



Doing Business Abroad - Russia

Political changes, government reforms, a stable economy, vast natural resources and a large population have all led to Russia seeing enormous advances in their foreign trade links. However, Churchill's description of the country as a 'riddle wrapped in a mystery inside an enigma' still very much holds true for outsiders looking in. Gaining some basic insight into the Russian mentality, culture and etiquette are key for anyone doing business in Russia.



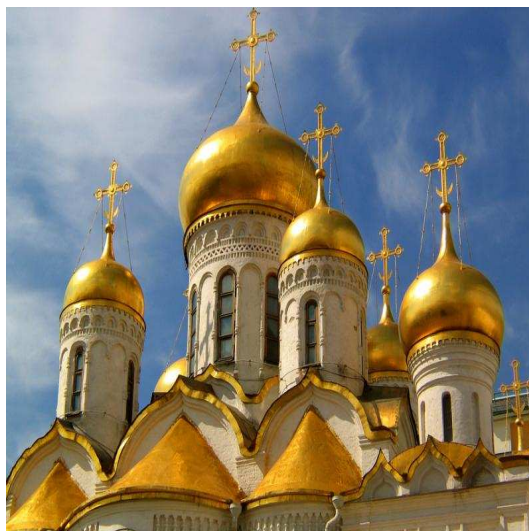
Management Style

Management tends to be centralized and directive. The boss - especially the 'big boss' - is expected to issue direct instructions for subordinates to follow. Little consultation will be expected from people lower down the company hierarchy. Indeed too much consultation from a senior manager could be seen as a sign of weakness and lack of decisiveness.

Middle managers have little power over strategy or input in significant strategic decisions. The most powerful middle managers are the ones who have the most immediate entree to the decision-maker at the top of the organization. There is little point in wasting time debating with middle managers who do not have an easy access to the top. The most significant reason for delay in reaching a decision in Russia is that the decision has not been put in front of the real decision-maker.

Delegation is usually in terms of managers giving precise instructions to subordinates who are expected to perform their allocated tasks with little or no discussion. Many westerners complain of a lack of initiative from local Russian staff, whilst Russian staff often bemoan the lack of clear, unambiguous advice from expatriate managers.

Important Business Aspects



- Foreigners must have a valid visa to travel to Russia.
- All foreigners entering Russia must register within 72 hours of arrival.
- Younger Russian business people generally speak English.
- Russians have a different attitude towards official documents - they do not place as much significance on them.

Entertaining

Doing business, conducting meetings, making decisions, negotiating and getting to know each other is increasingly being done at dinner. If your Russian counterpart decides to invite you out do not refuse the request as it would be rude.

At the table centre seats are used by the most senior attendees. As a guest you should be sat in the middle opposite your immediate counterpart.

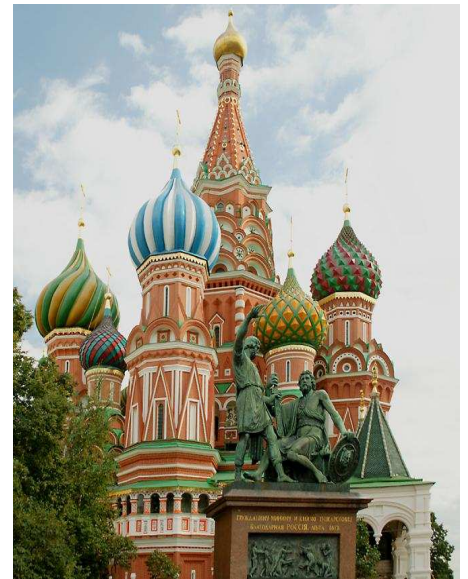
Remember Russians do like a drop or two of alcohol. Refusing to drink is unacceptable unless you give a plausible excuse, such as explaining that health or religious reasons prevent you from imbibing. Always bear in mind that you may be discussing so know your limit.

Russian Dress Code

Russians tend to dress as well as their salaries will allow. Men would tend to wear either a dark suit or jacket and trousers with a tie and women mainly wear business suits or blouses and skirts.

It is important, for westerners to look smart and appear to be expensively dressed as this enhances credibility. From the safety standpoint, it is probably not advisable to wear very expensive watches or jewellery.

The winters can be extreme (as can the summers) so ensure suitable clothing to meet whatever the prevailing conditions. Be sure to remember a hat, gloves and scarf in winter.



Meetings and Negotiations

The typical greeting is often a (very) firm handshake with the appropriate greeting for the time of day - *dobrye utro* (good morning), *dobryy den* (good afternoon) or *dobryy vecher* (good evening).

Even though it may sound a bit stiff it is commonplace when doing business in Russia to introduce yourself using only your surname. Before meeting your Russian counterpart ensure you find out if there are any titles they use as these are extremely important and should be used. If you are visiting Russia it is appropriate to refer to your counterpart by either "gaspodin" (a courtesy title similar to "Mr.") or "gaspazhah" (similar to "Mrs." or "Miss") plus his or her surname. On the whole Russians have three names. The first name is the given name while the last name is the father's family name. The middle name is a version of the father's first name, known as a patronymic; for a man, it ends with the suffixes "vich" or "ovich" meaning 'son of.' For a woman, the patronymic is also the father's first name but with suffixes "a" or "ova" added, which means 'daughter of.'

When doing business in Russia make sure you take a business card. It is always a good idea if you plan to maintain contacts in Russia to have one side translated into Russian. If you do so make sure you add your title and any degrees or qualifications you have.

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