

# JUST ENJOY!



## Jeroen Ketting, Owner and Managing Director of the company Lighthouse Russia B.V.

I often see them sitting next to me in the plane; the business people who are staring out of the airplane window with eyes wide open and hand palms sweating with fear. These are the people who will not succeed in Russia as every little difficulty will become an insurmountable obstacle to them. And when doing business in Russia there is an abundance of little difficulties that may arise. In this article I will treat two of the many difficulties that I often encounter in Russian – European business relations.

First of all there is the language barrier. Russian is a language of which it is hard to master even the simplest expressions and idiom. Unlike languages with Roman, Anglican or Germanic origins Russia's alphabet is already the first obstacle to obtaining a basic understanding of the language. Even when using interpreters problems often arise in meetings between Russians and Europeans. In business it is crucial to understand nuances, intentions, tactics and strategies that almost no interpreter can understand or convey. Most Europeans expect Russians to speak English and actually, more and more Russians do speak English in business as more and more Russians travel abroad and have a chance to practice their English. But in spite of the fact that Russians have more and more international exposure and experience, it will be hard for them to compete with the average European. In most European countries it only takes a few hours to find yourself in a different country with a different language, a different culture and different habits. In Russia you can travel for days and days and ... still be in Russia. Europeans are exposed to different cultures from childhood onwards. In high school they make trips to different capitals of Europe and as university students they study in other countries as "Erasmus" students. So even when the level of English language skills of a Russian and a European are similar, the European, because of his greater exposure to other cultures, will be much

more comfortable speaking in English than the Russian.

Another big difference, at least between north-western Europeans and Russians lies in the role that personal relationships play in business relationships. Whereas, for example in countries such as The Netherlands and Germany, the contract is the most important binding factor in the business relationship, in Russia it is trust and the personal relationship between business partners that dominates. In Russia, the intentions of the business partners during the moment a deal is made are much more important than what is written in the contract. A Russian may sign a contract stating one thing because the European insists on signing, but actually have another thing in mind. This is not because of bad intentions of the Russian, but it is simply a different way of thinking. Often I have been able to solve conflicts between Russian and European businesses by taking them all the way back to the moment when they had their first negotiations and by identifying what were the intentions, expectations and conditions at that time. In Russian understanding it is also normal to change agreements when the circumstances – such as prices, demand, regulations - have changed. In Europe one would stick more closely to the contract regardless of circumstances. In Russia, life changes continuously, whereas in Europe life stays the same for years on end. When a Russian business person raises a discussion with a European business person about contract conditions because one or more circumstances have changed this follows simply from the normal daily business practice. The European business person however, who is less used to reacting flexibly to a changing business environment, is often shocked by the mere fact that his Russian partner questions the validity of an agreement. I have often been called to mediate in conflicts where the Europeans blamed

In the 14 years that I have lived and worked in Russia I have seen many successful European and Russian businesses that have thriving long term relations. Nevertheless, in spite of the apparent successes I am convinced that there still is a huge potential for Russian – EU business development that is still untapped. One of the main reasons for the fact this potential has not been exploited yet lies in the lack of understanding between Russian and EU businesses. In my business practice in Russia I have seen that this lack of understanding is caused by many different factors but first and above all there is the factor of fear.

Russia still has a negative image in Europe which is largely caused by the negative international media. And, in all honesty, also the strong statements made by the Russian government do not help to soften Russia's image abroad. Most Europeans who have no, or little, experience in Russia still think of Russia as a country where the mafia is still roaming around the streets wielding big machine guns. One thinks of oligarchs and polonium. Russia is seen as a cold, hard country where people look bad tempered and you can expect to be cheated at every turn. One of the few positive exceptions to this negative image is Russian culture. Every European knows about Russian opera, ballet and literature but regardless of this fact fear is still the predominant notion when Europeans regard Russia.