

– in cooperation with –
WHU and the Kellogg School of Management
Joint EMBA Alumni Associations

Conference Series Executive Summary

“Cultural Diplomacy in International Business”

IDEA/PROJECT

The challenge presented by cultural barriers in the context of international commercial exchanges is not a new phenomenon, nor is it an issue with a simple, “one size fits all” solution. Although the so-called western societies have been endeavoring to find an adequate means of addressing the issue for several decades now, both academically and in practice, the reality is that culture continues to cause operational and ultimately, financial stress in the course of international business exchanges.

Conversely, in the newly emerged democracies of Eastern Europe currently joining the European Union, concepts such as “cultural barriers” (i.e. corporate culture, cultural business practices, market preferences, etc.) represent relatively new topics in the private sector arena and have been absent from the preceding business landscape. As a result, such companies may suffer from reduced competitiveness in the context of intra-EU, as well as international business expansion.

Considering this backdrop, the *institute for cultural diplomacy* and *AT-CONCEPTS* seek to both introduce the topic for those whom it is new, and to reinvigorate the discourse for those more familiar with the issue, but who still suffer from a lack of practical understanding in the operational context. Our goal is to help the participants expand their understanding concerning the role of culture in international business exchanges, and to begin familiarizing them with the techniques necessary to mitigate the operational risks associated with a lack of such understanding. The result will be a more level playing field, as well to support the greater goal of fostering greater cultural understanding between our regional and international neighbors.

ROMANIAN-GERMAN CONFERENCE SERIES

The conference series’ greater mission is to remove cultural barriers throughout the globe, specifically in the field of international micro-economic cooperation and integration. The Romanian-German relationship has been chosen as a test-case in the context of a wider, Eastern European conference series, particularly because, together with Bulgaria, both countries are now on the verge of joining the EU. The purpose of the conferences (“*Cultural Barriers of Expanding Business Abroad I & II*”) is to create an efficient network among the participants where different interests meet and evolve. Western companies should be encouraged to get into the East European markets and vice versa. In this event, primarily German and Romanian companies are being brought together.

TARGET POPULATION

These conferences specifically address members of the private sector in Romania and Germany, but are also open to any international private sector parties generally interested in expanding their knowledge in this area. Furthermore, public sector officials charged with the task of fostering and encouraging foreign direct investment (FDI) for their respective nations may also find this to be a highly relevant and worthwhile event. Finally, we would encourage consulting companies with expertise in this field to join us at these events, as they represent a valuable and diversified information-base, as well as a source of relevant and practical experience.

METHODOLOGY

The plan for addressing the issue of cultural barriers in international business is quite straight forward. At each of the conferences, the seminars and presentations will move from the general (i.e. academic) to the specific (i.e. practical case studies), where the practical examples offered reinforce the academic explanation. Finally, these academic and practical presentations will be consolidated, identifying linkages wherever possible, through subsequent panel and round-table discussions. This methodology has proven to be quite effective in previous *icd* conference series, and the *institute* is confident that it will continue to produce high quality results for our future audiences. Perhaps most important for the sincere exchange of ideas, the “off-the-record” methodology – in cooperation with selectively invited press – will support an environment for free and open discussions, thus enhancing the value and effectiveness of the transfer of ideas and knowledge.

IMPLEMENTATION

An introductory conference will be held in Frankfurt on April 12th, 2005. The half-day conference is meant to give a definition of Cultural Diplomacy and outline its role in International Relations, with an emphasis on the economic context. Afterwards, two full-day conferences, one in Bucharest and one in Frankfurt, will follow within one month of each other, on May 10th, 2005 and June 7th, 2005 respectively. They will present keynotes regarding Culture in International Business and case studies, primarily from German and Romanian companies. Each conference is independent from the other. Preparatory materials and guest lists for each conference will be circulated amongst the participants one week in advance of each event. Furthermore, follow up materials and a summary of each conference will be sent immediately after each conference. The studies presented will not be exhaustive; indeed, it is intended that the discussions at the conferences contribute significantly to the final shape of Culturally Sensitive Business.

Who We Are

ICD

The *institute for cultural diplomacy* is an international center of dialogue, exchange and analysis designed to address major world issues through the lens of culture. The organization promotes culturally sensitive leadership globally while striving to improve mutual understanding between countries, cultures, leaders and citizens. **icd** is a non-partisan, independent and non-profit organization, with its head offices in New York City and Berlin,

and affiliate offices in Los Angeles and Paris. By encouraging dialogue, **icd** helps to confront challenges and create opportunities in an international community where understanding cultural identities is increasingly vital to diplomatic relations between peoples and nations.

The institute is also expanding its reach into the private and public sectors through a newly created Advisory Services offering, through which **icd**, in partnership with its regional experts, our Network Member partners such as **AT Concepts**, assist the private sector in the understanding and management of the cultural variables confronting international, micro-economic exchanges. This practical supplement to the institute's existing academic focus allows for greater understanding of the concept of cultural diplomacy through the dual reinforcement of academic discourse and practical application.

AT CONCEPTS

AT Concepts GmbH is a strategy consulting company with a sharp focus on the new emerging markets of Eastern Europe. **AT Concepts GmbH** provides company cut consultancy services for Western companies searching for operational excellence or for market opportunities in Eastern Europe. They accompany their clients through the entire process length, starting with the profound opportunities analysis and ending with the implementation of the chosen strategy. A major portion of company resources are dedicated to East European companies with market leading products in their home markets which, consequently, are facing the challenge of having to expand internationally in order to achieve sustainable long-term growth. This new business area is particularly challenging, since the structures and cultures of companies in Eastern Europe, which evolved during their initial growth, though designed for excellence in their home markets, prove to be inadequate for external expansion.

CONTACT INFORMATION:

[Primary Correspondence Address]
institute for cultural diplomacy e. V.
Greifswalderstr. 33A
10405 Berlin, Germany
+49/ 0-30 2180 3299 (Office)
+49/ 0-30 3010 6059 (Fax)

[Secondary Correspondence Address]
AT CONCEPTS GmbH
Dr-Peter-Jordan-Str. 45
02625 Bautzen, Germany
+49/ 0-3591 677 884 (Office)
+49/ 0-3591 677 886 (Fax)

Project Directors:

Matthew B. Murrell (*CFO & Executive Director Advisory*)
murrell@culturaldiplomacy.org
Mark D. Donfried (*Founder & Executive Director*)
donfried@culturaldiplomacy.org
Radu Anghel (*Managing Director*)
radu.anghel@at-concepts.com
Dan Grigore Tanasie (*Managing Director*)
dan.tanasie@at-concepts.com