



# More form than substance


More form than substance –  
A different perspective sharpens the focus of the big picture

With the support we provide for German companies abroad we are happy to report that together with our clients we have been engaged in many successful stories where the trust in the local partner turned out to be completely and fully justifiable. Unfortunately there are also a not inconsiderable amount of cases where due to an unreliable employee or partner the business has suffered substantially. The appointment of management positions – as already indicated – is never really easy. In foreign countries this subject takes on special significance. The entrepreneur is faced with the following important question: should I send a manager who is familiar with our company culture or should I opt for a local manager who may know the country but is not familiar with the German corporate culture?

Occasionally at the beginning of their venture in a foreign country German Mittelstand companies send one of their proven experienced managers or at least an employee from the middle management. The advantage is that these persons know the company and therefore also the company philosophy and are able to represent the products or services. But they do not know the market or the competitive environment and are not familiar with the respective local business customs. This can considerably hinder such an important start at the new location.

If, in contrast, highly qualified foreign management personnel are acquired to take over the position of the manager abroad, this step is also associated with risks. Foreign management personnel often have a relatively low emotional connection to the company which can lead to undesired departures which are difficult to plan because the company across the road is willing to pay a much higher salary. In addition, in some cases the management structure which is typical for German Mittelstand companies – characterised by trust and the granting of entrepreneurial freedom – can lead to a change of the self-perception of the local management as these – as is customary in that country – expect hierarchical structures.

In the worst case such a self-perception can lead to the fact that the position as a local managing director is conscientiously being used to his own advantage.

| At the start                                                                                    | "Without management or control": |
|-------------------------------------------------------------------------------------------------|----------------------------------|
| My employer  | My own company                   |
| My targets   | The success of my company        |
| My salary    | My fair share of this success    |

From our activities in connection with such cases it is possible to identify some reoccurring and typical patterns of behaviour.

We therefore see it as our responsibility to raise your awareness as our client by sharing our knowledge with you so that you can take the appropriate measures in good time.

Now how can one recognise whether there is a possibility of undesirable developments? In such cases it is helpful to change the viewpoint and put yourself in the position of the other party, i.e. in the position of the local managing director who is acting for his own advantage and not in the interests of the company. As you are not familiar with these kind of manipulative actions we would like to introduce you to the following 10 point plan where we will take on the role of your mentor who will show you the tricks which would be helpful if you were to take on the role of the local manager who is primarily concerned with furthering his own interests as managing director of the subsidiary in the foreign country.

We have decided on this unusual means in order to bring you closer to a different way of thinking and acting.

***You will see it's easier than you think!***