***Bus. R124 Case Study #1***

***Culture Shock (Managing Demographic and Cultural Diversity)***

Warren Oats was a highly successful executive for American Auto Suppliers, a Chicago-based company that makes original-equipment specialty parts for Ford, GM, and Chrysler. Rather than retreat before the onslaught of Japanese automakers, AAS decided to counterattack and use its reputation for quality and dependability to win over customers in Japan. Oats had started in the company as an engineer and worked his way up to become one of a handful of senior managers who had a shot at the next open vice-presidential position. He knew he needed to distinguish himself somehow, so when he was given a chance to lead the AAS attack on the Japanese market, he jumped at it.

Oats knew he did not have time to learn Japanese, but he had heard that many Japanese executives speak English, and the company would hire a translator anyway. The toughest part about leaving the United States was persuading his wife, Carol, to take an eighteen-month leave from her career as an attorney with a prestigious Chicago law firm. Carol finally persuaded herself that she did not want to miss an opportunity to learn a new culture. So, armed with all the information they could gather about Japan from their local library, the Oats headed for Tokyo.

Known as an energetic, aggressive salesperson back home, Warren Oats wasted little time getting started. As soon as his office had a telephone—and well before all his files had arrived from the States—Oats made an appointment to meet with executives of one of Japan’s leading automakers. Oats reasoned that if he was going to overcome the famous Japanese resistance to foreign companies, he should get started as soon as possible.

Oats felt very uncomfortable at that first meeting. He got the feeling that the Japanese executives were waiting for something. It seemed that everyone but Oats was in slow motion. The Japanese did not speak English well and appeared grateful for the presence of the interpreter, but even the interpreter seemed to take her time in translating each phrase. Frustrated by this seeming lethargy and beginning to doubt the much-touted Japanese efficiency, Oats got right to the point. He made an oral presentation of his proposal, waiting patiently for the translation of each sentence. Then he handed the leader of the Japanese delegation a packet containing the specifics of his proposal, got up, and left. The translator trailed behind him as if wanting to drag out the process even further.

By the end of their first week, both Oats and his wife were frustrated. Oats’s office phone had not rung once, which did not make him optimistic about his meeting with another top company the following week. Carol could scarcely contain her irritation with what she had perceived of the Japanese way of life. She had been sure that a well-respected U.S. lawyer would have little trouble securing a job with a Japanese multinational corporation, but the executives she had met with seemed insulted that she was asking them for a job. And the way they treated their secretaries! After only a week in Japan, both Carol and Warren Oats were ready to go home.

A month later, their perspective had changed radically, and both looked back on those first meetings with embarrassment. Within that month, they had learned a lot about the Japanese sense of protocol and attitudes toward women. Warren Oats believed he was beginning to get the knack of doing business with the Japanese in their manner: establishing a relationship slowly, almost ritualistically, waiting through a number of meetings before bringing up the real business at hand, and then doing so circumspectly. It was difficult for Oats to slow his pace, and it made him nervous to be so indirect, but he was beginning to see some value in the sometimes humbling learning process he was going through. Perhaps, he thought, he and Carol could become consultants for other executives who needed to learn the lessons he was beginning to understand.

**Case Questions**

1. What specific errors did Warren and Carol Oats make during their first week in Japan?
2. If you were talking to a non-U.S. businessperson making a first contact with an American company, what advice would you give?