences, 2) the impact of these differences on business practices and policies, and 3) where to find more specific cultural information when needed.

In their book, Global Business: Planning for Sales and Negotiations, Schuster and Copeland (1996) divide the world into nine regions based on cultural similarities.

1. United States
2. Canada and Australia
3. Northwestern and Central Europe
4. Canada and Australia
5. Northwestern and Central Europe
6. Mediterranean Europe
7. Latin America
8. Chinese Cultures
9. Japanese Cultures
10. Developing centrally-planned and formerly centrally planned economies
11. The Middle East

They then detail the cultural differences of these regions and the variances in approaches to selling and negotiations these differences necessitate. Other regional classifications of the world based on cultural similarities and geographic proximity can be employed. But only if they help classify the information into a manageable amount so sales executives know the cultural differences on which to build additional country-specific information.

Once the world is divided into cultural regions, cultural differences between those regions and the effects of those cultural differences on doing business can be taught. Presentations and case examples of doing business within that region would both be useful. Cases on cultural conflict or clashes would stimulate interest and provide a discussion intensive method of understanding the impact of culture on business and the importance of cultural knowledge and cultural adaptation.

Finally, sales executives should know where to find more country specific knowledge so they can prepare for a particular culture before going abroad on assignment. There are several good books on doing business in different cultures, such as Kiss, Bow, or Shake Hands: How to do Business in Sixty Countries, by Morrison, Conaway, and Borden (1994) that can be provided to program participants. In addition, there is a lot of information available on the Internet. Below is a partial list of resources:

- <http://www.executiveplanet.com/>
- <http://www.culturegrmas.com>
- <http://spitswww.uvt.nl/web/iric/hofstede/>
- www.cia.gov/cia/publications/factbook
- www.cid.harvard.edu/cidtrade
- www.cid.harvard.edu
- www.un.org/pubs/cyberschoolbus/index.asp
- www.worldbank.org

Cultural Adaptability Training:

Training in adaptability should be taught through hands-on activities that show the executive how to apply and adapt cultural knowledge obtained. One of the best ways to apply the material is in videotaped role-play exercises where the sales executive practices their selling, sales management, and negotiations skills in a simulated cultural environment (Castleberry, 1989; Decker, 1983). This role-play exercise can be done as a fun capstone project to the program.

The role-play should be done on the topic most applicable to the participants (selling, sales management, or negotiations). The role-play should be written as if the sales executive were traveling to a different country to achieve some sort of goal. Ideally, you should have actual foreign nationals on the other side of the table. If you do not have foreign nationals available or as part of your program, you can have other participants research then play the role of a native. While it won't be as accurate, the research and perspective gained by playing the role of a native will help increase adaptability of the participants. When the role-play exercise is finished and every participant has had a chance to lead a role-play, then debrief as a class for the insight learned.

Corporate Processes and Systems Training

Training also is needed in more specific areas involving corporate processes and systems related to employee performance. Examples of areas include fundamental skills needed to do the job, expectations and standards associated with job goals, incentives for job performance, motivation, negotiation skills, and support that will be available to help employees do their job. Training must include not only specifics in each of these areas, but also how assumptions about how cultural differences influence each. Since cultural differences will likely influence performance, the assumptions made by executives must be examined through the lens of national cultures.

In addition to the areas mentioned above, when developing training programs for individuals operating in a global environment, the following guidelines will be useful (Huang, 1996; Kemper, 1998; Cohen, 1996):

- o ***Include international members on the training design team.*** People already familiar with the culture of the trainees can design better training.
- o ***Thoroughly research the culture of the host country.*** Read about the host country's culture and politics beforehand. If possible, spend some time in the country with the salespeople to get a better idea of how culture affects the selling process.
- o ***Offer English classes.*** If the training class will be conducted in English, teach some English before and during training to individuals who have language difficulties. This will help these trainees deal with the vocabulary presented in class and assist in their translating information correctly and quickly enough to keep up with the instructor.
- o ***Avoid idioms, jargon, slang, and humor in class.*** This information often does not translate correctly to other cultures.
- o ***Be sensitive to nonverbal language.*** Body language and facial expressions provide subtle messages regarding the level of understanding and learning that is taking place.
- o ***Use more visuals to overcome language barriers.*** Visuals communicate difficult concepts more effectively, even when there is a language problem. Also, consider including definitions of technical concepts in handouts covering visuals.
- o ***Schedule a question-and-answer session during a class break or after class.*** In some cultures it is rude to interrupt by asking questions during training. Other cultures consider volunteering a way of bragging.
- o ***Include managers and others given foreign assignment in training.*** All individuals sent abroad need training if the assignment is a new one, not just salespeople.

Benefits of Training

One benefit of training, particularly cultural training, is improved efficiency and competitiveness for U.S. expatriates. When available, most current training focuses on providing knowledge about specific traits of the culture or cultures in which individuals will be working. But how to adapt to cultures is generally ignored. For example, expatriates are seldom taught to be self-sufficient in analyzing and assigning importance to cultural traits and then adjusting their business approaches accordingly. This type of training would enable individuals to adapt to different cultures even when they are unfamiliar with the details of a particular culture (Cateora and Graham, 1999). Knowing which sales elements to retain, which to discard, and why, is the key to efficient, organized and effective foreign selling operations (Samli and Hill, 1998).

Another benefit of training would be to reduce the costs many U.S. businesses incur when they venture abroad. The limited international training currently offered by firms has decreased the turnover of U.S. expatriates. But reducing this turnover even further through better training should yield cost savings and increased sales for U.S. businesses.

Finally, the availability of better training will encourage other U.S. businesses to go international in their selling efforts. This training could be offered to current personnel through on-site programs or executive education formats on campus. Similarly, adding additional courses on the topic at universities will produce college graduates prepared to function more effectively in an international environment.

Conclusions

Giving sales executives training in cultural knowledge and adapting to different cultures should be a goal of executive education programs. The benefits of understanding culture to both domestic and international sales executives are manifold. Well-trained executives maintain the image of the company across national and cultural borders. Understanding cultural viewpoints also facilitates the transfer of ideas from market to market. Finally, cultural knowledge and adaptability assists expatriate managers in evaluating and training a native sales force.

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