

Negotiating International Business - Denmark

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.

Danish businesspeople, especially those among younger generations, are usually experienced in interacting and doing business with visitors from other cultures. Culturally and ethnically, the country is very homogenous. Danes tend to be proud people who may not always be open to information or assistance from outside. Though in close geographic proximity, the Danish culture is substantially different from Germany's. Do not remark nor assume that they are similar.

Relationships and Respect

Although Danes can be strong individualists, in general they may be more concerned with group interests than individuals' desires. Business relationships are often only moderately important in this country and are usually not a necessary precondition for initial business interactions. Your counterparts' expectation could be to get to know you better as you do business together. Unless past business interactions have already met their approval, Danes may be cautious, appearing reserved and proceeding slowly. Once the necessary trust has been established, though, 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. This does not mean that Danes do not care about with whom they are dealing.

Denmark is an egalitarian and tolerant society. It can be offensive to criticize other people or systems. Treating someone preferentially is generally discouraged. Bosses are expected to be team leaders rather than solitary decision-makers, and autocratic behavior could meet with strong disapproval. In the country's business culture, the respect a person enjoys depends primarily on his or her achievements. Admired personal traits include individual initiative, knowledge, and expertise.

Communication

While Danish, the country's official language, resembles Swedish and Norwegian, it has only few commonalities with German. Most businesspeople in Denmark speak English well. However, avoid using jargon and slang.

Danes usually speak in quiet, gentle tones. Interrupting others may be considered rude. At restaurants, especially those used for business lunches and dinners, keep conversations at a quiet level. Emotions are not shown openly and periods of silence do not necessarily convey a negative message. People generally converse standing about three to four feet apart.

Danish communication is usually very direct. Danes dislike vague statements and openly share opinions, concerns, and feelings with others. In fact, too much diplomacy may confuse and irritate Danes and can give the impression of insincerity. They may ask for clarifications and do not find it difficult to say 'no'

if they dislike a request or proposal. If something is against company policy or cannot be done for other reasons, your counterpart will likely say so. They may view this as a simple statement of fact and might not understand that someone else could consider this directness insensitive. When communicating via letters or e-mail, do not waste time looking for messages 'between the lines.' Since the communication is mostly straightforward, there may not be any.

Danes use body language sparingly, although facial expressions may provide clues if they dislike an idea or proposal. Physical contact is rare and best avoided. The American OK sign, with thumb and index finger forming a circle, could be read as an obscene gesture in Denmark. 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 but is usually not a necessary precondition to doing business in Denmark. Negotiations in Denmark may be conducted by individuals or teams of negotiators.

Scheduling meetings in advance is required. However, you can sometimes do this on short notice, especially if the parties have had previous business interactions. Danes generally expect visitors to be punctual. Being late by more than 10 to 15 minutes without having a valid and plausible excuse can be an offense. Call ahead if you are going to be more than 5 minutes late.

Names are usually given in the order of first name, family name. Some Danes may have two first names. Use *Mr./Ms.* plus the family name. If a person has an academic title, such as *Doctor* or *Professor*, use it instead, followed by the family name. Before calling Danes by their first names, wait until they offer it unless they introduced themselves using their first name only. Introduce and greet high-ranking and senior people first. Introductions are accompanied by firm and brief handshakes.

The exchange of business cards is an essential step when meeting someone for the first time, so bring more than you need. Almost all businesspeople in Denmark read English, so there is no need to have your card translated. Do not show advanced degrees on your card, but make sure that it clearly states your professional title, especially if you have the seniority to make decisions. If any facts about your company are particularly noteworthy, for instance if it is very old or the largest in your country or industry, mention this on your card since the Danes view this favorably. 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. A sense of humor is appreciated, but know that Danish humor is often quite reserved and dry. One's private life has no place in meetings, and personal comments should be avoided. Business is mostly a serious matter in Denmark, and meetings can be quite formal. While the primary purpose of the first meeting is to become acquainted, the discussion will mostly focus on business topics. It is vital to come well prepared as most Danes hate wasting time.

Presentation materials can be simple without colorful backgrounds and fancy graphs. However, good and easy-to-understand visuals are important. Having your English-language handout materials translated to Danish is not required. Keep your presentation succinct and to the point. While details matter, Danes prefer to discuss issues in short meetings and make the decision right there. Information overload, written protocols, and so on may therefore work against you.

Negotiation

Attitudes and Styles – To the Danes, negotiating is usually a joint problem-solving process. Buyer and seller in a business deal are equal partners who both 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 the Danes 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 – Danish negotiators believe in information sharing as a way to build trust. This does not mean that they will readily reveal everything you might want to know during your negotiation. However, negotiations can become very difficult if one side appears to be hiding information from the other. A good part of the communication may be in writing, which Danes often prefer.

Pace of Negotiation – Expect negotiations to be fairly swift. While diligent, Danish businesspeople are less obsessive over details than Germans are and strive to conclude negotiations quickly if possible. This does not mean that they will readily accept unfavorable terms.

The Danes 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.

Bargaining – Most Danes are not fond of bargaining and strongly dislike haggling. They do not appreciate aggressive sales techniques. The bargaining stage of a negotiation is usually relatively short and prices rarely move by more than 10 to 20 percent between initial offers and final agreement. The concept of fairness is very important to Danes, so while it is not difficult to obtain concessions, your counterparts will expect reciprocity and may take it very negatively if the bargaining exchange is too one-sided.

Danes prefer to negotiate in a straightforward and honest style. They use few deceptive negotiation techniques, such as pretending to be disinterested in the whole deal or in single concessions. Realize that using most other tactics in this category yourself, whether it is telling lies, sending fake non-verbal messages, misrepresenting an item's value, making false demands and concessions, or claiming 'limited authority,' could jeopardize the trust between the parties and damage the negotiation. Carefully orchestrated, 'good cop, bad cop' may be an effective tactic to use, though.

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. Danish negotiators may make a final offer quite early in the bargaining process. While this is not common practice, it could actually be a serious attempt to speed up the negotiation. Periods of silence in conversations are normal and may not represent an attempt to use it as a negotiation technique. Be very 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 will not necessarily be over because of this, the Danish side may become very reserved and cautious.

Avoid all aggressive tactics when negotiating with Danes. 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 could be viewed as an unfriendly act. It is best to open with one that is already in the ballpark of what you really expect.

Other emotional negotiation techniques are also rare and should be avoided when negotiating in Denmark, and appeals to personal relationships not only rarely work but also may be counterproductive. Danes often employ defensive tactics such as asking probing or very direct questions, making promises, or keeping an inflexible position.

Opening with written offers and introducing written terms and conditions can be effective tactics that could help shorten the bargaining process, which your Danish counterparts often find desirable.

Corruption and bribery are very rare in Denmark. It is strongly advisable to stay away from giving gifts of significant value or making offers that could be read as bribery.

Decision Making – This is a bit faster in Denmark than in most other European countries. The decision maker is often the most senior manager participating in the negotiation, unless the size of the deal dictates that the company's top management needs to approve it. Managers usually encourage their team members to express their opinions and always consider the best interest of the group or organization when making decisions. They may also delegate their authority to lower levels. Decisions are often made by consensus of a group of managers. Once a decision has been made, it may be difficult to change.

When making decisions, businesspeople may apply universal principles rather than considering the specific situation. They often dislike 'making exceptions,' even when arguments speak in favor of doing so. Personal feelings and experiences are considered irrelevant in business negotiations, so people focus on empirical evidence, logical arguments, and objective facts. Most Danes are moderate risk takers.

Agreements and Contracts

Capturing and exchanging meeting summaries can be an effective way to verify understanding and commitments. Although verbal agreements are already considered binding and will likely be kept, do not consider them final. Only a final contract signed by both parties constitutes a binding agreement.

Although written contracts are serious matters in Denmark, it is best to keep them concise without including too many legalistic details. Signing the contract is important not only from a legal perspective, but also as a strong confirmation of your Danish partners' commitment.

It is recommended to consult a local legal expert before signing a contract.

Contracts are almost always dependable and the agreed terms viewed as binding. Requests to change contract details after signature could be considered as bad faith and will meet with strong resistance.

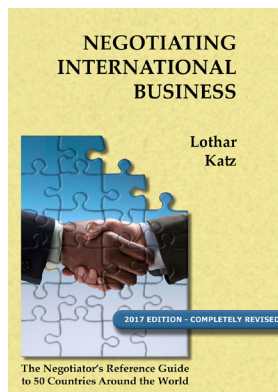
Women in Business

Denmark is one of the most progressive countries in the world when it comes to gender equality. Most women are working and many hold business leadership positions. A visiting businesswoman will find it very easy to do business in the country. She can initiate meetings and even social engagements with men without restrictions.

Other Important Things to Know

Punctuality is also valued in most social settings. It is best to be right on time for dinners, and to arrive at parties within 10 to 15 minutes of the agreed time.

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.



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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