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From the Desk of the President: Knowledge Management
Case Study: English Language Translation Mishaps
Tip: Take that Overseas Assignment
Trend Watch: Global Corporations Grapple with Countries' Perspectives on Social Networking
Cross-Cultural Quiz
News from Global Dynamics Inc.

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From the Desk of the President: Knowledge Management **By Neal Goodman**

Managing knowledge means finding ways to create, identify, capture and distribute organizational knowledge to those in the organization who need it. Knowledge Management is essential for preserving, maintaining and empowering the social/intellectual capital of an organization. Now, consider the following:

A multinational company typically invests two million dollars per expatriate and loses 25 percent of its expatriates after just two years. Additionally, the collective amnesia of the remaining expats result in a loss of at least 50 percent of the information the accumulated.

But the investment in knowledge lost through expatriates is just the tip of the iceberg for companies not adequately utilizing knowledge management processes. The costs of not having a knowledge management system go beyond not capitalizing on investments. Consequences include:

- Brown outs and black outs and low retention
- Process redundancy
- Marketing mistakes and inconsistencies
- Loss of market share
- Customer defections

Typical impediments to knowledge management include a bias for action that prevents learning and the bureaucracy of different constituencies and functional areas.

Global Dynamics, through its work with the world's leading global companies, has studied knowledge management and found one universal truth: Knowledge management requires a holistic approach; the learning needs to be embedded in processes, projects and experience.

ELEMENTS OF AN EFFECTIVE CROSS-CUTLURAL KNOWLEDGE MANAGEMENT SYSTEM INCLUDE THE ABILITY TO:

- Capture, integrate, store, and provide easy access to all information types including data, voice, image, and full-motion video
- Interface the knowledge management system with key internal business processes and external information sources
- Enhance an organization's global "professional development" process

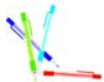
For detailed information on Global Dynamics' own knowledge management model, please feel free to contact me at ngoodman@global-dynamics.com.

Neal Goodman is the president of Global Dynamics Inc.

Case Study: English Language Translation Mishaps



When The American slogan for Salem Cigarettes, "Salem-Feeling Free," it got translated in the Japanese market into "When smoking Salem, you feel so refreshed that your mind seems to be free and empty."



When Parker Pen marketed a ball-point pen in Mexico, its ads were supposed to say "It won't leak in your pocket and embarrass you." However, the company mistakenly thought the Spanish word "embarazar" meant embarrass. Instead, the ads said "It won't leak in your pocket and make you pregnant."



An American t-shirt maker in Miami printed shirts for the Spanish market promoting the Pope's visit. Instead of the desired "I saw the Pope" in Spanish, the shirts proclaimed "I saw the Potato."

Tip: Take that Overseas Assignment!

The Economist reported that according to an article from the *Journal of Personality and Social Psychology*, psychologists William Maddux of INSEAD of France and Adam Galinsky of the Kellogg School of Management in Chicago conducted a study that gave statistical support to the long-held belief that there is a link between living overseas and a higher propensity for creativity.

155 American business students and 55 foreign business students studying in the US were each given a candle, matches and a box of drawing pins and the following challenge: attach the candles to a cardboard wall so that no wax would drip when the

candle is lit. 60 percent of students who were living abroad, or had previously, solved the problem, while 42 percent of those who had not lived abroad could not.

By the way, we could tell you the solution but wouldn't it more fun to try it yourself or, better yet, take that overseas assignment and see if you can figure it out??

In a follow-up study 72 Americans and 36 foreigners were put into pairs and asked to play two roles:

1. a gas station owner who needed to sell the station and then would then need a job
2. a potential buyer who would need a staff to run the shop and could not afford the minimum price he was quoted by the seller

70 percent of the pairs where both negotiators had lived abroad came to a workable agreement whereby the seller was offered a management job in exchange for agreeing to a lower asking price for the station. No deal reached for any of the pairs where neither negotiator had lived abroad.

Trend Watch: Global Corporations Grapple With Countries' Perspectives on Social Networking

Global corporations are now forced to reconcile their own corporate culture with the values of the countries in which they operate. A quintessential example of this issue is the way these organizations must deal with the perceived benefits and pitfalls of social networking.

- For countries looking at regime change social networking may be seen as a potential threat.
- For collectivist cultures there is a fear of anything that can cause dissent.
- For countries that value freedom of expression the greatest threat is the potential for cyber fraud.

Case in point: Google, first pressured into self-censorship by China and now facing criticism from the US, can't seem to win.

Cross-Cultural Quiz

Test your knowledge of the beliefs of values held by various cultures.



You may or may not have heard the proverbs listed below, but based on your understanding of the values held by each culture, make an educated guess as to which country embraces the following proverb or concept:

1) *Order is half your life.*

- a) America b) Japan c) Germany

2) *It's under investigation.*

- a) France b) America c) Japan

3) *Money is a good servant but a bad master.*

a) Japan b) France c) Germany

1=a; 2=c; 3-b

News from Global Dynamics Inc.

GDI and ProtonMedia Deliver Cultural Intelligence Content and Collaborative Medium for Geographically Dispersed Organizations

Global Dynamics Inc. announced at [ASTD 2009 International Conference & Exposition](#) a strategic alliance with ProtonMedia, making Global Dynamics Inc a Preferred Content Provider. Through this partnership Global Dynamics and ProtonMedia will offer organizations customized cultural intelligence content and a collaborative medium for virtual interaction, including the use of ProtoSphere™, ProtonMedia's business-friendly virtual world.

ProtoSphere's immersive environments will allow Global Dynamics Inc clients to communicate securely using VoIP, collaborate using integrated Web 2.0 tools and effectively leverage their internal global expertise through social networking. Through this partnership with ProtonMedia, Global Dynamics Inc. enables global businesses to facilitate communication, collaboration and training in a secure, always on immersive environment.

EXAMPLES OF CAPABILITIES INCLUDE:

- Virtual corporate meetings
- Cross-cultural and diversity training via virtual seminars
- Simulation-based training
- Forums and wikis for team members to exchange knowledge based on shared experiences to enhance and leverage a global of dispersed company's knowledge management
- Social networking in the context of an immersive Internet environment

"Most business transactions today are not constrained by geography," said Neal Goodman, President of Global Dynamics Inc. "When we are working virtually, we still need a 'place' and a way to effectively exchange information. Global Dynamics is committed to providing geographically dispersed organizations with both the knowledge and the means to communicate and collaborate successfully.

ProtonMedia's selection of Global Dynamics Inc as a Preferred Content Provider follows a project in which Global Dynamics developed cultural intelligence content using ProtonMedia's ProtoSphere for one of the world's leading pharmaceutical companies.

"We are thrilled to have the opportunity to work with Global Dynamics Inc," said Ron Burns, President of ProtonMedia. "This partnership enables the creation and delivery of world-class cultural intelligence content and interactive capabilities in a secure, enterprise friendly immersive environment."

GDI Announces Cost-Effective Self-Paced eLearning Offerings for Cross-Cultural and Diversity Excellence

Global Dynamics Inc. announced at [ASTD 2009 International Conference & Exposition](#) the availability of a new suite of Web-based and self-paced elearning programs on the topics of diversity and cross-cultural competence as well as the addition of affordable customized diversity websites tailored to individual organizations.

Designed to either serve as standalone programs or supplement or reinforce broader programs to maximize learning results, GDI's new self-paced blended learning solutions provide professional strategy, processes, education and knowledge transfer at minimal cost and time.

"Today's businesses are increasingly requiring blended learning solutions in order to maximize their budgets and employees' time and learning potential," said Neal Goodman, President of Global Dynamics Inc. "Global Dynamics is committed to delivering the best solutions to enable cross-cultural and diversity excellence in whichever modality best suits each organization."

NEW OFFERINGS INCLUDE:

- **Cultural assessment tool** - measures employees' personal preferences with respect to six key dimensions of culture and helps employees better understand how cultural preferences shape their perceptions of others and how different cultural groups can work together to make a culturally-sensitive and effective organization
- **Cross-Cultural Awareness eLearning Course** – provides users with 24 hour access to cultural education, including an overview of cultural terms, concepts, and applications, including cultural competencies
- **Diversity eLearning Courses** - provide online, 24 hour access to diversity education. . Among the courses available are
 - **Diversity in the Workplace**
 - **Managing Diversity in the Workplace**
 - **Respect in the Workplace**
 - **Responding to Conflict**
 - **Tapping Potential: 4 Generations at Work**
- **Diversity Moments®** – offers selected diversity-related topics in a brief, yet powerful, format to create ongoing discussions amongst employees. These topics help to manage concerns and prevent issues before they impact business and relationships
- **Diversity Audit** – an online, customizable survey tool that helps organizations to analyze their current environment and identify the issues that serve as a barrier to achieving excellence in the workplace
- **Diversity Website** – an ever-fresh, just-in-time reference for employees, customized to the organizations' look and feel and corporate web design

Interested in sharing your experiences and lessons learned? We are looking for articles from cross-cultural experts that describe best practices, discuss significant cultural trends, or offer new solutions to management challenges. [Learn more about how you can contribute to GlobalExchange™.](#)

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