



**London
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DEALING WITH INTERNATIONAL SUPPLIERS

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DEALING WITH ANGRY INTERNATIONAL CLIENTS

Company Background

ABS Tech is a global company with over 6000 employees. The main office is in Connecticut, USA, but the European headquarters are in the UK where James is an IT manager. He looks after the IT businesses in Asia, the Middle East, Africa, the whole of Europe, Australia and New Zealand. His responsibility is incredibly diverse as he has to deal with customers and suppliers in approximately 50 countries around the world.

It has been a learning process for James. He has to work with suppliers in international locations, and he also has to work with colleagues from offices within those countries. He also deals with clients and makes sure that the companies within his responsibility work well together.

James has found that working in the European HQ means that he has to deal with suppliers from Germany, France and the Nordic countries. Every supplier he has to deal with will have a different opinion on a project they are working on. James has observed that, most of the time, these suppliers think that their way is the best, or seem to not understand the market. James has found that it is frustrating as there are many opinions and emotions during meetings.

He tries to manage the suppliers by being polite. Most of the time, they cannot negotiate or come up with an agreement. Sometimes the problem comes from the language barrier. They have a lot of misunderstandings in their communication. James realises that these issues can cause a problem with the company's finance because ABS Tech is a big corporation. James has just had a row with one of his German suppliers because something has gone wrong in Germany, and it is his responsibility to sort it out. The German suppliers are getting angry.

James realises that it is essential to apply intercultural skills and competencies to resolve the situation. The company has already had a specific policy for intercultural collaboration. There is some cross-cultural training, such as managing unconscious bias training for leaders and online training on various skills, such as interpersonal, presentation, communication, written and verbal skills. Some of the courses are aimed more towards HR and talent management, such as breaking down cultural barriers.

James also knows that he needs to show cultural understanding, being aware that other managers working in supplying firms in other countries may not have cultural competency skills. Some people would try to win some business quite bluntly or wrongly, which can cause conflict and misunderstanding with the other party.

This experience gave James a lot of lessons to learn. He is now thinking about how to apply *emotional stability/neuroticism* into his practice.

Scenario

ABS Tech has a contract with a supplier firm in India to install IT parts needed for the company's UK offices. Masud is the representative of the supplier firm in India. During the negotiation process, James has pushed to find out when the Indian supplier (Masud) will begin to do the work and when the project will finish as part of the contract.

Masud (Indian Counterpart): *“Don't worry, sir, we will manage as soon as we can, but we cannot tell you exactly when we can start. I will contact my team and will let you know later.”*

James (English Counterpart): *“Let's get to the point before we start the project, the contract needs to be signed by both counterparts, and we need to have the details of what needs doing, when you will do it and when it will be finished. Otherwise, we cannot sign any contract.”*

Masud (Indian Counterpart): *“I promise that you will have enough time to complete the work, but before that, I need to talk to my team and get back to you. Things take time.”*

James (English Counterpart): *“Yes, but when will that be? I have to know when we can begin the process.”*

Masud (Indian Counterpart): *“There will be enough time to complete the installation, I promise.”*

James: (English Counterpart): *“Can you not let us know the exact date and time the project will be finished. We cannot wait until you have a meeting with your boss and get back to us. This project has been postponed for a while now. I need to know!”*

As a result, Masud (Indian supplier firm) has lost the contract with James, who feels frustrated and walks away from the deal.

DEALING WITH INTERNATIONAL SUPPLIERS – TEACHING GUIDE

1. Synopsis

ABS Tech is an international-worldwide company with over 6000 employees. The main office is in Connecticut, USA, but the European headquarters are in the UK where James is an IT manager. He looks after the IT businesses in Asia, the Middle East, Africa, the whole of Europe, Australia, and New Zealand. His responsibility is incredibly diverse as he has to deal with suppliers and customers in approximately 50 countries around the world. James and colleagues realise that it is essential to apply intercultural skills and competencies, but all the training he has done does not help him deal with the reality of his everyday job. Every supplier he has to deal with has a different opinion on the project they are working on. James notices that they think their way is the best way and that they do not fully understand the market. James has found this frustrating as there are many opinions and emotions when meeting with suppliers. This experience gave James many insights. He is now thinking about how to apply *emotional stability/neuroticism* in his everyday practice.

2. Teaching Strategy and Teaching Objectives

Students/learners will be able to:

- Understand the meaning of *emotional stability/neuroticism* and discuss its importance when working with people from other cultures.
- Reflect on their own culture and engage in a dialogue with people from other cultures to highlight similarities and differences in cultural actions and behaviours in a business setting.

3. Target Audience

- ✓ Undergraduate students in all business-related disciplines
- ✓ Postgraduate students in all business-related disciplines
- ✓ Employers

4. Questions for Case Analysis and Teaching

1. What is the problem from the different perspectives? What is the dilemma?
2. What is the best way to cope with international suppliers, and what are the mechanisms you need?
3. What causes the conflict during the negotiation, and what makes James decide to terminate the agreement?
4. What would you do in this situation if you were the Indian supplier firm? How do you get a contract back?
5. What have you learned during the case? Where else can this be applied?

5. References and Recommended Reading

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Migliore, L.A. (2011). Relation between big five personality traits and Hofstede's cultural dimensions: Samples from the USA and India. *Cross Cultural Management: An International Journal*, 18(1), 38-54.

DEALING WITH INTERNATIONAL SUPPLIERS – TEACHING NOTES

1. Summary of case study

ABS Tech is an international-worldwide company with over 6000 employees. The main office is in Connecticut, USA, but the European headquarter is in the UK where James is an IT manager. He looks after the IT businesses in Asia, the Middle East, Africa, the whole of Europe, Australia, and New Zealand. His responsibility is incredibly diverse as he has to deal with suppliers and customers in approximately 50 countries around the world. James and colleagues realise that it is essential to apply intercultural skills and competencies, but all the training he has done does not help him deal with the reality of his everyday job. Every supplier he must deal with has a different opinion on the project they are working on. James notices that they think their way is the best way and that they do not fully understand the market. James has found this frustrating as there are many opinions and emotions when meeting with suppliers. This experience has given James many insights. He is now thinking about how to apply *emotional stability/neuroticism* in his everyday practice.

2. Suggested methodology for ‘solving’ case study

The first step is to understand the meaning of ‘emotional stability/neuroticism’ and its importance when working with people from other cultures. The theory slides on ‘emotional stability/neuroticism’ accompanying this material should be reviewed. The second step is to understand the impact of ‘emotional stability/neuroticism’ on International Business when dealing with particular clients. The third step is for learners to reflect on their own culture and engage in a dialogue with people from other cultures to highlight similarities and differences in cultural actions and behaviours in a business setting.

3. Possible answers

Q1) What is the problem arising from the different perspectives? What is the dilemma?

Every manager with which James deals with has a different opinion on the project they are working on. James has noticed that they almost always think that their way is the best way forward even though they do not fully understand the market. He has found this to be frustrating as there are many opinions and emotions when meeting with the international suppliers. Language barriers are one of the main issues we can identify in this case study. This relates to the challenges both James and the suppliers face in agreeing and resolving misunderstandings. A second issue relates to different cultural perceptions over timeframes when conducting business.

Q2) What is the best way to cope with international suppliers, and what are the mechanisms you need?

James needs to learn how to clearly communicate with the international suppliers, including collaborating over agreed timeframes. He needs to control his emotions and understand suppliers’ cultures. He also needs to understand the concept of sequential vs synchronic time perception. On the one hand, in sequential cultures, time is precious and limited as in the case

of the UK. On the other hand, synchronic cultures, such as in the case of the Indian culture, relationships are more important than time, which means that completing the work on time might not be a priority.

Q3) What causes the conflict during the negotiation, and what makes James decide to terminate the agreement?

The conflict in the negotiation mainly arose due to language barriers and unclear communication over timeframes. The situation was further fuelled by James's inability to control his frustration and hurried decision to terminate the agreement.

Q4) What would you do in this situation if you were the Indian supplier firm? How do you get a contract back?

The Indian suppliers need to better collaborate with James. They should reach out to him to propose and agree a new timeframe which they can commit to deliver. Although the Indian culture might be a synchronic one (i.e., time is not as important), the Indian suppliers need to also appreciate that other cultures value time more and that timeframes are important when conducting business with other partners from other cultures.

Q5) What have you learned during the case? Where else can this be applied?

The 'emotional stability/neuroticism' dimension is recognised as a significant predictor of job performance. It holds a key role in maintaining conducive workplace social interactions. Emotionally stable individuals can be expected to be calm, imperturbable, and complain little about their personal worries and anxieties. Emotional stability correlates more strongly with overall happiness and satisfaction with life and self-esteem. James needs to learn how to be calm and maintain self-awareness.