

## **'Appointment and Deals'**

From the website: [http://www.executiveplanet.com/index.php?title=South Korea](http://www.executiveplanet.com/index.php?title=South_Korea)

### **Making appointments**

South Korean businesspeople, particularly top executives, are extremely busy and their crowded schedules may cause them to be a few minutes late for appointments. Do not express anger or annoyance if your contact is late for an appointment. Business travellers, however, should always arrive on time. Traffic is often a cause for delay.

The best times for business meetings are usually 10:00 a.m. to 12:00 p.m. and 2:00 p.m. to 4:00 p.m. Prior appointments are necessary. However, depending on a relationship, a meeting can be set up on a short notice. Business dinner and lunch are common, and meetings may take place in a hotel coffee shop/restaurants.

Many Korean businesspeople take a one week vacation from mid-July to mid-August, so avoid trying to schedule appointments at this time of the year. Other inconvenient times include major holidays like the Lunar New Year [in Jan or Feb] and the Moon Festival [in Sep or Oct]. Check a Korean calendar for their holidays. Lunar dates change annually.

Generally, business hours are 9:00 a.m. to 5:00 p.m. Monday through Friday. Korean corporations are in the process of implementing a five day week. However, some offices are still open on Saturday.

When entering a group meeting, the senior member of your party should enter the conference room first, then the next highest ranking person, and so on. Moreover, the Koreans will be seated according to their rank. If you aren't sure how to seat Korean guests or where to sit yourself, ask your Korean counterparts.

Punctuality is expected at social events.

### **Let's Make a Deal**

#### **What you should know before negotiating**

Bring a plentiful supply of business cards. Many business travelers to South Korea have found that they can never have too many cards. If you forgot, you can have them printed locally on the same day. Or you can promise your counterparts that you will send them later.

Depending on your counterpart's English competency, have the reverse side of your card translated into Korean.

Since you will be judged according to your status, your title should be emphasized on your business card. This gives the recipient an idea of your job responsibility and assists him or her in determining the amount of decision-making authority you have. Most importantly, knowing your title assists your contact in matching you with a person who is of similar rank.

Present your business card with both hands.

When you receive a card, read it for a few moments before putting it in your card case or pocket. Immediately stuffing it into your back pocket will be perceived as disrespectful, because it gives an impression that you are not interested in the person. Some perceive writing on a business card as disrespectful.

Contacts and personal relations are important here, since South Koreans tend to prefer doing business with the people they know. Try to obtain a personal introduction through a mutual friend or acquaintance.

Before your visit, it can be a good idea to send your proposals for your contact to preview. In selecting your negotiating team, find out who will be the participants in the South Korean delegation. Ensure that the people you choose to represent your side match the rank of the South Korean members, since status is very important and a mismatch may prove embarrassing to both sides. Sending a senior representative can be perceived as a sign of serious interest and commitment.

During negotiations, some Koreans may jump from one topic to another, rather than following the agenda. Similar questions may be asked on numerous occasions by different negotiators. Be patient. If you are confused about their priority in negotiation terms, you can gently ask them.

Be aware that personal relationships generally take precedence over business. Often the first meeting is used to get to know each other and establish rapport. When you are served tea or coffee at the beginning of the meeting, accept this offering of hospitality even if you have had several cups already. You don't have to drink it all. Keep a formal demeanor as long as your counterpart does, and refrain from appearing too casual.

It may take several trips to South Korea to reach an agreement or to close a deal.

Meetings often begin with some preliminary 'small talk.' Allow the person with whom you are meeting to initiate the business discussion.

A good rapport is the basis for a successful business relationship in South Korea. To solidify this rapport and trust, it's important that you remain sincere and honest in your business dealings. Upon returning from your trip, follow up with the people you met in Korea by e-mail and telephone.

### **More guidelines for negotiation**

Koreans are very hospitable and friendly, but negotiations can be very aggressive in tone. You may find that your South Korean counterparts can be very frank and quick to express anger and frustration. Nevertheless, it would be a mistake to take everything said during these meetings literally, and you should strive to maintain your composure and patience. Maintaining a solid, cordial personal relationship with the South Korean side will help you get through the difficulties you may face during the negotiating process.

If you know your competition and have some time for closing a deal, your first bid should leave some room for negotiation. Meanwhile, the starting positions of your South Korean counterparts may appear far too unrealistic, but they will be prepared to compromise. This way, both sides appear to have gained significant ground.

Although it's important to have a firm position, insisting on having your own way will be viewed unfavourably by your Korean counterparts. Moreover, appearing to be in a hurry also puts you at a disadvantage. Nevertheless, being flexible does not imply giving in to unreasonable demands.

Be patient with delays in decision-making. Some may use for a delay a stalling tactic to 'wear down' the other side. However things can move very fast if Koreans see the right business opportunity.

Respect silence in communication. They need the time for translation and prudence.

South Korean business culture tends to be conservative and have a strong work ethic. Harmony and structure are emphasized, although there's a growing emphasis on creativity and innovation.

For South Koreans, perceptions of the truth tend to be rooted in subjective feelings. Nevertheless, objective facts are also becoming common factors in negotiations. Depending on the company culture and functional areas, some may be very analytical and demand data and then more data.

Confucianism is deeply rooted in Korean society.

South Korea is a collectivist culture, so the group, rather than the individual, often prevails. There is a strong feeling of interdependency among members of a group or business.

Decisions are often made with the consensus of the group, and deference is given to the oldest or most senior member. Loyalty to family and friends is important. Nevertheless, Western-style individualism is gaining ground.

Respect and deference are directed from the younger to the older, and authority and responsibility from the older to the younger.

Always treat the elderly or a senior person with respect. Make a point of acknowledging them first in a group. If you meet in a doorway, it's common courtesy to allow the older

person to pass through first. Moreover, do not smoke or wear sunglasses in their presence.

Although the country may appear modernized, traditional values still coexist, especially among the boomer and mature generations.

'Saving face' is an important concept to understand. In South Korean business culture, a person's reputation and social standing rests on this concept. Keep your cool and refrain from showing that you are upset. By remaining calm, you will be perceived as being able to control your emotions, rather than allowing them to control you. Causing embarrassment or loss of composure, even unintentionally, can harm business negotiations. Moreover, refrain from criticizing your competition.