

Negotiating International Business - France

This section is an excerpt from the 2017 edition of the book "Negotiating International Business - The Negotiator's Reference Guide to 50 Countries Around the World" by Lothar Katz.

Though the country's culture is relatively homogeneous, French businesspeople, especially those among younger generations, are usually experienced in interacting and doing business with visitors from other cultures. However, this does not always mean that they are open-minded. When negotiating business here, realize that some people may expect things to be done 'their way.'

It is very important to show respect for the country's history and importance. The French attitude can sometimes appear arrogant or egoistical to foreigners. However, any sign of disrespect or a refusal to endorse it as a great and important nation can have a substantial impact on your business relationship.

Relationships and Respect

Building lasting and trusting relationships is important and can be vital for the success of your business engagements in France. However, they are usually not a necessary precondition for initial business interactions. The French often focus on long-term objectives and expect to establish strong relationships over the course of their business engagements. This takes time and effort. People tend to be suspicious of early friendliness, and an overly casual approach can be viewed as intrusiveness. Early in the relationship building process, proper behavior is key and it is best to appear somewhat reserved. Personal questions should not be asked until the relationship has become stronger.

Business relationships in this country exist both at the individual and company level. The French usually want to do business only with those they like and trust. However, if your company replaces you with someone else over the course of a negotiation, it may be easy for your replacement to take things over from where you left them. Likewise, if you introduce someone else from your company into an existing business relationship, that person may quickly be accepted as a valid business partner.

In the country's business culture, the respect a person enjoys depends primarily on his or her education, status, and achievements. Admired personal traits include intellectual capability and wit, resourcefulness, dignity, poise, and tact. More than members of most other cultures, the French value difference and may enjoy building relationships with people whose experiences and interests are different from their own ones.

Communication

The country's official language is French. However, several other languages and dialects exist. The acceptance of English as the international business language has gone up considerably in France over the past decade or two. Most younger businesspeople speak English, often well. On rare occasions, it can be useful to engage an interpreter. In order to avoid offending the other side, ask beforehand whether an interpreter should be present at a meeting. When communicating in English, speak in short, simple sentences and avoid using jargon and slang. It will help people with a limited command of English if you speak slowly, summarize key points, and pause frequently to allow for interpretation.

The French consider strong oratory skills an expression of a superior mind. Many of them are therefore uncomfortable and feel clumsy when speaking in a foreign language. Even when the main meeting language is English, your counterparts will frequently speak French among themselves, not necessarily to

shut you out from the discussion but to reduce their discomfort and ensure that everyone on the local side shares the same understanding. People will appreciate and remember it if you learned a few basic French phrases. When you speak their language, they might frequently correct your mistakes in grammar or pronunciation. Do not take this personally, since their motivation will only be to help you speak their language effectively and 'look good.' If you do not speak any French, expressing regret for that fact will be viewed favorably.

While they often have heated debates and occasionally raise their voices to make a point, the French dislike loud and boisterous behavior. They may interrupt each other frequently during their passionate disputes, though. Intense outbursts are not necessarily signs of irritation or anger, and it can be hard to tell when they are. At restaurants, especially those used for business lunches and dinners, keep conversations at a quiet level. Emotions other than passion are rarely shown in public, and self-control is seen as a virtue. Periods of silence do not necessarily convey a negative message. People in France generally converse in relatively close proximity of around two to three feet apart.

Although the French also value tact or diplomacy, communication can be very direct and people may frequently question and probe into others' arguments. Logic dominates most disputes, and few things anger a French businessperson more than an ill-conceived or illogical argument. Note that it matters little whether they agree with your point or not. You may actually be able to earn their respect by presenting confrontational ideas and defending them well in the inevitable debate that follows. Your counterparts will admire your ability to justify your position, demonstrate that you are well informed, and maintain your composure. The concept of '*saving face*' is not very important in this country. While you want to remain respectful, pointing out mistakes is accepted and often appreciated. Being direct is better than appearing evasive or deceptive. Avoid giving ambiguous answers such as 'We will consider it,' 'This will take further investigation,' or 'Perhaps' if your real answer is 'no.'

Gestures and body language can be extensive, especially if they help underline what is being said. It is rarely a good idea to imitate them. The French may make some physical contact, but there is usually not a lot of it. The American OK sign, with thumb and index finger forming a circle, means *zero* in France. The thumbs-up gesture is positive as it signals approval. Slapping the open hand over a fist is a vulgar gesture. Eye contact should be frequent, almost to the point of staring, as this conveys sincerity and helps build trust.

Initial Contacts and Meetings

Having a local contact can be an advantage but is usually not a necessary precondition to doing business here. Negotiations in France may be conducted by individuals or teams of negotiators.

If possible, schedule meetings at least two weeks in advance. Since the French want to know who they will be meeting, provide details on titles, positions, and responsibilities of attendees ahead of time. Setting an agenda upfront is recommended but not always necessary. While meetings may not always start on time, the French generally expect foreign visitors to be punctual. Avoid being more than 10 to 15 minutes late, and call ahead if you will be.

Names are usually given in the order of first name, family name. However, do not be confused if someone does it the other way around. Some French people have two first names, which are often hyphenated, as in *Jean-Jacques*. Always use *Monsieur/Madame* plus the family name. Do not use *Mr./Ms*. Titles are very important. If a person has one, use it instead, followed by the family name. Only close friends call each other by their first names, and the French may respond very negatively if you violate this rule. Introductions are accompanied by light handshakes. Men should wait for women to initiate handshakes. People may not smile during a handshake – do not read much into it.

The exchange of business cards is not an essential step, but it is best to bring a sufficient supply. Most businesspeople in France read English, so there is no need to have your card translated. If you do, indicate your position in French and include Ph.D.-level degrees if you have any. In addition, make sure that your card clearly states your professional title, especially if you have the seniority to make decisions. When presenting your card, smile and keep eye contact, then take a few moments to look at the card you received. Next, place it on the table in front of you.

Meetings either start with a few minutes of 'small talk' or get right down to business. French humor can be ironic and cynical. Do not respond in kind since you will risk inadvertently offending your counterparts. One's private life has no place in meetings, and personal comments should be avoided. Business is a serious matter in France. During the first meeting, it is best to preserve an air of formality while remaining polite and cordial. While the primary purpose of the first meeting is to become acquainted, the discussion will mostly focus on business topics. It is unrealistic to expect initial meetings to lead to straight decisions.

Presentation materials should be attractive, with good and clear visuals, but not too colorful or flashy. Keep your presentation clear and concise. The French are generally suspicious of hype and exaggerations and may respond negatively to a 'hard sell' approach that might be effective in the United States. They often seem to treat business discussions as intellectual exercises and can get carried away with passionate debates over seemingly small issues. Know your topic well, and use logical arguments and concrete examples to back up your proposals. Having your English-language handout materials translated to French is not a must, but it will be noted very favorably.

Negotiation

Attitudes and Styles - In France, the primary approach to negotiating is to engage in a debate aimed at reaching a mutually agreeable solution. While the buyer is in a superior position, both sides in a business deal own the responsibility to reach agreement. They may focus equally on near-term and long-term benefits. The primary negotiation style is cooperative, but people may be unwilling to agree with compromises unless it is their only option to keep the negotiation from getting stuck. In addition, negotiators in this country may be very passionate and can appear outright aggressive. The French may not always show a win-win attitude, especially if they believe that 'logical' reasons support their position. While the exchange of facts and arguments may get heated, it is vital to avoid any open confrontation and to remain calm, composed, patient, and persistent.

Sharing of Information – French negotiators may spend significant time gathering information and discussing details before the bargaining stage of a negotiation can begin. They usually share at least some information and rarely take it negatively if you ask about sensitive details, even if they may not want to answer. However, you may have to find critical bits of information yourself. It can be highly valuable to leverage other contacts with the French side if you have any.

The French value Cartesian logic, which encourages them not to take anything for granted until it has been demonstrated.

Pace of Negotiation – Expect negotiations to be slow. While the French may not always spend a lot of time in preparing for the negotiation, bargaining and decision making can take a long time. Aspects of your proposals may be analyzed and scrutinized repeatedly. Remain patient, control your emotions, and accept the inevitable delays.

The French, especially in the South, generally employ a polychronic work style. They are used to pursuing multiple actions and goals in parallel. When negotiating, they often take a holistic approach and may jump back and forth between topics rather than addressing them in sequential order. In multi-item

negotiations, people may bargain and haggle over several aspects in parallel. In the middle of an argument, the focus may change away from the immediate issue. It is not unusual for the French to re-open a discussion over items that had already been agreed upon. In addition, they may take phone calls or interrupt meetings at critical points in a negotiation. While they may be doing some of this on purpose in order to confuse the other side, there are usually no bad intentions. Negotiators from strongly monochronic cultures, such as Germany, the United Kingdom, or the United States, may nonetheless find this style confusing and irritating. In any case, do not show irritation or anger when encountering this behavior. Instead, keep track of the bargaining progress at all times, often emphasizing areas where agreement already exists.

Bargaining – Most of the French are not fond of bargaining and strongly dislike haggling. The bargaining stage of a negotiation can take substantial time, though, with significant time spent discussing proposals and debating the merits of specific terms and conditions. Prices rarely move by more than 25 to 30 percent between initial offers and final agreement. Businesspeople in this country may only make concessions if the logic of their arguments has been defeated. Exaggerated claims or bragging will not help your position. However, the French will remain open to any new information.

Although the French generally prefer a straightforward negotiation style, they also use deceptive techniques, such as telling lies and sending fake non-verbal messages, misrepresenting an item's value, or making false demands and concessions. The French are very good at pretending to be disinterested in the whole deal or in single concessions, making you feel like a petitioner. Do not take such tactics personally and refrain from lying at or grossly misleading your counterparts, as doing so could damage business relationships. Carefully orchestrated, 'good cop, bad cop' can be an effective tactic to use in your own negotiation approach. Businesspeople may claim limited authority, stating that they have to ask for their manager's approval. This could be a tactic or the truth.

Negotiators in the country may use pressure techniques that include opening with their best offer, showing intransigence, applying time pressure, or making final or expiring offers. Some of these may be done very compellingly and can only be countered by 'calling the bluff.' When using similar tactics yourself, avoid being overly aggressive. Silence is rarely used as a negotiation technique. Avoid using decreasing offers as they will likely be viewed as offensive and inappropriate.

Though they may appear aggressive, French negotiators are rarely openly adversarial. Threats and warnings may be used, but negotiators in the country rarely openly display anger or walk out of the room. Using extreme openings may sometimes help in obtaining information since the French may view it as an intellectual challenge. However, since it could also be viewed as unfriendly, use the technique with caution. Persistence alone rarely helps in making progress unless it is paired with new ideas and arguments.

Negotiators may sometimes use emotional techniques such as attitudinal bargaining, sending dual messages, attempting to make you feel guilty, grimacing, or appealing to personal relationships. It is best to remain calm and composed, repeating the arguments that support your position.

French businesspeople may employ defensive tactics such as changing the subject, blocking, asking probing or direct questions, making promises, or keeping an inflexible position. All of these are ok to use against them as well.

Corruption and bribery are rare in France, though not completely unheard of. Both legally and ethically, it is advisable to stay away from giving gifts of significant value or making offers that could be read as bribery.

Should negotiations stall, the French will likely keep restating their position. It may take a new fact or aspect to break the impasse. Disputes are resolved by focusing on logical reasoning and facts. Generally, it can be effective to use surprise or distraction tactics in case of conflicts as a way to get your counterparts to take a different look at the situation.

Decision Making – The country's business culture is quite hierarchical. Decision makers are usually senior executives who consider the best interest of the group or organization. While they are likely to consult with others, bosses accept all of the responsibility. The people you are dealing with may only be intermediaries. Nevertheless, they could strongly influence the final decision, so try to win their support. Gaining access to top managers can be difficult. The French may examine every minute detail before arriving at a decision. Consequently, decision making is a very slow and deliberate process in France. On the other hand, it is an accepted practice to work around rules and regulations if needed. This often requires the support of an influential contact that is willing to help.

When making decisions, French businesspeople usually consider the specific situation rather than applying universal principles. Empirical evidence, logical arguments, and objective facts weigh much more strongly than personal feelings and experiences do. The French are often uneasy with change and reluctant to take risks. If you expect them to support a risky decision, you may need to find ways for them to become comfortable with it first, for instance by explaining contingency plans, outlining areas of additional support, or by offering guarantees and warranties.

Agreements and Contracts

Capturing and exchanging written understandings after meetings and at key negotiation stages is useful since oral statements are not always dependable. Although interim agreements are usually kept, do not consider them final. Only a final contract signed by both parties constitutes a binding agreement.

Written contracts tend to be lengthy. They often spell out detailed terms and conditions for the core agreements as well as for many eventualities. Signing the contract is important not only from a legal perspective, but also as a strong confirmation of your French partners' commitment.

It is recommended to consult a local legal expert before signing a contract. However, do not bring your attorney to the negotiation table.

Contracts are usually dependable and the agreed terms are viewed as binding. Requests to change contract details after signature could be considered as bad faith and will meet with strong resistance. While your counterparts will expect you to keep all your commitments and respond harshly if you fail to do so, they may not always fulfill their own obligations to the letter.

Women in Business

While French society is making progress towards gender equality and some women hold important positions, most of them are still struggling to attain positions of similar income and authority as men. As a visiting businesswoman, emphasize your company's importance and your role in it.

Female business travelers should graciously accept chivalric gestures they receive. Displaying confidence and assertiveness can be effective, but it is important not to appear overly bold and aggressive.

Other Important Things to Know

Conservative attire is important when doing business here. Businesspeople dress less fashionably than you may expect, given the country's reputation. Male business visitors should wear dark suits with neckties on most occasions, a bit more fashionable clothing for evening events. First impressions can have a significant impact on how people view you.

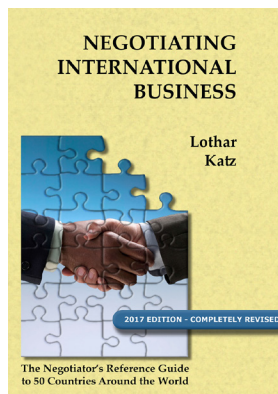
Business discussions are frequent during lunches, but don't suggest to 'work through lunch.' In addition, do not expect to discuss business during a dinner. The topic may and often will come up at the end of the meal, but you should wait for your host to bring it up.

Etiquette in eating is important. Be on your best behavior during all meals in France.

Social events do not require strict punctuality. While it is best to arrive at dinners close to the agreed time, being late to a party by 10-15 minutes is acceptable. This is even more relaxed in the South.

Gift giving in business settings is rare. It is best not to bring a gift to an initial meeting in order to avoid raising suspicions about your motives.

The French have great respect for privacy. A person's home is usually off limits. Even when someone invited you to a dinner at his or her home, do not expect to see much of it.



Negotiating International Business (CreateSpace, 2017 edition) is available from Amazon.com and other bookstores for \$29.99. A reference guide covering 50 countries around the world, the 479-page book includes an extensive discussion of the negotiation principles and tactics frequently referred to in this excerpt.

Please recommend this Country Section and others to colleagues who might find them useful. Country Sections are available individually at

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