

Living, learning, and doing business in Germany

“Marketing and sales activities need latitude to adapt to local customs”

In August 2005 MultiLing Corporation president and CEO Michael Sneddon moved his family from the United States to Germany. Lacking any German language skills, the family planned to stay from one to two years. Now well into their third year in Germany, with no fixed timetable to return to the United States, the family is well integrated. Michael Sneddon’s move has provided his company with a new business perspective. His experience is an interesting example of working as a foreigner in Germany.



Photo: Elke Schulz

Interview: Corinna Ritter

Why did you come to Germany?

MultiLing needed someone to help lead out. MultiLing serves multinational customers such as Dell and Procter & Gamble and decided it was time to expand its operations to Europe to serve its European and US customers better. Our research confirmed that Germany’s economy continues to lead the world in exports and, of course, an export based economy requires translations. As a corporation we made a commitment to Europe and to demonstrate this commitment I led the way by coming here.

My move changed how MultiLing was organized, how the management team was structured, and how decisions were made. I think the different country managers as well as the executive team would agree these changes dramatically improved our processes for identifying opportunities, analyzing potential problems, and deciding how to handle them best. My move gave me insight on the business environment in Europe, specifically on how to best sell our services and develop our translation technology. It confirmed my belief that while a translation company should have integrated, uniform processes irrespective of location – marketing and sales activities need lots of latitude to adapt to local customs and norms.

What were the main challenges when you first arrived in Germany?

Learning German has been a real challenge. I had previously lived in Sweden for two years, learned Swedish relatively well, and later during graduate school I participated in an intensive, six month in-country Spanish language acquisition program in Madrid. Thus, I had no illusions about the difficulty of learning and living with a foreign language.

After some thought, we decided to go a route different from many Americans and committed to integrating as best as possible. With the exception of my wife, who had learned some German in high school, none of us knew German. We enrolled our children in German public schools and kindergarten. We focused on building friendships with Germans rather than Americans. As a result, our children now speak German without an accent.

Even so, let's be clear, the first 18 months were extremely difficult. We felt isolated, unable to understand the radio, television, or read a paper. This was due to our lack of German language skills. Culturally we were isolated as well. We had few friends. Announcements from the elementary school were incomprehensible. We did not understand how to shop, where to purchase things, how things worked. Purchasing a vehicle with no real language skills was a bit of a challenge. Getting it properly serviced later at the car dealership was even more of a challenge.

Learning German, I was not progressing as I would have liked. At work everyone spoke English to me because of my poor understanding of German. After a year, I realized that integrating our family and building the business in Germany were taking longer than anticipated, that my lack of German skills was a liability, and decided to focus for six months on learning the language. We hired a tutor who taught me and my wife German four hours a day, four days a week. Of course I still needed to work my regular job. It was hard. Then one day, I think it was at a tradeshow, I realized that I was speaking with people in German and giving decent presentations. I suddenly had the confidence that I could communicate in German. Even though I still made some grammatical errors, they were not so egregious that they interfered with my ability to communicate. Now my German is not as much of a liability as it used to be.

There were many simple things we found to be more difficult and time-consuming. Here, there is less emphasis on convenience through the use of a car. In the USA there is a drive-thru for nearly everything: food, dry-cleaning, banks and even pharmacies. Here cities are more compact, well organized, and there is a better balance of bicycles, mass-transit, and automobiles. It has been a very positive change for our family to become less dependent on cars. Personally I find the German balance very good.

How is working with Germans? Did the stereotypes turn out to be true?

Of course there are cultural differences. German culture does encourage discipline, adherence to following an effective procedure, capacity for work, and focus on output. I would not say that Germans work harder than

Americans and certainly not longer than the Chinese or Koreans, but Germans do focus on the proper task with an intensity that enables them to be highly productive, perhaps more so than other cultures. There is little chit-chat. They focus on the task at hand and are not distracted. As a result, as a group they tend to produce more than other cultures. Germans love their vacations and they take more time off than Americans. But when they work, they work and they do a good job.

Another difference is that Germans tend to be more compartmentalized than Americans. For example, in Germany many persons will work with someone for 10 to 20 years, go to lunch together, take coffee breaks, and continue to use the formal "Sie" form rather than the more informal "Du" form. This is starting to change in Germany. Probably Americans are way too informal and I regret that my American culture has lost some of its respect for older persons or strangers. At the same time, in Germany this is a bit rigid. I don't like waiting forever to switch to "Du" and always ask myself, is this a "Du"-person or a "Sie"-person, when starting a conversation. This question of formal versus informal speech still gives me problems writing e-mails in German. I would prefer to address someone by the first name when trying to develop a relationship, but in the German culture – unless we are speaking or writing in English – this is not permitted unless one has already met someone face to face and you both decide to use "Du."

A manifestation of this compartmentalization is that in German companies there is much less discussion about personal life or personal matters. While at work you work. You don't mix the two. In the US we tend to mix the two, particularly in the IT field, which is noted for its informal work environments. Several US IT firms want the employees to practically live at the office in the hope of getting greater output. There is another, more subtle, cultural difference between Americans and Germans. It creates strength but can also be a liability: Germans prefer to understand ahead of time all the required procedures and instructions whereas Americans are more apt to move forward without worrying about all the details or everything that might go wrong. We see nothing wrong with learning by doing and innovating as we go along. In my experience, Germans have a strong desire for security in

their lives. They prefer predictability, which requires order and planning. As a result, I think Germans are more risk averse, a bit less flexible, and slightly less innovative when compared to Americans, but the German focus on predictability and order provides great efficiencies when they work toward a common goal as a group. This emphasis on order, training, and planning results in one clear benefit for the Germans as a nation: for years Germany has been the world's number one exporter.

How do these cultural differences impact you as a business person leading a German company?

Here in Germany, persons rarely move from their scope of training or education to do something different outside their sphere of comfort. The system tends to classify people at an early point in their lives and it is difficult for a German to move beyond that. It makes no sense to me to decide in fourth grade, as is common here, whether a child is prepared for a university track education or incapable of attaining such a goal. Had I been in Germany as a fourth-grader, I doubt that my teachers would have put me on the university track. Here, there is an official training for everything. I can't even get a fishing license without going through a course to prepare me to complete a serious multiple hour test. This emphasis on formal training and testing also applies to labor law and customs. On the plus side homes, buildings, roads, and autos are extremely well built. On the negative the labor force is much less flexible.

Culturally, I was not prepared for the labor customs or labor laws. In the USA we don't have written work contracts, except for highly paid employees or specialized situations in which both parties know the assignment ends after a certain time. Contracts are oral, not written, and there are applicable government laws and the company has a handbook that lays everything out for everyone. This took me some time to get used to, particularly since my ability to read and speak German was zero. Now at least I can go through an employment contract and understand the principal points. One thing that I don't like is that in Germany it is entirely too difficult to terminate an employee who is not performing. Another trait that is not often discussed is integrity. I find the Germans, as a whole, to be

an honest people. For example, my first time in Munich I noted that public transport operated on the honor system. There were no turnstiles as in New York's or Tokyo's subway system and no train conductors as in Chicago's commuter rail system. This amazed me. After a while I came to appreciate the fact that German public transport systems are extremely effective because people get in and out easily. As a businessman I am pleased that our German customers pay us according to agreed terms much more often than our American customers. This bedrock of free enterprise, integrity, honesty, and trust in the word of one's fellow man, I believe is an integral part of German culture. As a result, things operate much better than in cultures that lack the character trait of honesty.

What makes business easy in Germany and what makes it hard?

In Germany what makes business the most difficult can also be an asset. Because it is a smaller country, both in land size and in population, mistakes and bad performance will quickly travel to kill other potential business opportunities. Not often do you get a second chance. At the same time, if one performs well, word starts getting out.

One thing I like about Germany is that they emphasize quality much more than in America.

How does the German market differ from the US market?

First the land mass is smaller, so one can more easily travel to and fro. At the same time, I think German companies place higher emphasis on personal, face to face contact than American companies, which often seek to exclude any personal contact in order to make what they hope is a truly "objective" purchase decision. Here in Germany I think getting recommendations from other pleased customers is extremely important.

In the USA there tend to be many larger corporations, while in Germany there are many more SMEs. One interesting thing I have learned is that Americans will accept more text in a marketing piece because they tend to skim over a brochure or a website, while Germans tend to read every word. So we had to redo our website and marketing materials in order to meet the requirements of German readers.

What would you recommend an executive who is planning to start a subsidiary or business in Germany?

Starting a new business is not easy because by definition a new business is testing an unproven model. Germans like quality, they tend to be risk averse, and they like to stay with something that is presently working. So, frankly, starting a new enterprise in Germany is probably harder than in the States.

In terms of starting a new subsidiary, the key point is to understand the goals for the subsidiary, to make sure that these goals are compatible with the goals of the mother company, and then be willing to modify one's preconception in order to adjust to the reality of the marketplace. One must have patience, perseverance, and staying power to succeed.

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