

CASE STUDY

Miscommunications with a Brazilian Auto Parts Manufacturer

The Brazilian sun beat down steadily on the tarmac outside as Alessandro Silva and Agosto Ventura stood inside the São Paulo-Guarulhos International Airport. They were awaiting the arrival of two representatives from Lucky Auto Parts Company, a regional wholesaler and retailer based in Ames, Iowa.

Mr. Silva, the president of a mid-sized auto parts manufacturer in São Paulo, and Mr. Ventura, the company's sales manager, were looking forward to a new business relationship with Henry Williams, President of Lucky Auto Parts Company. A few weeks previously, in an initial phone call, President Silva invited President Williams to visit the Brazilian manufacturing facility, a potential source of after-market auto parts for Lucky. This would be the American company's first venture into buying parts directly from a foreign manufacturer. Williams planned to take his new Vice-President of Purchasing, Wally Astor, who also happened to be his son-in-law, on this first trip. Mr. Williams thought this exploratory buying trip would be a good introduction to the auto parts business for Wally; although Wally had experience as a new car salesman, he had no experience in the auto parts field.

Unfortunately, a few days before the trip, Williams had to cancel his trip in order to be available for a deposition on a court case pending against his company. It had taken a long time to get the appointment with Mr. Silva, and Williams did not think it wise to cancel the trip. Since Wally was eager to prove himself in his new role, Williams decided to let him handle this mission without the "old man" looking over his shoulder. In the rush to review the legal documents for the deposition, Williams forgot to notify his Brazilian counterpart that he would not be coming on this visit.

As he was preparing for the trip, Wally Astor realized that it was summer in Brazil and that it was a long flight to Brazil from Ames via Miami. Based on this, he decided to dress as informally and comfortably as possible.

At the airport, both Mr. Silva and Mr. Agosto were dressed as usual when conducting business or in the public eye for social occasions, that is, in suits and ties. As they stood outside the door of the International Arrivals area, Agosto held a neatly printed sign with Wally Astor's name on it. Soon a young man in his late 20's approached them and announced that he was Wally Astor; both Mr. Silva and Mr. Ventura were visibly surprised, especially since the young man was dressed in faded blue jeans, sneakers, and a checked shirt with the sleeves rolled up.

"Hey, thanks for picking me up," Wally said as the three shook hands. "You must be Alexander and Agosto? My father-in-law said you were going to meet us at the airport."

"I am President Alessandro Silva and this is my Marketing Director, Mr. Ventura," Mr. Silva said icily. "We expected to see President Williams. Will he be coming on a later flight?"

"No, he had something important come up, so he sent me to take care of the visit to Brazil," Wally replied. "Oh, here, let me give you my business card so you'll know I really am who I say I am."

President Silva read the card carefully, and turned to Agosto with a frown. The card had the U.S. flag emblazoned on it with an italicized inscription under it: *An American-owned business.*

Agosto turned to Wally and said politely, "I'm certain you are tired from your long journey. Shall we drop you at your hotel and then pick you up for dinner about nine o'clock?"

"Nine o'clock! Isn't that a little late for dinner?" Wally exclaimed. "No, let's just go to your office and get right to it, shall we? I have a contract drawn up by the lawyer-types in my department. I think you'll find it covers all the details and is more than fair."

President Silva spoke up more forcefully than he intended, "Mr. Astor. . . ."

"Please call me Wally."

"No, Mr. Astor. I don't know you or your company well enough to call you by your first name and certainly not well enough to look at an important contract with you today. I was impressed with the phone conversation I had with President Williams, but *he* is not here today, so let's drop you at your hotel and begin our discussion over dinner later this evening."

Wally was surprised and uncomfortable to see Mr. Silva standing very close to him, staring intently into his eyes and gesticulating to emphasize his words. Wally took a step back, but Mr. Silva took a step toward him to close the gap between them.

“OK, Mr. Silva. Maybe I sounded like I was trying to rush things a bit. But you see, I booked my flight out for tomorrow evening so I can spend a couple days in Rio to see what that’s about.”

There was an uncomfortable silence during which no one spoke. Finally, Wally said, “I guess I would like to go to my hotel and rest up. Then we can have dinner at 9:00. OK?”

Ventura knew that President Silva was not warming to Wally, so he decided to see if he could get the relationship back on track. Since he and Wally were about the same age and held the same status within their respective organizations, he felt comfortable doing this.

“That sounds very good, Wally,” Ventura said. “We will pick you up at 9:00. And please, call me Agosto.”

Once he was settled in his hotel room, Wally phoned Henry Williams to check in as instructed.

“Yeah, Dad,” Wally said. “I met with them at the airport. They drove me to the hotel and we’re going to dinner tonight to get acquainted. Can you believe they want to eat at 9 pm?”

“That’s good,” Williams replied. “Did you see their facility yet?”

“No. The president, Mr. Silva, is kinda stiff. He said he wants to get to know us better before he talks business. I think he’s doing the Latin American thing about *mañana*. I tried to get the ball rolling this afternoon, but he wouldn’t hear of it.”

“Well, he’s just being cautious, like I am. I like to know a man personally before I enter into a long-term contract with him, too. Wally, this isn’t like selling cars. It’s building relationships that have to work day after day. I’m sorry I threw you into this situation alone.”

“You know,” Wally said, “I think he’s upset that you aren’t here.”

“I hope you conveyed my apology to him,” Williams replied, “and explained that this deposition came up at the last minute.”

“I sure did.”

“OK. Call me tomorrow afternoon to let me know how the dinner conversation went. How long do you think you’ll be out there?”

“Well, I made reservations to leave for Rio tomorrow evening for a couple days,” Wally said.

“Why are you going to Rio? Who is out there?” Williams asked.

“I promised Mindy I’d check out Rio as a possible vacation spot for later this year.”

“Wally, you don’t work for Mindy. You work for me. If Mr. Silva wants to talk with you for the next few days, that’s exactly what you’re going to do. Forget about going to Rio!”

That evening at the restaurant, Mr. Silva insisted that Wally sit across the table from him and Mr. Agosto.

“Mr. Astor, I want to thank you for joining us for a Brazilian business dinner this evening,” said Mr. Silva. “We always start with *cafezinho*, a very strong espresso. We think it helps the conversation to flow.”

For the next hour, Wally found himself talking freely about his wife, their relationship, his in-laws, his childhood and parents, and many other topics that would never find their way into a business discussion in the U.S. To encourage Wally, Mr. Silva and Agosto shared humorous stories about themselves, and shared their favorite sports, movies, pastimes, wines, and vacation areas.

Their free exchange about themselves continued throughout the dinner, and as the three men were served *cafezinho* after the meal, they began to talk business for the first time that evening. President Silva introduced the topic.

“Wally, I think tomorrow morning you should join us to see the plant. I want you to meet with our Purchasing and Quality Assurance Managers. We pride ourselves on using the best materials and maintaining the strictest tolerance standards. After you are more familiar with how we do things, we will meet again for dinner before your flight to Rio and discuss when Mr. Williams can visit us to resume exploring our potential business partnership.”

“Sir,” Wally began, “I cancelled my trip to Rio so I can learn more about your operation, your products, and where our mutual interests may lie. Perhaps we can have dinner again tomorrow night and decide what our next steps should be for the following few days.”

“I’m very happy to hear you say that. And please, call me Alessandro.”

Discussion Questions

1. Describe three cultural “missteps” that Wally Astor and his father-in-law, Henry Williams, made in this scenario? Why do you think this happened?
2. Imagine the situation in this case study was reversed, that is, the Brazilian businessmen were coming to the U.S. to look for a supplier. What would you tell the Brazilians about American business culture to prepare them for success?