Global Financial Literacy

How to think like the CEO across Cultures and Languages

"Can you do it in China? How about Africa? Can you do it everywhere we have operations?"

Aarthun Performance Group, Ltd. (APG) is regularly asked by its satisfied U.S. customers to extend APG's unique form of "financial literacy" to the customers' operations in other countries. APG is known for getting Fortune 500 employees "thinking like the CEO" by making corporate finance relevant, personal, and motivational.

Customers ask about APG's expertise in bridging country differences – different cultures, languages, business climates, attitudes, currencies, and so on. It's one thing to get it right in America, but how to create extraordinary epiphanies among vast numbers of employees who have little more in common than their employer?

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Going Global: Three Questions

CEO Jeff Aarthun remembers 15 years ago when his company first began extending implementations to other countries. "We knew we needed to prove ourselves on three main questions. Would our content be as richly relevant to the business environments of other countries? Would our facilitators be able to adapt to the different needs of multiple cultures, often all in the same room? And could we manage the myriad rules and regulations and incredibly complex logistics of doing business in other countries?"

Now, having implemented *The Profit Specialist*® in more than 50 countries on six continents in ten different languages, those questions have been answered with a resounding "yes!" APG's first large global implementation began ten years ago when one of their biggest customers, a $104 billion computer company, took APG's process to more than 12,000 employees in 17 countries, often with up to 40 workshops a month.

Bob Rickert, Regional Sales Manager for APG, points out that cross-border capabilities are particularly important today, as global forces push U.S.-based companies to establish operations around the globe. "Many of our U.S.-based customers employ thousands of people in other countries. It jeopardizes their execution if their employees in the U.S. are fully financially literate, talking fluently about the customer's value chain and so on, while employees in other countries are wondering what they're talking about. The faster we can get them all on the same page, the faster they will realize their financial goals."

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Richly Relevant Content, No Matter Where

Steve Aarthun, Senior Implementation Director for APG, who has conducted APG's financial literacy training sessions "everywhere except Antarctica," emphasizes what all have in common. "The language of business is finance, and finance is an international language. It ties us all together."

While U.S. Generally Accepted Accounting Principles (GAAP) are technically applicable only in the U.S., they are similar in purpose and design to those of most other countries. Says Steve Aarthun, "If you're in business for profit, you're going to have an income statement, a balance sheet, and cash flow report. With that, we can simulate your business, and you can learn what we teach in *The Profit Specialist®.*"

He adds, "In international or multicultural situations, there's a tendency to overemphasize what divides us. Instead, I open my sessions by reminding the participants that we are all trying to better our lives. Your company is trying to be more profitable. Your country is trying to expand its economy. You are trying to improve your own prospects. Your financial literacy is key to that, and that's what I'm here for."

Case in point: A multinational metals distributor and processor saw its operating profits increase by 2% the year after putting 1,000 of its sales managers and inside and outside sales reps – in the U.S., Spain, Sweden, and Switzerland – through APG's process.

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Adapting for Multiple Cultures

Finance might be international, but cultures vary enormously in their beliefs, attitudes, and behaviors. Some cultures are very direct, others more oblique. Some are hierarchical, some more democratic. Some place a high value on consensus, some on dissent. Some value teams over the individuals, and so on. How to accommodate all of them?

Adrián González is a veteran trainer for APG, circling the globe for a number of customers, including Ashland Water Technologies, a division of Ashland Inc. He acknowledges the differences can be great but says, "No matter where I am, what language we're working in, or what kind of culture we're dealing with, my first challenge is to help the participants see how they count. At the end of the first session they need to be saying, 'Yes. Now I see how the success or failure of my company depends a little bit on me.' When they begin to understand finance and their company's cash machine, that's exactly what they say."

González has lived on different continents, speaks several languages, and is comfortable in many cultures. So he understands that different approaches are needed.

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“For example,” he says, “In some Asian countries, we have to recognize up front that we are bringing a program about self-discovery to people acculturated to obedience. And not just obedience to the hierarchy, but sometimes to an ideology as well. It takes a special kind of courage to respond, for example, to my insistence that they gather in small groups and come up with insightful advice for their bosses. I have to help them realize that they are already making many decisions, on their own, every hour, even when they decide *not* to raise an issue or offer advice upward.

“In a more male-oriented culture, the discomfort might have a very different look. There, my sales audiences sometimes take a dim view of the group dynamics we promote in our sessions. They can be adamant, especially if they believe that price is the only thing their customers care about, and for a couple of hours I find myself talking to a group of men with folded arms – until, again, they begin to understand their financial impact.”

González contrasts that with his experiences in South America. “There, the obstacle was more like ‘Prove it. Give us more details – more, more.’ I’ll find myself being questioned aggressively about the more arcane aspects of shareholder value. The participants’ table conversations will be vociferous and animated, not stilted and tentative as in many other countries. The challenge is to satisfy their voracious appetite for more information and yet still get through the entire curriculum.”

Aarthun consultants are trained to recognize these differences and many others so that they can, in a few short days, facilitate the participants to a new-found ability to “think like the CEO.” Once the participants realize how significantly their actions can impact profits, they start asking questions. ‘How does our company make money? What’s driving our losses? Why are expenses so high? How much are we spending on X? Which customers are most profitable? What’s our shareholder bogey for next year?’

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“They are basically asking to be taught financial literacy,” González says, adding, “Once they ask, teaching is easy.”

In addition to adapting teaching styles, APG also does whatever is necessary to ensure they overcome language differences, including translating materials into local languages and working with simultaneous translators. Recently, González conducted a session in Shanghai in English with Chinese and Japanese materials and Chinese interpreters for a group that included Chinese, Korean, and Japanese participants. “That’s simply not a problem,” González says. “As long as they can understand the material, we can engage them.”

Case in point: Hank Waters, now President of Ashland Water Technologies (AWT) and Ashland Performance Materials, became a believer in the APG system when in 2002, as President of Ashland Distribution, he turned to APG for a customized financial literacy training program. Waters put 3,800 U.S. employees through APG's Profit Specialist and describes the training program as a key delivery mechanism for that division's culture change initiative. Now, in his new role with Ashland Water Technologies, Waters is putting thousands of AWT employees worldwide through APG's process.

International Logistics – Aiming for Perfection

APG has another advantage when it comes to acing cross-border implementations: an experienced Production and Logistics team headed by Becky Allbritton. Allbritton makes it look easy when APG consultants and materials miraculously show up on time, in the right place, in the right languages.

It's hard work that makes it look easy. Says Allbritton, "Basically, the reason our customers are now so confident in us is that we have worked diligently to engineer out failure of any kind. We start early – the moment we sign the contract – and we work closely with our customer contacts in the foreign countries. Our goal is nothing less than perfection. We become experts in the rules and regulations of each country, we make detailed plans, and then we check it all again."

Allbritton has been at it long enough to know all the likely places where problems can crop up. Translation issues. Hand-offs between shipping services. Export requirements. International travel connections. Customs delays. Visas. Passport expirations. Medical immunizations. Accommodations. Audio/visual equipment. Interpreters. Shipment labeling. Valuing shipments.

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Allbritton knows that a key to perfect logistics is direct and frequent communication. "Whenever possible, we communicate with the person we are depending on. Talk to the embassy live – don't just look up the rules on the Web site or ask the customer contact. Talk to the shipper who delivers your materials to the foreign office, not just the US rep where the shipment starts the journey. Talk to the customer's people in the other country, not just the U.S. people. Build trust in confidence at every touch point."

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Case in point: For one of the largest energy companies in the world, in just over a year APG will have implemented The Profit Specialist® *for more than 3,000 employees in six countries (including some developing countries) on six continents. Not only were the logistics daunting, but, according to APG regional sales manager Pam Stavros, APG had to create trust with each new customer contact at each customer location. Once the customer had confidence in APG's consistent, tested, methodical, no-mistakes approach, the process was largely error-free and efficient for all involved.*

Looking across Cultures

When his multinational customers ask Jeff Aarthun about repeating their U.S. training successes in other countries, he advises them to look at three main aspects of their prospective providers:

1. Ability to transcend the differences: Can what they teach unite your employees? Will it galvanize them around your strategy? Will it provide them more commonality of purpose?

2. Sensitivity to the differences: Anybody can get material translated, but precisely how do they demonstrate that they can make new concepts come alive in any setting? What techniques do they adopt to accommodate different learning speeds and ensure that their material does indeed result in new behavior?

3. Logistics track record: How do they plan for perfection? What are their best practices for regulatory requirements? What are their contingency practices?

If a customer asks Aarthun, "But can you do it in China?", he can answer, "We can, and we have – in China, Qatar, Poland, Brazil, Angola – you name a country, we've probably done it there. And we've done it well. Our results in other countries and other languages match what we deliver in the U.S. on all counts – profit improvements, ability to sell higher, improved pricing, faster sales cycle, and customer retention."

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