



Global Business Culture
Delivering Cultural Connections

Doing Business with Mexico

A brief overview of some key concepts
to consider when doing business
in Mexico



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Business Culture in Mexico

This country profile has been produced to give a short overview of some of the key concepts to bear in mind when doing business with contacts in Mexico. It is intended to be an aid to business people who have commercial dealings with counterparties in the country but should not be seen as an exhaustive guide to this topic or as a substitute for more substantial research should there be a need.

With this in mind, we have covered the areas which are key to a better understanding of the cultural mindset underpinning business dealings in Mexico and which are, quite often, extremely different from the approach and thought processes associated with business in other parts of the world.

Therefore this briefing note is broken into short, bite-sized sections on the following topics:

- Background to business
- Business Structures
- Management style
- Meetings
- Teamwork
- Communication
- Women in business
- Entertaining
- Top tips



Background to Business in Mexico

The old saying of never confuse geographic proximity with cultural proximity was probably never more true than when trying to compare Mexico with its larger neighbour, the United States.

More than a border separates the two countries and although the economic importance of the USA to Mexico cannot be overstated (80% of Mexican exports are bound for the USA), Mexico is a country unique unto itself with a very distinct approach and business outlook.

Just as it is never a good idea to confuse Canadians with people from the USA, it is just as bad to assume Mexicans will be similar to North Americans. (Mexicans are also Americans, as they will point out to you.)

Thus, although the USA has a large influence, both economically and politically, on the development of Mexico it is a very good idea to do some research into the ingredients that make the country so radically different the other two North American countries before trying to do business there.

The biggest influence US business culture has on Mexico is probably in the large number of US multi-nationals who operate in the country and the business processes which follow in their wake. When working in Mexico, it is essential to find out which type of company you will be working with. Are you liaising with the subsidiary of a foreign-owned multi-national or with a locally owned and controlled firm? This will obviously impact on such areas as business structures and decision making - but less so on issues such as team working and communication styles.

It is also probably true to say that the biggest single significant difference in approach to business between Mexico and the USA would be the much greater emphasis placed on the value of personal relationships within the business cycle. Mexico is definitely a country where relationships need to be firmly in place before significant business will follow.



Mexican Business Structures



As has already been stated, many foreign-owned, multi-nationals operate out of Mexico and the business structures of these organisations will probably be heavily influenced by the corporate culture of the parent company.

Therefore, it may be possible to interact with an operation which works in a flat, matrix-style.

However, indigenous Mexican culture tends very much towards the hierarchical in both personal interactivity and the way in which business is structured. It is best to expect that the organisation you are dealing with will have a very centralised decision-making approach with all decisions of any importance being made by a few key individuals at the top of the company.

Take the time to understand the structure of the business to ensure that you are dealing with the right people. Time can be wasted negotiating with people who have little or no authority.

Ensure that you do not insult Mexican senior management by sending your junior employees to deal with them. It is always best to match levels of seniority during any interactions. (If a Mexican contact sends their junior people to deal with you, it is probably a good sign of lack of genuine interest on their part.)

Mexican Management Style

Management style tends towards the paternalistic as is often found in strongly hierarchical cultures.

However, this does not mean that instructions can be given to subordinates with no concern being shown for their well-developed sense of honour. A good manager combines an authoritative approach with a concern for the well-being and dignity of employees. Managers should be authoritative but never authoritarian. It is important to show that you are in control but at the same time have a warm, human touch.

It is considered to be poor behaviour to criticize another in public, as this is an insult. To be openly criticized in public results in a loss of self-esteem and personal dignity.

Instructions should be given clearly and precisely and subordinates will be expected to follow those instructions with little or no discussion.

As relationship bonds run deep in Mexican culture, the manager expects loyalty. In return for this loyalty the boss will look after the interests of subordinates. The manager-subordinate relationship is viewed as reciprocal.

Mexican Meetings

Punctuality is less rigid than in certain other cultures and it is not unusual for meetings to start late and run over the allotted time.

This level of uncertainty can make it difficult when scheduling a number of meetings on one day (especially if you need to travel around Mexico City between meetings.) Probably the best time to schedule meetings is between 10:00am and 1:00pm – as lunch usually begins around 2:00pm and can be quite lengthy.

If agendas are produced there would be little expectation that they would be followed systematically or any annoyance if non-agenda items are introduced during the meetings. Meetings are seen as opportunities for the free flow of ideas and information - although it is best to

avoid very open disagreements with the most senior Mexican present as this could be construed as disrespectful and confrontational.

Open signs of emotion, through the use of interruptions and speaking loudly, are seen as a sign of active engagement rather than an unnecessary loss of control. Do not assume that, if a Mexican becomes highly emotional during a meeting, they have lost their sense of professionalism - they are probably conveying their sense of commitment and interest.

It is not uncommon for small side-meetings to occur during a larger meeting or for people to interrupt colleagues in mid-sentence.



Mexican Communication Styles



Although English is increasingly widely spoken in Mexico, it would be dangerous to assume that all business acquaintances will be fluent in the language.

English language levels vary widely and it is best to check in advance that translators will not be necessary. It goes without saying that you will be at a great advantage if you speak good Spanish.

It is common for colleagues to address each other through the use of family names, moving on to first name terms only when the relationship is very well established. If in doubt about which name to use, it is probably safest to err on the side of caution by starting with the family name. In addition, titles such as *Licenciado/a* (a professional such as a lawyer) or *Ingeniero/a* (an engineer) are also commonly used terms of respect.

Emotion is not suppressed in business situations and discussions can appear heated and at times acrimonious to those from a culture which frowns upon any visible shows of emotion during business dealings. This outward show of emotion is seen as a positive and implies engagement and emphasis.

Mexican body language differs from North American and Northern European body language. People stand much closer to each other and have far stronger eye contact than in many other cultures. It is important that you are not intimidated by these issues, as lack of strong eye contact or maintaining too great a distance could be misconstrued as standoffishness or untrustworthiness. Try to mirror the Mexican approach in these matters.

Mexican Teams

Mexico is, by its nature, a relationship driven culture and therefore Mexicans will work extremely well in a team situation so long as the members of the team have a good relationship with one another.

However, it may take a while for people to form these solid relationships if they are new to each other. (In some other cultures, it is possible to bring a group of strangers together and expect them to meld quickly

into a good team provided the goals are clearly set.) In Mexico relationship building can be a lengthy business and teams can take a while to bond.

Once teams are formed and relationships set, it is best to leave the group intact and move them en masse on to the next project, rather than dismantling the team and starting a new team from scratch.

Women in Business in Mexico

Although Mexico is often viewed as a machismo culture where a strong separation is made between the roles of men and women, visiting female executives will encounter few if any problems when doing business with Mexican male colleagues or clients.

Having said that, it is probably best for visiting women executives to maintain a professional distance in their business dealings with men and be wary of offering any social invitations unless as part of a larger group function.

Mexican Dress Code

Mexicans are quite status conscious and successful people are expected to look successful.

Dress is, therefore, of great importance and it is vital to look smart in both business and social situations.

Business dress in Mexico City tends to be somewhat more formal than in other parts of the country. Suits are often worn in the

capital whereas smart shirts and slacks are sufficient in the provinces. If in doubt, check in advance.

Remember that Mexico is hot – so take lightweight clothing.



Successful Entertaining in Mexico



As in many relationship oriented cultures, business entertaining is crucial. A lot of business meetings take place at breakfast meetings and, more commonly, at lunch.

Both Breakfast and lunch meetings can be lengthy, lasting in excess of two hours.

There is no hard and fast rule concerning conversational topics over business meals. Sometimes business issues will be discussed - sometimes they will not. Try not to be the first to raise the topic unless it is essential. Use this time as an opportunity to develop personal relationships - ask them about their family and favourite football (soccer) team.

Meals are often hearty affairs (even breakfast) with large amounts of food being served at each meal. Alcohol will be offered with lunch and dinner but is more often taken at dinner time. Follow the lead of your Mexican host in this matter.

It is usual for the person who issues the invitation to pick up the bill although this rule is sometimes overlooked in a supplier - client situation. If you are the client it is probably best to offer to pay even if you have been invited. Never split the bill as this will be seen as poor protocol.

Tips are not always included in the bill. You should leave a tip of at least 10% which should preferably be given directly to the waiter in cash.

Top Tips 1 - 20 on Mexico

1. In Mexico, personal relationships are at the heart of most business dealings. Take the time to cultivate strong, long-term relationships.
2. Although the influence of foreign MNCs cannot be ignored, most indigenous Mexican companies will be hierarchical in structure.
3. People from the USA are North Americans rather than Americans. Mexicans are also Americans.
4. Key decisions are made by a small number of individuals at the top of the hierarchy. Ensure that you are dealing with the right people.
5. Make sure that you send people of the appropriate level of seniority to deal with Mexican colleagues. Do not insult people by sending very junior colleagues to work with older, more senior Mexican managers.
6. Managers tend to be instructional and are expected to give direct instructions to subordinates.
7. As in many hierarchical cultures, the boss-subordinate relationship is a reciprocal one. In exchange for loyalty, the boss takes a personal interest in the well-being of subordinates.
8. Try not to criticize others openly in meetings as this could be construed as an insult and have a very bad long-term impact on your relationships in Mexico.
9. Do not be surprised if standards of punctuality do not meet your expectations. Time is a flexible commodity and start and finish times should be viewed as estimates.
10. Agendas are not always used in meetings and if they are produced will not always be strictly followed.
11. Overt displays of emotion are not frowned upon – they show commitment and engagement.
12. Do not be surprised if small, sub-meetings develop within larger formal meetings.
13. English is widely spoken and many people speak it fluently. English is not, however, universally spoken and interpreters can be needed on occasion if you don't speak Spanish.
14. Family names are often used in business circles amongst even quite close colleagues.
15. Formal titles such as Ingeniero (Engineer) are also commonly used in business.
16. People stand much closer to each other than many other cultures. Do not try to recreate your normal personal space as this could be seen as being unfriendly.
17. Although women play a less significant role at senior management level than in some other countries, visiting female managers should have few problems and will be treated with professional courtesy and respect.



- 18.** It is important to be smartly dressed in both business and social situations.
- 19.** Lunch is taken quite late at around 2:00pm and can last for a couple of hours.
- 20.** Breakfast meetings are common in Mexico and should be seen as an important part of the relationship building process.

Global Business Culture

Global Business Culture is one of the world's leading cultural awareness consultancies and the creator of WorldBusinessCulture.com – your window into a world of cultural differences.

We work with a large number of global companies, helping them to operate more effectively across the barriers of culture, geography and language and helping equip their staff with the high levels of cultural fluency needed to work effectively in today's increasingly complex, global environment.

We provide consultancy and training services in three key areas:

- **Cultural Awareness Training:** We help our clients to understand the complex global cultural environment in which they operate and provide key information and practical advice so they are able to work more effectively across borders.
- **Virtual Team Training:** Our clients find that they have increasing numbers of employees working in global virtual teams and that this is one of the most difficult global operational challenges they face. We help clients overcome these difficulties.
- **Conference Speaking:** Global Business Culture founder Keith Warburton is an internationally recognised expert on the impact of cultural differences on cross-border working and, as such, is in great demand to speak at conferences around the world.



If you would like to find out how Global Business Culture can help your organisation work more effectively in a global environment, please contact us at:

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