

Negotiating International Business - Belgium

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.

Most Belgian businesspeople, especially those among younger generations, are very experienced in interacting and doing business with visitors from other cultures. They are usually open-minded rather than forcing their ways upon you.

Belgium is a pluralistic country that is composed of two parts: Flanders in the Northeast, whose population is called Flemings and speaks Flemish, a language closely related to Dutch, and Wallonia in the Southwest, whose francophone population speaks a heavily-accented dialect of French. Flemings represent 58 percent of the population, Walloons, 31 percent. Although these two population groups share many values and practices, there is usually some level of tensions between them, and Belgians tend to be sensitive to their cultural and language differences. It is essential to be aware of and respect these differences. Never confuse the groups or imply that they are similar. The population of Brussels and the surrounding region represents a blend of the two language groups where their cultural differences are less pronounced. Lastly, a small minority group of German-language speakers lives in the eastern part of Belgium.

Relationships and Respect

Building lasting and trusting relationships is important for the success of your business interactions in Belgium. People may initially appear quite reserved. Generally, it is best to give your counterparts time to become comfortable with you. Mutual trust matters and you will likely have to prove yourself first. Once trust has been established, there will be a sense of loyalty to you as a respected business partner, which can go a long way should a difficult situation arise.

Business relationships in this country exist between companies as well as between individuals. 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. However, personal integrity and dependability are important if you want to win their trust. Most Belgian businesspeople expect their partners to make a long-term commitment to the engagement.

In the country's business culture, the respect a person enjoys depends primarily on his or her achievements and education in Flanders, while status and family background may also play a strong role in Wallonia and in Brussels. Admired personal traits include discipline, intellectual capability, and resourcefulness.

Communication

Belgium has three official languages: Dutch (the Belgian variant of which is sometimes referred to as Flemish), French, and English. Neither the Flemings nor the Walloons like being addressed in the other's language, so English is often the best choice. In Brussels, it is often best to ask which language people prefer if you speak more than one of them. Businesspeople usually speak English well, especially in the Flemish part of the country. When communicating in English, avoid using jargon and slang.

Belgians speak neither in quiet tones nor particularly loudly. At restaurants, especially those used for business lunches and dinners, keep conversations at a quiet level. Periods of silence do not necessarily

convey a negative message. High levels of emotion are rarely shown in public, and self-control is seen as a virtue in Belgium. Flemings generally converse while standing around three feet apart, while Walloons may get a bit closer.

Levels of directness in communication vary in this country. Whereas francophone Belgians tend to be formal and somewhat indirect, Flemings tend to be more informal and direct, though not as much as their Dutch neighbors. While most Belgians prefer subtlety to overt directness, you may hear a straight 'no' if someone dislikes a request or proposal.

Belgians use body language and gestures sparingly. They may make some physical contact, such as a backslap which only happens between close friends, but there is usually not a lot of it. The American OK sign, with thumb and index finger forming a circle, could be read as an obscene gesture in Belgium. The thumbs-up gesture is positive as it signals approval. 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, especially with Walloons, but is usually not a necessary precondition to doing business. Negotiations in Belgium may be conducted by individuals or teams of negotiators.

Scheduling meetings in advance is required. However, you can sometimes do this on short notice if the parties had previous business interactions. Agreeing on an agenda upfront can be useful. It will usually be followed. Belgians generally expect foreign visitors to be punctual. Avoid being more than 15 minutes late, and call ahead if you will be.

Names are usually given in the order of first name, family name. With a Fleming, use *Mr./ Ms.* plus the person's family name. With a Walloon, use *Monsieur/ Madame* plus the person's family name. Only close friends call each other by their first names. Introductions are accompanied by light handshakes. Men should wait for women to initiate handshakes.

The exchange of business cards is standard practice when meeting someone for the first time. However, it is less of a ritual in Belgium than elsewhere. Almost all businesspeople read English, so there is no need to have your card translated. If you do, never present a Fleming with a card in French or a Walloon with a Flemish-language card. It is usually best to show doctorate degrees on your card and make sure that it clearly states your professional title, especially if you have the seniority to make decisions. However, your Belgian counterparts may not use any titles and degrees, and it can be hard to figure out who of the people you are meeting hold the most senior positions. When presenting your card, smile and keep eye contact, then take a few moments to look at the card you received.

Meetings either start with a few minutes of 'small talk' or get right down to business. One's private life has no place in meetings, and personal comments should be avoided. Business is a serious matter in Belgium, and meetings can be quite formal. However, humor is generally appreciated as long as it does not get too cynical or sarcastic. While the primary purpose of the first meeting is to become acquainted, the discussion will mostly focus on business topics. Belgians prefer meetings to be free of interruptions. Accepting phone calls or leaving a meeting for other inessential reasons is viewed with irritation as it may be taken as a sign of disrespect.

Presentation materials should be attractive, with good and clear visuals. Keep your presentation clear and concise. Belgians are generally suspicious of hype and exaggerations and may respond negatively to an aggressive sales approach that might be effective in other countries, such as the United States. Know your topic well, and use logical arguments and concrete examples to back up your proposals. Having your English-language handout materials translated to Flemish is not required, but it is advisable to have French translations when presenting in Wallonia.

Negotiation

Attitudes and Styles – To Belgians, negotiating is usually a joint problem-solving process. 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 and people may be open to compromising if viewed helpful in order to move the negotiation forward. Since Belgians believe in the concept of win-win, they expect you to reciprocate their respect and trust. It is strongly advisable to avoid open confrontation and to remain calm, friendly, patient, and persistent.

Should a dispute arise at any stage of a negotiation, you may be able to reach resolution by focusing on logical reasoning and facts while remaining open and constructive.

Sharing of Information – Belgian negotiators could spend considerable time gathering information and discussing details before the bargaining stage of a negotiation begins. 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. An exception is asking someone about salary, which the person could view as downright offensive.

Pace of Negotiation – Negotiations can be relatively fast in this country. However, Belgians often follow a methodical and carefully planned approach in preparing for the negotiation and gathering information. Aspects of your proposals could be scrutinized repeatedly.

Belgians, especially the Flemings, generally prefer a monochronic work style. They are used to pursuing actions and goals systematically, and they dislike interruptions or digressions. When negotiating, they often work their way down a list of objectives in sequential order, bargaining for each item separately, and may be unwilling to revisit aspects that have already been agreed upon. They might have little tolerance for more polychronic counterparts challenging this approach, which they view as systematic and effective. This rigid style can be difficult to tolerate for negotiators from highly polychronic cultures, such as most Asians, Arabs, some Southern Europeans, or most Latin Americans, who could view it as closed-minded and overly restrictive. In any case, do not show irritation or anger when encountering this behavior. Instead, be willing to bargain over some items individually. Otherwise, clearly indicate that your agreement is conditional and contingent on other items. Walloons, on the other hand, tend to work in a more polychronic style that has some similarity with that of the French.

Bargaining – Most Belgians are used to bargaining but dislike haggling. However, they can be tough negotiators and may be masters at finding common ground. The bargaining stage of a negotiation can take substantial time. Prices rarely move by more than 20 to 30 percent between initial offers and final agreement. Belgians usually show flexibility and ‘common sense.’ They are determined to find solutions both sides can live with and are often receptive to ‘outside’ ideas. Most aspects of the deal will be open to discussion. Focus your arguments on concrete facts and information. Exaggerated claims or bragging will not help your position.

Belgians often prefer a straightforward negotiation style. They use deceptive techniques only infrequently, such as telling lies and sending fake non-verbal messages, pretending to be disinterested in the whole deal or in single concessions, misrepresenting an item’s value, or making false demands and concessions. 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. Belgians 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, or making final offers. When using similar tactics yourself, clearly explain your offer

and avoid being aggressive. Silence could simply be a part of the conversation, although it may also signal rejection of a proposal. Be careful when using pressure tactics such as applying time pressure, making expiring offers, or nibbling. Your counterparts could consider these inappropriate unless they are strongly interested in your offer and clearly understand the rationale behind the approach. Otherwise, while the negotiation is not necessarily over, it may become less constructive.

Avoid all aggressive tactics when negotiating with Belgians. They will not shy away from open confrontation if challenged, but this is almost guaranteed to deteriorate rather than strengthen your bargaining position. Opening with an extreme offer may be viewed as an unfriendly act. It is best to open with one that is already in the ballpark of what you really expect.

Emotional negotiation techniques, such as attitudinal bargaining, sending dual messages, attempting to make you feel guilty, or grimacing, may occasionally be employed. It is best to remain calm. Do not use appeals to personal relationships unless you have very strong ones with your negotiation counterparts.

Belgian businesspeople may employ defensive tactics such as changing the subject, blocking, asking probing or direct questions, making promises, or keeping an inflexible position.

Corruption and bribery are rare in Belgium, 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.

Decision Making – Flemish companies are usually not overly hierarchical. In Flanders, decision making is a consensus-oriented process during which many who are affected may get opportunities to voice their opinion. While senior managers are usually the ones making decisions, they will consider the best interest of the group or organization. They may sometimes delegate their authority to lower levels in the hierarchy. This process can take a long time and requires patience. It is important to win the support of people at all organizational levels who are involved in the negotiation, rather than focusing on upper management only. Once a decision has been made, it may be very difficult to change.

In the Wallonian part of Belgium, companies tend to be more hierarchical and decisions are usually made at the top of the organization. While the decision maker will still consider the best interest of the group or organization, he or she might not consult with others. Accordingly, it is important to identify and win the support of the final decision maker. Decision making is still slow with this group.

When making decisions, Flemish businesspeople may apply universal principles rather than considering the specific situation, while Walloons tend to look at each situation as a unique problem. With both, personal feelings and experiences often weigh more strongly than empirical evidence, logical arguments, and objective facts do. Belgians 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 meeting summaries can be an effective way to verify understanding and commitments. 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 Belgian partners' commitment.

Some documents will not even be legal unless they are written in both Flemish and French. It is recommended to consult with a local legal expert before signing a contract. Belgian business law tends to be more protective of local companies than of foreign ones.

Contracts are usually dependable and the agreed terms are viewed as binding. Your counterparts will make strong efforts to meet their commitments. Failure to meet the terms of a contract is likely to trigger legal action. However, your counterparts may occasionally ask you to reconsider aspects of the contract if conditions have changed.

Women in Business

While women enjoy similar rights as men, most Belgian women are still struggling to attain positions of similar income and authority. However, visiting businesswomen should have few problems in the country as long as they act professionally in business and social situations.

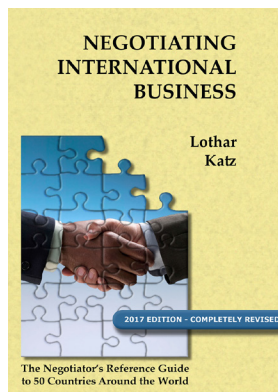
Other Important Things to Know

Business lunches, which can take a long time, and also dinners are common. Business may or may not be discussed. Wait to see whether your counterparts bring it up.

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 15 minutes, even more when meeting with Walloons, is perfectly acceptable.

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 relationship between the Flemish and the Walloons is a sensitive topic. It may be best to avoid it in discussions.



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.

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