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## WORKING CROSS CULTURALLY: FORGET “BUSINESS AS USUAL”

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*Kanina Blanchard wrote this case under the supervision of Professor Lynn Imai solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.*

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In January 2006, after four years of incredible learning and opportunities, Sophia Tannis’s European assignment with the U.S.-based multinational company CPA Solutions (CPA) was coming to an end. Looking out at the Swiss Alps from her office that morning, she thought about how much she had experienced—from representing the company at major activist demonstrations to being engaged in planning and decision making related to pandemic responses. There had been red-eye flights to the Middle East and management challenges in working with the European Union. An identified “future leader” in the company, Tannis had lived and worked in four countries so far and was responsible for public affairs and government relations for more than a dozen others. She had learned first-hand that there was no such thing as “business as usual” when working across borders, cultures, and languages, and she found herself thinking that there were few situations that truly took her by surprise anymore.

The phone rang, and a business leader from the company’s head office in New Jersey, David Blankenship, introduced himself and—without hesitation or time for pleasantries—outlined the reason for his call: “I need you to get to Moscow and get a problem fixed,” he said emphatically. She listened carefully and started thinking through what needed to be done as Blankenship explained the dilemma. A strong and well-established local competitor was making disparaging comments to impact CPA’s brand and reputation. The Russian company wanted to create such negative sentiment about CPA that the mounting pressure and ill-will would result in CPA deciding not to start up their operations.

I’ve talked to the country leader . . . I don’t know him, but Jonathon [Tannis’s functional boss in New Jersey] says you’ve handled this kind of thing before. We agree that you need to meet with the newspapers and our customers and make sure they stop listening to all the garbage. We don’t need this just when we are making a case for future investment. You have to take control of situations like these quickly.

Blankenship’s voice steadily intensified, and Tannis could imagine him standing up at his desk more than 6,000 kilometres away as she heard him saying, “You need to stop this—now!”

Blankenship was in charge of major growth initiatives for one of the company’s major business units, and he had a lot riding on a new facility being built just outside Moscow. Tannis had never met Blankenship, but

she knew his reputation as a well-respected, no-nonsense leader. Blankenship had more than 30 years of experience and was known as a trailblazer who had developed businesses in South America and Europe.

## THE COMPANY

CPA was a Fortune 100 company with more than \$20 billion<sup>1</sup> in annual sales. A leading global industrial company, CPA offered a wide array of chemical, plastic, and agricultural products and services. It employed approximately 40,000 people worldwide and manufactured its products at more than 100 sites in dozens of countries around the globe.

As a company operating across national political boundaries and regulatory regimes, CPA faced the ongoing challenge of balancing the need for a strong, consistent global corporate brand with the imperative to be locally relevant to customers and other stakeholders, including governments, nongovernmental organizations, and other decision makers. This challenge presented itself in almost all aspects of the company's activity, including product research and development, policies relating to human resources and information technology, stakeholder outreach initiatives, advocacy efforts on key issues ranging from taxation to environmental legislation, marketing, sales, and service.

## BACKGROUND ON SOPHIA TANNIS

Tannis was 36 years old. She had been moved to the company's European headquarters in Switzerland in 2002 to lead change and create a better working relationship with the company's head office in New Jersey. She had joined the company 15 years earlier and had demonstrated her skills and ability to take on complex and challenging assignments across a variety of functions, businesses, and geographic locations. She had led global projects, succeeded in roles at the company's Canadian headquarters and at its global offices in New Jersey, and had delivered results during a complex change-management assignment in Hong Kong. Prior to the transfer to Europe, Tannis had led a major transformational initiative in the southern United States, which had included designing and implementing significant cultural, policy, and staffing changes and playing a lead role through the process of a major merger and acquisition. Tannis was a non-Christian Canadian, and she had a mixed ethnic background. Despite encountering many of the gender-based, cultural, national, and religious barriers that were synonymous with working in the southern United States, Tannis had delivered strongly and had built a capable team to sustain the changes she initiated.

On the personal side, Tannis's husband also worked for CPA, and they had two children under the age of 10. Tannis's multicultural upbringing had influenced her not just personally but also professionally. Tannis had been adopted by a traditional, older Asian couple, and she grew up as the only white person in their community. Because of her mixed heritage, she was an enigma to many her own age, who were often confused about who she was and about her family dynamics. Tannis had not only learned the culture and language of her adoptive parents, but found a way to navigate being the "odd one out"—the "other"—in many settings. As an adult, she recognized her background was a blessing in many ways, and she was able to use her experiences to navigate the dynamics of working cross-culturally.

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<sup>1</sup> All currency amounts are in US\$ unless otherwise specified.

## EN ROUTE

Being called in to help resolve challenges that impacted the company's brand and reputation in various locations was part of Tannis's role; she worked on everything from media issues to emergency response. She had an approach that worked well: she tapped into documented resources and experts and reached out to contacts, colleagues, and mentors with whom she had built relationships over the years. This time around, she had reviewed the available business plans and analysis about the location and had approached several people. Unlike the wealth of insights she usually received, however, the common reactions this time included diffuse, vague, and generally unhelpful comments that lacked any real insight: "Moscow is amazing," "That's exciting," "Let me know how it goes!" "You'll really need to work with the folks on the ground," "It's a hard place to understand," and "What a terrific opportunity."

Tannis loved multitasking and always having something on the go, but this time she had the feeling that her undivided attention would be needed. She asked one of her team members to take over her other responsibilities for a few days.

Tannis boarded a KLM flight from Zurich to Amsterdam at 3:30 p.m. the next day with a plan to meet a colleague and trusted advisor for dinner. Joost Distelbacher had spent a couple of years working in Eastern Europe, and upon receiving her call, he agreed to meet Tannis at the Schiphol Airport before she boarded a flight to Moscow at 8:40 p.m.

Distelbacher and Tannis had worked together for several years on various initiatives. A middle-aged Swiss man with Dutch parents, Distelbacher was straightforward and direct, and he had proven to be a critical ally, willing to guide Tannis through challenging situations in return for her help and guidance on the communications side. (His "talk first, think it through later" approach was his admitted weakness.)

"So now they want you to fix Russia?" he quipped. "Of course not!" Tannis responded. "I just need to stop all this noise about the new plant."

"Let me guess," he continued. "You've been told to show local competitors our global strength and market position. To tell the officials about how many jobs the plant will bring. Or, wait: you are to tell our customers that we are good corporate citizens and that we improve the communities in which we operate. Wait, wait . . . you are to promise the newspaper an exclusive. Am I close?"

Tannis playfully punched Distelbacher in the arm and called him the biggest cynic she had ever met. They laughed and enjoyed their meal, talking about each other's families and summer vacation plans. Afterward, Tannis said, with a bit of trepidation in her voice, "Are you telling me none of those things will work?"

"Prost," he said, raising his wine glass in a toast. "To your health my dear." He took a deep sip, looked thoughtfully at the Spanish Rioja swirling in his glass, and then looked up intentionally. "Okay, let me tell you a few things you need to know."

## THE MOSCOW OFFICE

CPA's excitement about growing business in Russia was matched only by its caution. Russia was a different world. Stories of businesses that could not navigate the fluid and unpredictable business environment, including the political and the legal system, created realistic concerns. CPA was interested in developing a substantial office presence and perhaps even a research facility in Moscow, but at this

point, space at a well-known business centre was considered “home.” When she arrived at the convenient location in one of central Moscow’s key business districts, Tannis noticed familiar business names, including those of banks, insurance companies, legal firms, and even retail outlets. She took a photograph and planned to send it to New Jersey. “It’s not that different after all!” she thought to herself. With the historic heart of Moscow, including the Kremlin and Red Square, within walking distance from the business centre, Tannis hoped to have a few minutes for sightseeing on this trip. But first things first.

Her first meeting was with CPA’s country manager for Russia, Pete (Petar) Vujevic. Vujevic, who was Croatian by birth, had built an impressive reputation within a few short years at CPA Europe. He had led the establishment of the company’s Kiev office and was known as an astute young businessman within CPA Europe. Unfortunately for both Vujevic and Tannis, he had not yet had an assignment at the U.S. head offices, so he was not known by many high-level leaders, and as such, Tannis was in the awkward position of having been asked to oversee and ensure things went smoothly and were done “the CPA way.”

Vujevic was well over six feet tall; he greeted Tannis with exuberance and a mighty handshake. As he motioned for her to sit, he said, “So how is my friend, Distelbacher?” Tannis was surprised that he knew about her dinner the previous evening. “How did you know Joost and I met?” Vujevic just smiled and shrugged as he masterfully launched into a monologue. Vujevic had clearly read into the file and knew exactly what head office wanted done. As if he was a seasoned Shakespearean actor, he artfully wove together stories and examples that were laden with meaning, and he left no doubt about the fact that he felt sure the corporate approach would fail. He was also ready with a plan of action. Tannis listened and decided to heed Distelbacher’s words: “Just listen and let him lead okay? He knows this dance better than you.”

Vujevic spoke for almost an hour about the world of Moscow, and Tannis recognized clearly that, while Blankenship wanted the problem solved immediately, Vujevic wanted her to help him buy some time to solve the issue the local way. This way, he contended, CPA would garner credibility and establish itself more strongly in this growing market.

In many Western countries, issues as described would be dealt with by speaking to newspaper editors to seek fair coverage or retractions, taking out advertisements to counter misinformation, or through litigation as examples. The “local way” as described by Vujevic included certain highly placed individuals speaking to other highly placed individuals quietly and behind the scenes to find a mutually agreeable path forward.

The rest of the day involved meeting the various members of the CPA Russia team who were involved or familiar with the situation and taking a tour of the company’s yet-to-be-completed facility. Vujevic accompanied Tannis everywhere, and at one point, she had the distinct impression that every interaction had been scripted and strategically planned to channel her thinking about how to deal with their “little PR [public relations] issue,” as everyone called it. One gentleman from the sales office summed it up best: “Americans worry about the little noise. Here it is just the way it is. Let us handle it our way—no problem.”

By the end of the day, Tannis felt like a sponge that had soaked in too much water—or in her case, too much information! She knew that Blankenship would want an update, or better yet, a message telling him everything had been expediently handled. She understood his desire for a quick and positive solution.

Given the speed at which everything had happened, she had not been able to talk directly with the two vice-presidents who had senior-level responsibility on this issue. She trusted and appreciated both of

them, but their efforts to provide long-distance guidance electronically did not provide much clarity. Richard Markus, the vice-president in charge of the company's interests in Europe and Russia, offered his endorsement of Vujevic and counselled her to be mindful of local realities while addressing the broader business needs. Jonathon Wheeler, her functional vice-president in New Jersey, had provided a supportive note that recognized the delicate position she was in, balancing multiple interests and priorities. He reinforced the importance of having a positive business climate in order to enable future growth and development. As she digested these e-mails and was thinking about the choice she clearly had to make, Vujevic bounded into the visitor's office to announce that he had made plans for dinner. "This is not a place you fly in one day and get what you want," he said. "Tonight you eat and meet some of our friends."

### **A DISASTROUS DINNER**

Vujevic encouraged her several times to go back to her hotel, rest, and dress for dinner. She dismissed the idea, deciding instead to work a bit more and leave from the office. She said that she would like Vlad Goldstein to join them for dinner in order to provide him with some visibility. Goldstein was a young Russian-born financial wizard who was soon going to be sent on a series of international assignments. She had met him a few months ago, during one of his interviews, and had happily agreed to be a mentor. Vujevic was uncomfortable with her request, but she insisted, thinking this would be a terrific opportunity for Goldstein.

Vujevic, in his dinner best, met Goldstein and Tannis at the venue for dinner. Tannis had dined in some lovely restaurants, but the environment and ambiance here were almost overwhelming. With the grandeur of a ballroom in a French palace and lights, energy, and spectacle to rival the most stunning and exclusive Las Vegas night clubs, the restaurant made Tannis feel unusually self-conscious in her conservative blue suit, white buttoned blouse, and practical business shoes. She and Goldstein exchanged knowing glances as he shrugged and looked down at his woollen, professorial-looking blazer and khakis. Various executives from notable companies and organizations were seated around a massive table. They all stood and offered their greetings, and after introductions, they all sat.

Tannis, usually comfortable in most settings and known for her ability to put people at ease and create connections, found that her initial efforts at conversation were met with polite, yet guarded, almost dismissive responses. Vujevic took the lead and soon had the gentlemen in an energized debate on an issue of mutual interest. Tannis watched and admired how her colleague, the quintessential host, artfully brought her into the discussion. It was clear that their guests appreciated straight talk. They challenged both Tannis and Vujevic and enjoyed some intellectual battles about CPA's position on the Kyoto Protocol and recent headlines regarding the company's environmental record. Tannis realized this first encounter would not involve much superficial, friendly chit-chat, and she did her best to adapt, but she knew she was not communicating as effectively as usual—especially when she noticed that Goldstein seemed isolated and almost detached. Something was going on.

### **MEA CULPA**

"So, was that pretty much a disaster?" asked Tannis as she entered Vujevic's office the next morning. "Was it something I said? Did I come across as just another person from head office?" She shook her head, took a chair, and let out a heavy sigh. "It's not all about you," Vujevic responded, with a hint of amusement and a wink. "Seriously, though," he added in a matter-of-fact way. "I tried to warn you about taking Goldstein." Confused and slightly disturbed by the apparent slight against the young man, she

asked outright, “What are you trying to say?” she said, coming to Goldstein’s defence. “He is very bright and will go places.”

Vujevic conceded, acknowledging that Goldstein would likely skyrocket once he was transferred to Europe and America. “He is an extremely bright and strategic young man. We are friends. He does amazing work. But that’s not the point. His place is not with these men and . . . his name . . . do you understand?” Tannis’s stomach knotted, and she felt the heat of anger building. Sensing his words had caused a problem, Vujevic went on. “You must know that there are still tensions. Who you are matters: your position, your family name. Do you understand?” He continued, “Our friends last night were testing you, of course. I told you they would. They wanted to see if you could have a real conversation with them—if you respected their way. But having Goldstein there was uncomfortable for some, for him.”

Stunned, Tannis sat back down. She acknowledged her naïveté and apologized for not being open to Vujevic’s recommendations the night before. She sat quietly, reflecting on the last 48 hours, and then recognized she had to recalibrate, look past her marching orders, and come at this with a truly open mind. She slapped her hands on her knees, stood up, and asked, “Ok, what do we need to do?”

## THE GAME PLAN

After spending several hours with Vujevic, Tannis scoffed at herself for having thought just a couple of days earlier that nothing surprised her anymore. If this was payback for a moment of hubris, she knew what she had to do. But first, she had to go talk with Goldstein.

As she approached his cubicle, Goldstein lifted his head and, with a boyish smile, said, “I didn’t think it was a good idea to go last night. I’m sorry. But I could never say no to you!” He shrugged playfully, and Tannis put a kind hand on his arm. “I am so sorry to have put you in that position,” she said. Goldstein shook his head and suggested that they go for a coffee. “You would do the same for me, I know,” he said. The next hour helped Tannis piece together the puzzle. Distelbacher, Vujevic, and Goldstein were consistent in their evaluation of the situation, the necessary path forward, and the role they needed her to play to help solve this issue and perhaps also make a positive difference.

Back at the office, Tannis and Vujevic finalized their plans and discussed dinner for the evening. Finally, she excused herself, noting that it was time to call New Jersey. Knowing the conversation was not likely to go well, Vujevic wished her “bonne chance!”

“So, have you got it under control?” asked Blankenship. She formulated her response with care. “Not so much having it under control as having a plan to slowly cut off oxygen to the fire,” she started. After laying out the plan, she waited for Blankenship’s response. “I told you they would want to do it their way, and you bought into it!”

“Give it a week,” she suggested. “It’s on me if it doesn’t work, but I believe they know what they are doing here, and we need to trust them on this.” As Blankenship begrudgingly agreed, Tannis fidgeted with her scarf and imagined a noose tightening around her neck. They—she—had seven days!

While it was an unfortunate reality in an organization with multiple reporting lines, Tannis knew that at times success came down to choosing sides rather than being able to trust everyone and work toward a common goal. That’s why she was there: to make a choice based on the best information she could gather and her instinct. Both sides wanted the same thing in the end, but they had equally strong opinions about

how to get there. There was no looking back now. She had decided that local knowledge had to trump corporate perspective this time. A lot depended on dinner.

### **ATTITUDE AND ATTIRE**

Tannis went back to the hotel to change this time. By the time she and Vujevic greeted their guests, she felt more herself in terms of both attitude and attire, and she was prepared mentally and physically. She embraced the challenging questions and occasional jibes and responded with directness, confidence, and a bit of humour. She and Vujevic were working well together. Just as he had told her they would if things started to go well, the gentlemen began to regale her with stories of business exploits and adventures they had shared over many years. Vujevic had warned her that the talk might seem endless and unrelated to their issue, but he had said their guests would likely share their wisdom and advice through their stories once they were ready. Vujevic translated as needed and helped highlight the key points as he was understanding them. Tannis was attentive, and as the opportunity to engage arose, she acknowledged their messages and communicated how she and CPA were learning that there was a Russian way. She noted that it would take the company a bit of time to adapt, and she shared her appreciation for their help and support. It was important for her to position Vujevic as the decision maker who had the support of the company to move things forward. With care, she broached the topic of corporate expectations and the need to keep the “bosses” comfortable, noting that she believed a workable solution would be found. Progress seemed slow but steady, and ultimately the discussion became more natural and began to include conversation on how CPA could invest and grow in the future.

### **A MAGIC MOMENT**

In the midst of this highly strategized evening, a moment of connection and engagement emerged that no one, especially not Tannis, had ever imagined—a moment that was arguably the game changer, the true ice breaker. It was not planned, rehearsed, or even considered, but it happened, as most such moments do.

As one of the Russian business leaders talked about his newest business venture and his hope to visit North America, Vujevic mentioned in passing that Tannis had worked in the United States and was Canadian by birth. Almost instantly, one of the largest and most imposing men at the table pushed back his seat, leaned over the table, pointed at Tannis and asked the one question that, more than anything else, completely recalibrated the tone of the evening: “You? Canada? Hockey?”

In a combination of Russian, German, and broken English—and with a great deal of gesturing—he expressively explained his connection to the 1972 Red Army hockey team in the Super Summit against Canada. For at least an hour, he entertained her with stories of his on-ice exploits and his role, which she presumed was that of an “enforcer” (a fighter), given his many injuries, including the broken nose he proudly pointed out. She smiled, nodded, and enjoyed, as he shared his passion for the sport, and she silently thanked her husband for making her go to hockey games and deciding the kids should be enrolled in hockey lessons. Once the hockey talk was over, everyone was relaxed. Vodka was served perfectly cold, and the opportunity to get down to business opened in earnest.

As she finally got to bed that night, or rather, the next morning, she smiled to think of the things that created barriers and the things that opened doors. “Amazing,” she thought. “Hockey!”

**THE SHELL GAME**

In many countries, what the competitor had done would be called defamation or slander, and the path forward would include outreach to the media and would most likely involve the courts. It was only natural for CPA to want the problem handled this way, but in Russia, this was not the norm. Tannis had to decide whether to take control of the situation as Blankenship had expected—to handle the dispute by employing strategies that had proven successful in North America and Europe and were endorsed by senior leaders—or to trust the complex, relationship-based approach advocated by the young, country leader she had just met in Moscow.