

A world of difference?

IMPLEMENTING A GLOBAL MANAGEMENT STRATEGY DOESN'T HAVE TO BE A COMPLEX PROCEDURE – ESPECIALLY WHEN MOST CULTURES SHARE A WIDE RANGE OF COMMON VALUES, BELIEVES DAVID MATTHEWS

RIGHT: David Matthews: "People are motivated by many factors, but they are all the same. Everybody wants to do well; you just have to let them"

▶ Curtis Instruments Inc is a worldwide technology leader in instrumentation and controls for electric vehicles. David Matthews is the vice president of sales – Americas, and vice president – Asian Operations, and has managed international operations for technical companies for more than 20 years, including 12 years at Curtis. In the following Q&A, he shares his experience and perspectives on implementing a global management strategy.

In your experience, what are the key success factors for globalisation of technical companies in the 21st century?
Most companies start out locally and over time seek to expand internationally, even globally. Much has been said and written on the topic and business trends come and go. In my experience in implementing a global management strategy and working towards mature and successful internationalisation, a wise strategy is anchored in the principle of going from local to global – and once you are global, be local.

For technical companies, that means design strategy, product strategy and understanding international standards. We refer to ourselves as being 'multidomestic' rather than 'international' in the conventional sense.

So, you mean to say, "When in Rome do as the Romans do?"

Well, yes, true, but that's somewhat oversimplified. Everybody will tell you – and most sensible international managers will know – that you need to be conscious of cross-cultural differences and to understand the local way of doing business and how to meet the unique opportunities and challenges of each particular local market. The key is being successful overall.

Many managers often make the mistake of focusing all their energy on overcoming cross-cultural differences. I say, accentuate



the commonality. Every culture thinks it is unique, but I look at it by the 80:20 rule: we are 80% similar and 20% unique. The 80% similarity allows you to implement global processes; the 20% is the basis of your success or failure. So in order to be a successful manager you need to maximise the similarities and understand and respect the differences. Build understanding and respect, but get things done. At the end of the day, whatever business you have trumps everything, for example, materials handling is materials handling.

How should technical companies approach product strategy for the international market?

On every level, whether it is product design strategy, or overall international marketing covering everything from product to price, make sure that you're meeting international standards. You need to first fully understand the standards and implement them in product design in such a way that there are no surprises.

Then, your product strategy needs to meet the feature/benefit requirements of the major markets you serve. Again, the

80:20 rule comes into play. You need to find the balance of the price/value point, with just the right features so that you can achieve effective cross-market pollination and meet the needs of the 80%.

If you are looking to open up a specific geographic market, the short-term plan may be to develop specific products for that market, with the long-term vision to meet local opportunities with a broader product range. The key success factor is having repeatable methodologies and processes in as many aspects of your business as possible, especially in product strategy and design.

In this era, which we often call 'the communication age', how do you best communicate with your colleagues, prospects and customers worldwide?

No matter what, nothing can beat face-to-face communication, as consistently and frequently as possible. The question is not so much which method or which technology; it is with 'which attitude'.

Seamless communication requires the dropping of preconceived notions. Open-mindedness is key to effective communication across borders and cultures. Specifically to method, I prefer simple, unambiguous written communication because it bridges time zones and often is the most clear and direct method. But it's easy to build silos, to fall into communication pitfalls no matter whether you use the telephone, email or old-fashioned letters. Get in front of people and meet in person. When that's not possible, communicate simply, openly and courteously. Also, communicate across all levels, including peer-to-peer, engineer-to-engineer, accountant-to-accountant, for effective matrix communication.

How do you manage your international teams?

Again, it's about attitude and approach. We believe that people everywhere, no matter what country or what job, have the same abilities and desire to succeed. People everywhere want to do just as good a job as we in the corporate office want to. Our colleagues everywhere are smart, hard working and want to do well for their own families. In all Curtis operations, we try to bring out the best in people. You need to have a clearly defined business strategy

that is successfully communicated to every employee so that they can understand and embrace it.

People are motivated by many factors, but they are all the same. Everybody wants to do well; you just have to let them. One of the most important success factors is trust. Trust is a resource. It works in every direction within the organisation. You also need excellent local understanding, which is why all Curtis operations are managed by an indigenous director. This is critical. Your director needs to understand the ethics and local culture, to understand the local business network.

How do you deal with illegal copying and patent infringements internationally?

It's difficult and unavoidable. We have unfortunately been on the receiving end of copying, but the best way to combat it is to build products of excellent quality and reliability. Curtis focuses on providing the best attainable pricing, reliability and customer service. Of course, you need a legal team in each country to help keep things in check.

What do you do when differences and dissatisfaction arise within your international operations?

It is important to be involved in your organisation, not just with the upper level management but also with all layers of your people. You have to treat everyone fairly. The people have to believe in the company and its principles overall, which includes its ethics, corporate culture and direction. To be competitive, the employees have to be happy and feel a sense of fairness. To mitigate difficulties, communicate openly, instantly and prevent problems.

How do you manage changing cost factors in producing and marketing internationally?

Our strategy is to 'make in market', whenever possible. We manufacture in China but sell more to the Chinese market than we export out of China. Costs are ever changing as inflationary pressures, supply chain and logistics costs change. Countries with the best infrastructure are the first to automate and to establish improvements in logistics. You can reduce international risk and uncertainty by making in market, in several locations, but you need to be

efficient – to automate, to have repeatable processes in place and to manage your logistics chain.

What is the most important wisdom you would share with your peers internationally?

No matter how much you think you know about a culture, unless you are an integral part of it you will always be surprised by how much you don't know. The more suppositions and assumptions you make, the more prone you are to potentially disastrous errors.

The famous example of the Chevrolet Nova automobile comes to mind. The Chevy Nova was an extremely popular car in the USA in the 1960s. When General Motors exported it to Spanish-speaking South America, it was puzzled and shocked to learn that the car just wouldn't sell. Then they learned why: in Spanish, *no va* means 'does not go'. Not exactly a successful marketing slogan for a car! If GM had allowed its local marketing teams to make this vital decision, the car would have sold. Eventually, they renamed it the 'Caribe' and the car was as big a success in South America as it was in North America.

That well illustrates the perils of not being local. It again reinforces the point of needing to be 'multidomestic'. You need a strong local team in place, managed by an indigenous director, to make major local decisions. The local ship needs to be steered by a local captain. **ivT**

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