

## Doing Business in Latin America

Latin America is comprised of both Central and South American countries, and make up an important trade partner for many countries. For example, United States trade with Latin America is approximately \$134.5 billion in exports or 20% of total exports.

Even though there are important and distinct differences within this major region of the world, there are some common habits and similarities within the Latin American culture.

All speak Spanish, except in Brazil where the national language is Portuguese.

In all Latin countries, the attitude toward time is less rigid than among North Americans and Europeans; a 30 minute delay should not be a surprise. In fact, among close associates, it is recommended that, when setting times for appointments, ask "*la hora inglesa, o la hora espanol?*" This means "the English hour" (meaning "Promptly at the time specified?") or "the Latin hour" (meaning "If I say 7 o'clock, don't be surprised if I don't show up until 7:30 or even later").

Latinos will usually stand closer together during conversations, so be prepared for that plus casual touching and, of course, the *abrazo*, or embrace, among good friends. You may even be startled to have a Latin businessman hold your elbow while conversing, or walk down the street arm-in-arm.

Latinos are very warm and friendly people and enjoy social conversation before getting down to business. This is a calculated process aimed at getting to know you personally. Latinos tend to be more interested in you, the person, than you as a representative of some faceless corporation.

The main meal of the day is usually taken at midday throughout all Latin American countries. However, this should not deter you from also hosting your business guests over dinner in the evening. Most Latin businesspeople know about American dining customs and in their own country will entertain in the evening at a restaurant for special occasions. When toasting, the host customarily is expected to make the first toast with the guest then properly responding.

More and more young professionals find themselves doing business in Southern and Central America every year. Each country, from Guatemala to Chile, has its own distinctive flair. The savvy business traveler and smart businessman will do his research in advance to better understand the cultural differences that play a role in how business is conducted in this region. Some general business etiquette for the region is as follows.

### **Address people correctly**

Avoid using a client, supplier or business associate's first name until you're invited to do so. Such an invitation usually won't take long, as Latinos are generally warm and friendly. In the meantime, use the more formal "Mr." or, better still, "Senor."

### **Present your credentials**

Have your business card printed in your native language and Spanish. At any meeting, exchange business cards with everyone. Present your card with the Spanish side up. In Brazil, use Portuguese in lieu of Spanish. And don't try your high school language knowledge on anyone. Learn some phrases of greeting in the local dialect, as a courtesy.

### **Be punctual, but don't expect the same**

Be on time for your appointments and meetings, but recognize that schedules are not always strictly adhered to in much of Latin America. Latinos may be late, but it's expected that you will be punctual, particularly in Costa Rica and Chile.

### **Shake and hug**

Shake hands on arrival and when leaving or ending a meeting. Your Latin associate's handshake may seem limp and will linger longer than in North America or Europe, particularly in Guatemala and El Salvador. The "abrazo," a warm embrace or hug, is common among friends everywhere except in Costa Rica.

### **Curb your gestures**

The American symbol for "okay" is considered a rude gesture in Brazil. Slapping your right fist into your left palm in Chile is also obscene. Holding your palm up with your fingers spread means "stupid" to Chileans. Don't ruin your presentation by inadvertently including vulgar gestures, and don't fidget. It's particularly annoying to Ecuadorians when someone makes repeated movements, fiddles with his tie, or taps a pen. If you're looking for an additional source of luck in your meeting in Paraguay, don't cross your fingers. It denotes the sex act.

### **Correspond correctly**

With e-mail, recognize that the use of jargon or colloquialisms could cause confusion and your tone may be misinterpreted. Business correspondence is more formal in Latin America, where the use of elegant language denotes good manners.

On the subject of language, ensure that your translations are properly done. When planning product specifications, remember the story of Chevrolet's attempt to promote a new car called the Chevy Nova. No one anticipated that, in Latin America, it would be seen as "No va" (which translates roughly into "won't go") the car was quickly renamed the Caribe.

Following are business etiquette tips for some specific Latin American countries.

## **Argentina**

### **Relationships & Communication**

- Argentina is a relationship-driven culture, so it is important to build networks and use them.
- Argentines maintain and use an intricate network of family and friends to call upon for help, favors or assistance.
- If a favor is done for you, you will eventually be called upon to re-pay it.
- Name-dropping and nepotism do not have the negative connotations as it has in the West and can be used to your advantage.
- Above all Argentines like to do business with people they know and trust.
- They prefer face-to-face meetings rather than by telephone or in writing, which are seen as impersonal.
- Once a relationship has developed, their loyalty will be to you rather than to the company you represent.
- Looking good in the eyes of others is important to Argentines. Therefore, they will judge you not only on what you say, but also on the way you present yourself.
- Avoid confrontation. Argentines do not like publicly admitting they are incorrect.
- It is imperative to show deference and respect to those in positions of authority. When dealing with people at the same level, communication can be more informal.

- Be alert for nuances and hidden meanings. It is a good idea to repeat details, as you understand them to confirm that you and your business colleagues are in agreement.

### **Business Meeting Etiquette**

- Appointments are necessary and should be made 1 to 2 weeks in advance, preferably by e-mail or telephone.
- Avoid January and February, which are their vacation times; the middle weeks of July, which is when many go skiing; and during the two weeks before and after Christmas.
- You should arrive on time for meetings, although the person you are meeting may not be punctual.
- In some older, more bureaucratic organizations, the more important the person you are meeting, the longer they keep you waiting.
- Do not immediately begin discussing business. Small talk helps establish a rapport.
- The person you are meeting with may accept telephone calls and attend to other business while you are there.
- Have all printed material available in Spanish.
- Decisions are not reached at meetings. Meetings are for discussion and to exchange ideas.

### **Business Negotiations**

- Argentines expect to deal with people of similar status.
- Hierarchy is important. Decisions are made at the top of the company. Business moves slowly because it is extremely bureaucratic. Decisions often require several layers of approval.
- Argentines have a difficult time disagreeing, so do not think that things are going well simply because no one is challenging what you say.

### **What to Wear?**

- Business attire is formal and conservative, yet stylish.
- Men should wear dark colored, conservative business suits.
- Women should wear elegant business suits or dresses.
- Good quality accessories are important for both sexes.
- Dress well if you want to make a good impression.

### **Business Card Etiquette**

- Business cards are given without formal ritual.
- Have one side of your business card translated into Spanish.
- Present your business card so the Spanish side faces the recipient.

## **Bolivia**

### **Meeting & Greeting**

- Bolivians tend to be formal in their business dealings.
- It is always best to maintain a level of professionalism.
- Shake hands when meeting and leaving.
- Wait for a woman to extend her hand.
- Eye contact is important.
- Professional or academic titles with the surname are used in business. Common titles are "Doctor" (medical doctor or Ph.D.), "Ingeniero" (engineer), and "Licenciado" (lawyer or university degree).

- If someone does not have a title, the honorific titles Señor or Señora are used with the surname.

### **Business Cards**

- Business cards are exchanged during the initial introductions.
- Try and have one side of your business card translated into Spanish.
- Make sure to include any academic qualifications on your card.

### **Meetings**

- Relationship building is important in Bolivia so initial meetings should always be about establishing trust and learning a little about each other.
- Wait for the other party to move the conversation on to business.
- Meetings are generally relaxed affairs but there is always a sense of formality that should be adhered to.
- Meeting schedules are not very structured in Bolivia. There may be an agenda and a starting time, but they serve as guidelines only and may act as a springboard to other related business ideas and further discussion.
- Time is not considered more important than completing a meeting satisfactorily, therefore meetings will continue until the discussion is completed.
- Be careful not to be too direct in your communication style - negative responses should be diplomatically put so as not to cause a loss of face or dignity.
- Most business is conducted in Spanish so try and arrange for your own interpreter.
- Similarly have any materials translated into Spanish.
- Do not rush meetings or show impatience.
- Decisions are not generally reached at meetings - don't pressure people into making them.
- Meetings are simply for discussion and to exchange ideas.

## **Brazil**

### **Relationships & Communication**

- Brazilians need to know who they are doing business with before they can work effectively.
- Brazilians prefer face-to-face meetings to written communication as it allows them to know the person with whom they are doing business.
- The individual they deal with is more important than the company.
- Since this is a group culture, it is important that you do not do anything to embarrass a Brazilian.
- Criticizing an individual causes that person to lose face with the others in the meeting.
- The person making the criticism also loses face, as they have disobeyed the unwritten rule.
- Communication is often informal and does not rely on strict rules of protocol. Anyone who feels they have something to say will generally add their opinion.
- It is considered acceptable to interrupt someone who is speaking.
- Face-to-face, oral communication is preferred over written communication. At the same time, when it comes to business agreements, Brazilians insist on drawing up detailed legal contracts.

### **Business Negotiation**

- Expect questions about your company since Brazilians are more comfortable doing business with people and companies they know.
- Wait for your Brazilian colleagues to raise the business subject. Never rush the relationship-building time.
- Brazilians take time when negotiating. Do not rush them or appear impatient.

- Expect a great deal of time to be spent reviewing details.
- Often the people you negotiate with will not have decision-making authority.
- It is advisable to hire a translator if your Portuguese is not fluent.
- Use local lawyers and accountants for negotiations. Brazilians resent an outside legal presence.
- Brazilian business is hierarchical. Decisions are made by the highest-ranking person.
- Brazilians negotiate with people not companies. Do not change your negotiating team or you may have to start over from the beginning.

### **Business Meeting Etiquette**

- Business appointments are required and can often be scheduled on short notice; however, it is best to make them 2 to 3 weeks in advance.
- Confirm the meeting in writing. It is not uncommon for appointments to be cancelled or changed at the last minute.
- In Sao Paulo and Brasilia it is important to arrive on time for meetings. In Rio de Janeiro and other cities it is acceptable to arrive a few minutes late for a meeting.
- Do not appear impatient if you are kept waiting. Brazilians see time as something outside their control and the demands of relationships takes precedence over adhering to a strict schedule.
- Meetings are generally rather informal.
- Expect to be interrupted while you are speaking or making a presentation.
- Avoid confrontations. Do not appear frustrated with your Brazilian colleagues.

### **Dress Etiquette**

- Brazilians pride themselves on dressing well.
- Men should wear conservative, dark colored business suits. Three-piece suits typically indicate that someone is an executive.
- Women should wear suits or dresses that are elegant and feminine with good quality accessories. Manicures are expected.

### **Business Cards**

- Business cards are exchanged during introductions with everyone at a meeting.
- It is advisable, although not required, to have the other side of your business card translated into Portuguese.
- Present your business card with the Portuguese side facing the recipient.

## **Columbia**

### **Meeting and Greeting**

- It is courteous to shake hands both upon meeting and departing.
- Men should wait for a woman to extend her hand.
- Greetings should take some time - ensure you engage in some small talk, i.e. ask about family, health and business.
- Eye contact is viewed positively.
- Wait for the other party to initiate a change to first names.

### **Business Cards**

- It is a good idea to try and have one side of your business card translated into Spanish.
- Include any university degrees or qualifications as this is valued.
- Treat business cards with respect.

## **Business Meetings**

- Although there may be an agenda, meetings do not always follow a linear path.
- An agenda will serve as a starting point and after that issues are addressed as and when they come up.
- Relationship building is crucial - it may be a good idea to invest time in establishing trust for the first few meetings.
- Time is not an issue in meetings - they will last as long as they need to last. Do not try and rush proceedings.
- Colombians are termed as 'indirect communicators' - this means there is more information within body language and context rather than the words, i.e. if you ask someone to do something and they reply 'I will have to see', it would be up to you to read between the lines and realize that they cannot do it.
- The reason for this way of communicating is to protect relationships and face.
- This means people that are used to speaking directly and openly must tame their communication style as it could cause offense.
- Although they can be indirect, Colombians can also become very animated. This should not be mistaken for aggression.
- Avoid confrontation at all cost. If someone has made a mistake do not expose it publicly as this will lead to a loss of face and a ruined relationship.

## **Mexico**

### **Relationships & Communication**

- The right connections facilitate business success.
- You will be judged by the person who introduces you and changing this first impression is nearly impossible.
- Since the initial meeting is generally with someone of high stature, it is important that your delegation include an upper-level executive.
- After the initial getting-to-know-you meeting, the senior executive may not attend meetings or be visible.
- This indicates you are now getting down to business and they are no longer needed to smooth the introduction.
- Demonstrating trustworthiness, sincerity, and integrity are crucial to building relationships.
- Expect to answer questions about your personal background, family and life interests.

### **Business Meeting Etiquette**

- Business appointments are required and should be made at least 2 weeks in advance. Reconfirm the appointment one week before the meeting.
- Reconfirm the meeting again once you arrive in Mexico and make sure that the secretary of the person you will be meeting knows how to contact you.
- It is important that you arrive on time for meetings, although your Mexican business associates may be up to 30 minutes late.
- Do not appear irritated if this occurs as people often run behind schedule.
- Meetings may be postponed with little advance warning.
- Initial meetings are formal.
- Have all written material available in Spanish.
- Agendas are not common. If they are given, they are not always followed.

## **Business Negotiation**

- Mexicans are status conscious; you should always have someone on your negotiating team who is an executive.
- If you do not speak Spanish, hire an interpreter.
- It will take several meetings to come to an agreement.
- Face-to-face meetings are preferred over telephone, letters or email.
- Negotiations and decisions take a long time. You must be patient.
- Deadlines are seen as flexible and fluid, much like time itself.
- Negotiations will include a fair amount of haggling. Do not give your best offer first.
- Do not include an attorney on your negotiating team.

## **Business Dress**

- Dress as you would in Europe.
- Men should wear conservative, dark colored suits.
- Women should wear business suits or conservative dresses.

## **Business Cards**

- Business cards are exchanged during introductions with everyone at a meeting.
- It is advisable to have one side of your business card in Spanish.
- Business cards should contain both your professional and educational qualifications.
- Present your business card with the Spanish side facing the recipient.

## **Venezuela**

### **Relationships & Communications**

- This is a country where networking is important since it broadens your base of personnel who might have a connection you need.
- As with many Latin cultures, Venezuelans are risk averse, which makes it important that they know and trust the people with whom they do business.
- Venezuelans prefer face-to-face meetings to doing business by telephone or in writing, which are seen as too impersonal. It takes time to develop relationships.
- Appearances matter to Venezuelans. Dress well and try to stay in a reputable hotel for a good impression.
- Senior positions in business are predominately held by the upper class, so it is important that you pay attention to the hierarchy and show appropriate deference and respect to those in positions of authority.

### **Business Meeting Etiquette**

- Business appointments are required and can often be scheduled on short notice; however, it is best to make them about 2 weeks in advance by telephone, email or fax.
- Confirm meetings by fax or email, in Spanish, at least one week before the meeting. It is best to schedule appointments in the morning.
- Avoid scheduling meetings on Friday afternoon, as many Venezuelans leave early for the weekend.
- It is often difficult to schedule meetings in the two weeks before and after Christmas and Carnival, and three weeks before and after Easter.

- Venezuelans are generally punctual for business meetings, especially if they are accustomed to working with international companies.
- The first meeting is formal.
- Have all written material available in Spanish.
- Decisions are not reached at meetings. Meetings are for discussion and to exchange ideas.
- Send a thank you note to the most senior executive after the meeting.

### **Business Negotiation**

- Expect a minimal amount of small talk before getting down to business. Older Venezuelans prefer to get to know people before doing business with them while younger businesspeople are more concerned with business than the social relationship.
- It will take several meetings to come to an agreement. Negotiation and time for consultation are important.
- Relationships are viewed as more important than business documents.
- Negotiations and decisions take a long time.
- Venezuelans focus on long- term rather than short-term goals.
- Venezuelan business is hierarchical. Decisions are made by the person with the most authority.

### **Dress Etiquette**

- Appropriate business attire is expected.
- Men should wear good quality, conservative, dark colored business suits.
- Women should wear stylish suits or dresses. They should be elegantly dressed, including make-up, jewelry and manicures.

### **Business Cards**

- Business cards are exchanged during introductions with everyone at a meeting.
- Have one side of your business card translated into Spanish.
- Present your business card with the Spanish side facing the recipient.
- Business cards should contain both your professional and educational qualifications, since Venezuelans are status conscious.
- Writing on someone's business card in front of them is considered very rude.

Before conducting business in any country it is important to understand the business customs and etiquette of that country in order to ensure your success.