

## The Minority Entrepreneur in International Business

1. What do we mean by **minority**? - Those Americans who are not of European descent.
  - As a minority American you have more advantages outside the United States, than inside the U.S. You have all the advantages of being American but you are not blamed for anything.
2. What do I mean by **entrepreneur**? – A small business person who pursues “opportunity without regard of resources currently controlled”.
  - As a small entrepreneur **you are the company**. All opinions about what your company is about, what your product is, etc., are determined by how the foreign partner accepts **you**. This is very different than being part of Motorola, IBM or G.E. where you are not the company but a representative of the company and if you are replaced it makes no difference.
3. What do I mean by **International Business**? – Business transactions with someone located in a different country and from a different culture.
  - When an American says he or she would like to do international business, they seek out people with whom they can identify. For example, if a white American says this, he most likely means Europe, a Chinese-American, most likely means China, an African-American most likely means Africa, etc.
  - You have not done business in a foreign country until the foreign partner assumes most of the risk, i.e., they give you money, not you giving them money.
4. **Culture** – Read the history and study the culture of the society you are going to do business with. By culture I mean the customary beliefs, social forms, and material traits of a racial, religious or social group. If possible learn the language not necessarily to speak but to determine how they think.
  - Similarity between the British and Japanese cultures which is evidenced by the language. Do not think **racially**, think **culturally**.
  - The concept of “**face**”. Oriental society and business is dominated by “face”. Orientals like to do deals that will “gain” face and will avoid deals that will cause a “loss of face”.

- Comparison of Japanese and Chinese (Mainland) way of doing business.
  - Comparison of Japanese and American way of doing business.
5. **Relaxation** - The International “Cold Call”. Most Americans are not comfortable doing business with anyone who is not of European descent. This includes black Americans. Therefore, they do not relax, and hence their foreign counterpart does not relax.
- By learning the culture, as stated above, you will understand what makes them “tick”. Hence you will lose your fear of their differences and you will relax. **Relaxation is contagious**. Therefore, they will relax.
  - Food and Drink – Most business people worldwide drink alcohol. If you do not drink you are at an initial disadvantage. They will have difficulty relaxing if you do not drink. If you do drink, then you will be ahead of the game in Asia but there may be no advantages in Arab cultures. However, if you eat most foods, you have a big advantage over drinkers. People are flattered that as an American, you like their food. In this case relaxation is assured.

- i. Ahmadabad, India
- ii. China

6. Raising capital outside the U.S.

Private Capital

- Hong Kong
- Japan
- China
- Dubai
- Argentina

Public Capital

- Alternative Investment Market (AIM) London Stock Exchange
- Dubai International Financial Exchange