



## Navigating the Dangerous Waters of International Business

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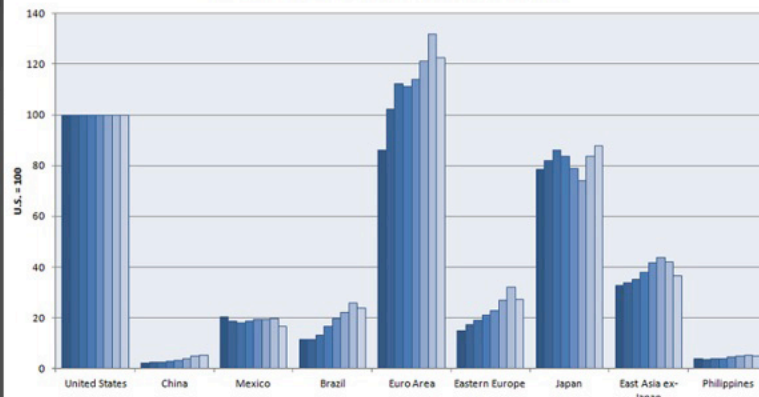
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# Manufacturing Employee Costs

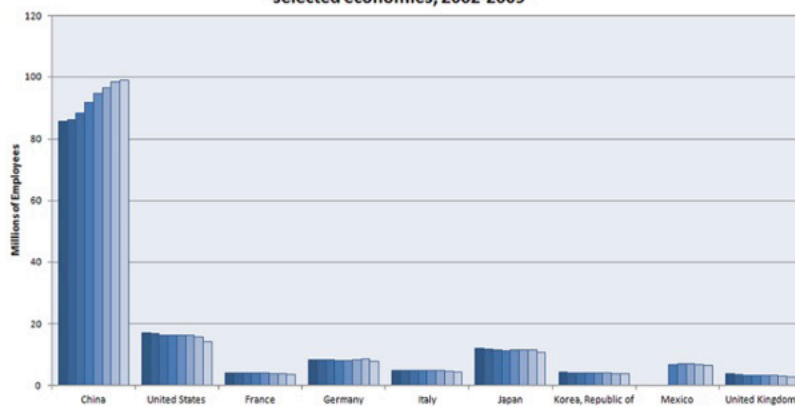
Average hourly compensation costs of manufacturing employees, selected economies and regions, 2002-2009



Note: For a description of the economic groups, see the technical notes at [www.bls.gov/ilc/ichcctn.pdf](http://www.bls.gov/ilc/ichcctn.pdf), Table 2.  
Source: U.S. Bureau of Labor Statistics, International Labor Comparisons.

# Number of Manufacturing Employees

Employees in the manufacturing sector, selected economies, 2002-2009



Source: U.S. Bureau of Labor Statistics, International Labor Comparisons.

## Three C's

1. Communication, Communication, Communication
  - a) Understanding of Cultural Differences

## High Context vs. Low Context

1. **High Context** - Primary Purpose of Communication is Establishment of Relationships
2. **Low Context** - Primary Purpose of Communication is Exchange of Information

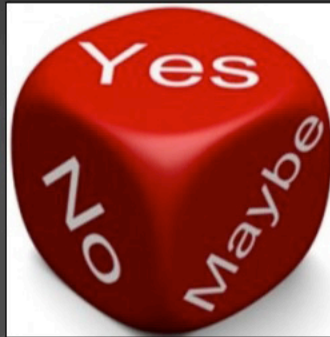
## High Context vs. Low Context



## High Context vs. Low Context - Interaction

High Context	Low Context
High use of nonverbal elements – tone, expression gestures	Message carried more by words than nonverbal means
Verbal message is implicit – context is more important than words	Verbal message is explicit – words more important than context
Communication is an art form – a way of engaging someone	Communication is a way to exchange information
Disagreement is personalized; conflict must be solved before work can progress or must be avoided	Disagreement is depersonalized; focus is on solutions; can be explicit about bothersome behavior

## High Context vs. Low Context



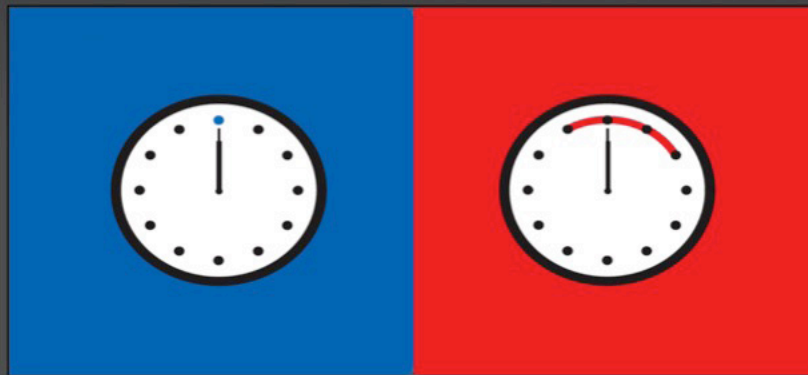
## High Context vs. Low Context - Associations

High Context	Low Context
Relationships built on trust; develop slowly over time	Relationships begin and end quickly
How things get done depends on relationships and group process	Things get done by following procedures and paying attention to the goal
Identity rooted in groups	Identity rooted in accomplishments
Social structure and authority centralized	Social structure decentralized

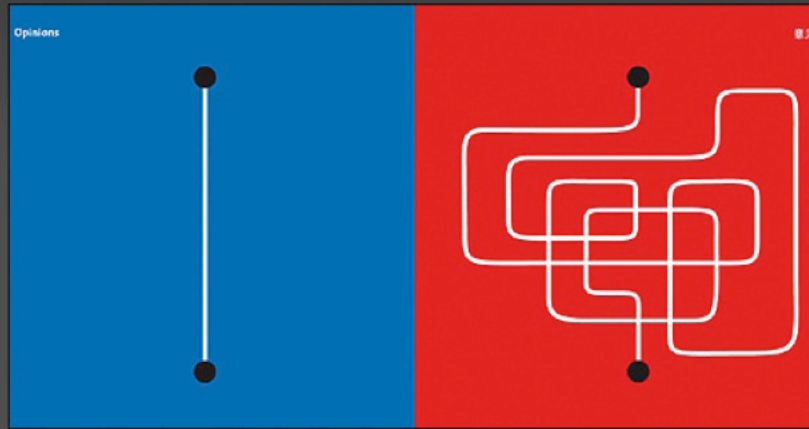
## Values

West	East
Individual Accomplishment	Group Harmony
Frankness/Honesty	Saving Face
Efficiency	Patience

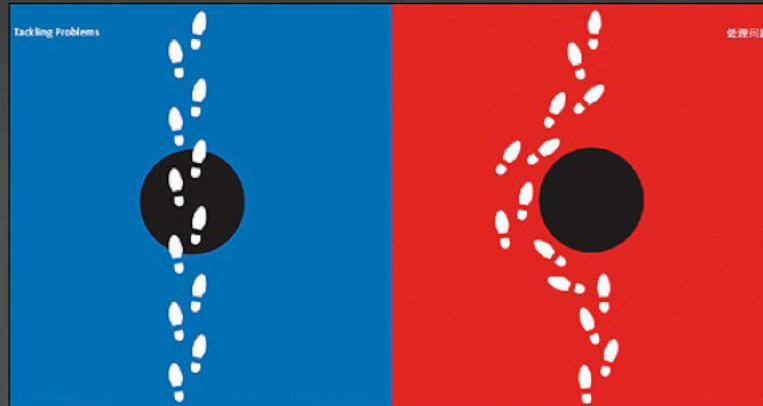
## View of Time



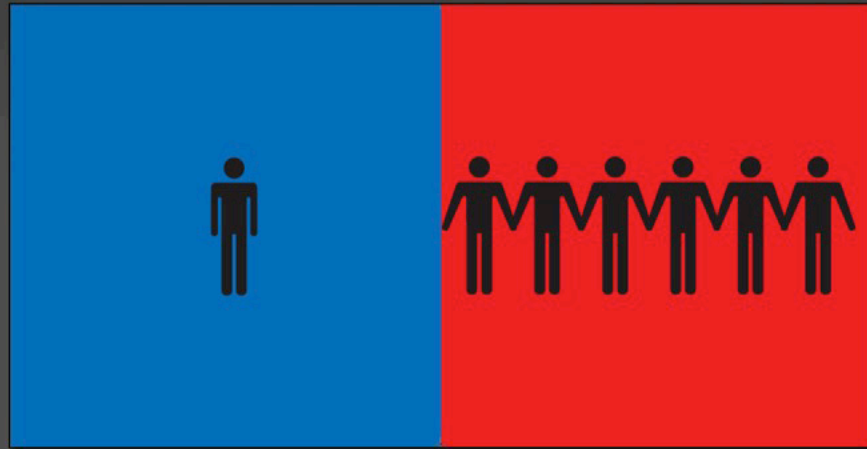
## Expression of Opinion



## View of Problem-Solving



## View of the Individual

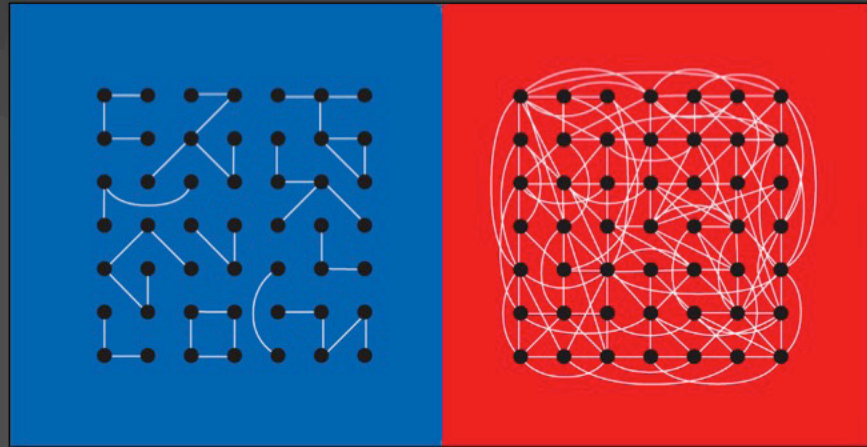


## Concept of Ren





## Guanxi



## Guanxi

West	East
Task-Oriented	People-Oriented
Contract-Based	Relationship-Based

## View of Contracts

West	East
Hard and Fast Rules	Snapshot of Relationship

## Resolution of Conflict

West	East
Uncover Truth	Minimize Differences
Find Fault	Preserve Harmony

## Mianzi (Face)

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## Mianzi (Face)

1. Don't Criticize in Public
2. Accept Apologies Quickly and Minimize
3. Never Say No
4. Indirect Questions
5. No Strong Expression of Emotion
6. Non-Verbal Signals

## **Tips for Using an Interpreter**

- Prepare in Advance and Use Simple Words
- Speak in Complete Thoughts
- Pause
- Look at Your Audience, Not the Translator
- Take Your Time, Especially if You Have Prepared Remarks
- Avoid Slang or Idioms

## **Tips for Using an Interpreter**

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- Speak in Complete Thoughts
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- Look at Your Audience, Not the Translator
- Take Your Time, Especially if You Have Prepared Remarks
- Avoid Slang or Idioms
- Humor Does Not Travel Well

## Due Diligence

- **Know Your Partner**
  - Past Problems
  - Ownership and Assets
- **Boots On the Ground**
  - Quality Control
  - Spotting Small Problems Before They Become Big Problems
  - Guanxi

## Contract Drafting Strategies

“To hope for the best and prepare for the worst, is a trite but a good maxim.”

**John Jay**  
First U.S. Supreme Court Justice

## **Contract Drafting Strategies**

- Where Can We Get Jurisdiction?
- Where Can We Collect On a Judgment?
- Will We Be Able to Reach an Agreement?

## **Contract Drafting Strategies** **If You Will Have to Enforce in China**

- Get Counsel Who Knows China
- Make the Contract Clear and Straightforward
- Liquidated Damages or Time Incentives
- No Subcontracting
- Nondisclosure Agreement With Chop

**What Should My Contract Say In Terms of Dispute Resolution?**

# It Depends

**How You Can Make Your Contract Worthless to Enforce in China**

- Contract is governed by US law.
- Exclusive forum for dispute resolution is litigation in a US court.
- The language of the contract is English.

## Litigation in China

- Almost No Discovery
- Reliance on Documentary Evidence Rather than Testimony

## For More Information

- *Beyond Culture*, by Edward T. Hall
- *Inside Chinese Business: A Guide for Managers World-Wide*, by Ming Jer-Chen
- *Intercultural Communication: A Contextual Approach*, by James W. Neulip



## **About Wynn Shuford**

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While I have had my share of success in the courtroom, I believe the greatest honor I have experienced as an attorney is having a client call me to handle an extremely difficult and seemingly unsolvable predicament. When that kind of trust is placed in me, I take it seriously, and consider it my responsibility to make my client's problems my own. There is an African proverb that says: "Smooth seas do not make skillful sailors." I have built my practice on this principle, and have helped my clients navigate some serious storms. I can't promise to make every problem go away, but I can promise that I will give 110% to find the best solution, even when the odds seem to be insurmountable.

I am currently serving as Managing Partner of Lightfoot. Primarily, my practice involves toxic tort cases, complex commercial cases, class actions and other mass tort litigation throughout the Southeast. I am admitted to practice in Alabama, Mississippi, West Virginia, Tennessee, and Florida. I received my Bachelor of Arts degree from the University of Mississippi where I graduated summa cum laude and was named a Harry S. Truman Scholar (and where I also served a stint as a motivated, but under-talented member of the Ole Miss football team). While at Vanderbilt University Law School, I was a John W. Wade Scholar, served as Associate Editor of the Vanderbilt Law Review, and was elected to the Order of the Coif.

I have taught continuing education courses for various organizations, including the Product Liability Advisory Council, the Trial Academy of the Alabama Defense Lawyers' Association and the Network of Trial Law Firms, as well as a law school class at the University of Alabama Law School. One of my presentations is available for viewing on the Network's website.

Away from work, I enjoy spending time with my wife and two daughters. One of our passions is ministering to orphans in the Horn of Africa, and we have founded a charitable organization, Huruma International Ministries, to serve that purpose. I am currently learning to speak Swahili, which has proven to be as big of a challenge as anything in the practice of law.

### **Practice Areas**

- Consumer Fraud and Bad Faith
- Business Litigation
- Environmental and Toxic Torts
- Antitrust
- Class Actions
- Product Liability

### **Education**

- B.A., University of Mississippi, 1990 summa cum laude
- J.D., Vanderbilt University Law School, 1993