



Joint Venture between

Ben's Cookies, United Kingdom

&

China Resources Vanguard, China

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Project's Objectives

Following the successful delivery of our presentation, the audience will:

- Understand the cultural differences between the United Kingdom and China
- Understand the Culture Theories
- Recognize the challenges that companies who embark on a joint venture face
- Will know how to deal with cultural differences so that the joint venture succeeds





The company was established in 1983 in the kitchen of Helge Rubinstein.

Helge's son Ben served as the model for the logo

Locations in the UK: Bath, Bristol, Cambridge, Edinburgh, London, and Reading.

Annual profit of \$13 million in 2021

Shops abroad: Bangkok, Manila, Dubai, Kuwait, Saudi Arabia, South Korea, and Japan.



China Resources Vanguard, or Vanguard is the third-largest grocery chain in Hong Kong .

In 1984, CR Supermarket was founded in Hong Kong. In 2003, it switched to the CR Vanguard logo.

For consumers, CR Vanguard represents a new way of life that is committed to enhancing their quality of life.

For employees, CR Vanguard is a large group and family

Introducing the business culture

United Kingdom

- UK values professionalism and efficiency (Sheer & Chen, 2018)
- values short-term results and immediate action (Sheer & Chen, 2018)
- communication is more direct and assertive (Xiaoying & Zang, 2018)
- UK culture values a balance between work and personal life
- UK culture appreciates honesty, transparency, and accountability (Fan, 2000).

China

- values personal relationships and hierarchy (Faure, 2017)
- Chinese culture appreciates long-term relationships and delayed gratification (Chuah, Hoffmann & Larner, 2014)
- communication tends to be indirect and more reserved (Liu, Lu & Zhan, 2021)
- Chinese culture tends to prioritize work and career over personal life and leisure
- Maintaining face, avoiding conflict, and preserving social harmony is of high importance (Fan, 2000)





Joint Venture

POSITIVE FACTORS

- Each company will be able to maintain its own identity
- Access to a larger market share
- Shared resources and responsibilities-knowledge, human capital, technologies
- Joint ventures also provide the benefit of shared risk.
- New product development

NEGATIVE FACTORS

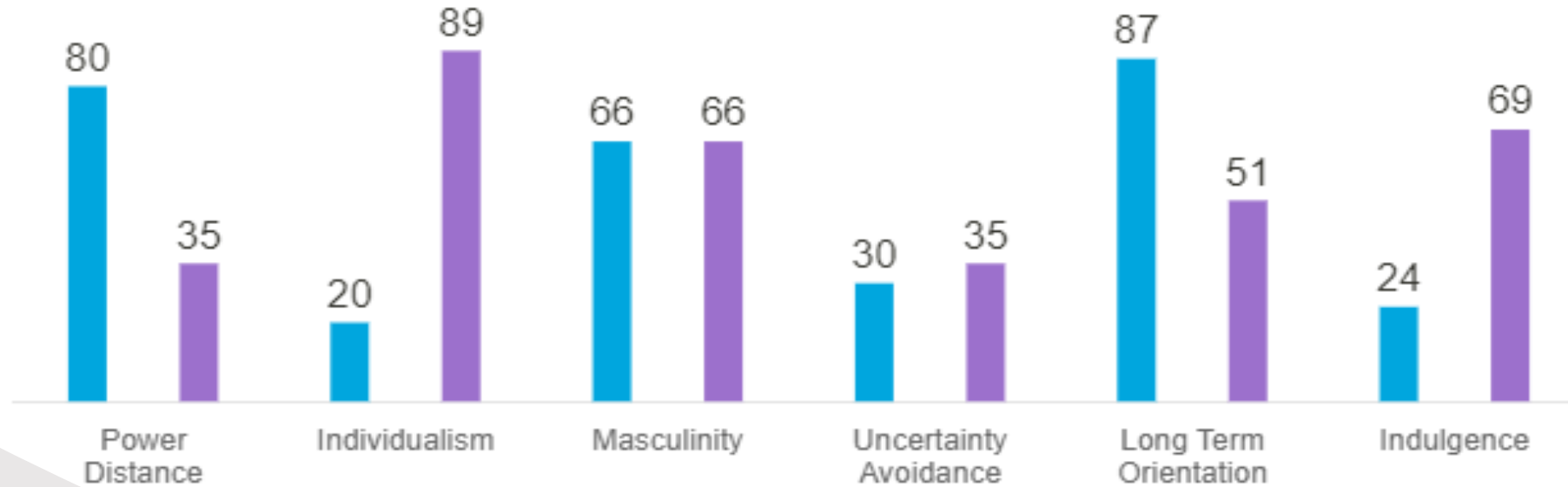
- When establishing the Joint Ventures, the partners fail to communicate clearly about their respective goals and objectives.
- Different levels of investment, input, and assets are possible.
- Different cultures, management styles, and business approaches lead to a lack of understanding, cooperation, management, and integration in real-world business operations.
- The JV partners fail to discuss future capital increases or business fund-raising strategies.

Cultural sensitivity

Doing international business demands cultural sensitivity and businesses that ignore cultural differences or language barriers do so at their peril.(Commisceo Global Consulting, 2022)

Cultural sensitivity UK	Cultural sensitivity China
United Kingdom is a diverse and multi-ethnic society, and they value their privacy highly so personal or intimate questions are to be avoided	‘Mianze’ or ‘face’ is a central concept in China. It means prestige or social standing and is incredibly ingrained
Time keeping is valued a lot higher here than in some other countries	Respect for the elders and rankings
Men and women in the UK are entitled to equal respect and status in all areas of life	Patience, politeness and modesty are the most valued qualities
Education is of a very high standard in the United Kingdom	Gift giving is a common Chinese practice that business visitors should get used to.
	Confucianism and Collectivism (Ma et al.,2014)

Cultural dimensions Theory



* estimated

China, with a score of 20, is a highly collectivist culture in which people act in the interests of the group rather than necessarily in their own..

China ranks 87 in this dimension, indicating that it is a pragmatic culture. People in pragmatic societies believe that truth is highly dependent on situation, context, and time.

Hofstede Insights, 2023

Knowing these factors will enable the British company to recognize and adjust their communication style considering the cultural distinctions between the UK and China (Trompenaars, 2012).



One of the most significant barriers to a business entering China is effective communication. In this market, a lack of good language skills and cultural assessment could have a significant impact on business performance. Furthermore, the undervaluation could cost time and money and render the brand unsustainable on a global scale. Forbes (2021)

The difference in business communication between UK and China

Making business contacts in UK and China

In the United Kingdom, a handshake is the standard greeting during a business introduction. However, depending on the circumstances, the handshake will not be extended every time, whereas in China, the handshake is also a business grating and a promising approach to showing respect.

A hand is shown placing a yellow puzzle piece onto a blue globe. The globe is overlaid with a complex network of white and blue lines, suggesting a global communication network or the internet. The puzzle piece is being placed into a gap, symbolizing the integration of different parts or the completion of a whole.

Theory of Communication and Accommodation

- According to Howard Giles' thesis, individuals should adapt their communication style to the cultural standards of the person with whom they are speaking (Trompenaars, 2012).
- This hypothesis may be especially relevant in cross-cultural interactions where partners may need to modify their communication style for better interactions.

Differences between business negotiations in UK and China

The principles in the British negotiations involved direct communications, focus on facts, and speed of execution. However, negotiations in China are lengthy and involve many stages and interactions

Negotiations	British approach	Chinese approach
Style	Direct, speedy and very focused on the fast result	Distant and multi-divided, focused on many small details
Process	Focused on fact targets, timeline agreements.	Lengthy and dynamic focus on long-term collaboration. Very formal
Objective	Informal Near term focused, immediate benefits	Long-term business relations beyond the current agreement



Recommendations for Ben's Cookies

- Both parties must communicate clearly about their respective goals and objectives when forming the JV.
- To achieve effective cooperation, the company should provide specific training programs for its employees and establish a department comprised of employees from two countries.
- Adapt cultural training programs to assist employees in better understanding the cultural differences between China and the United Kingdom.
- A good understanding of each culture in a joint venture is the foundation of an effective communication mechanism. Because language is the foundation of effective communication, language training programs are essential.
- In comparison to China, the UK is highly individualistic, scoring an 89 on the Hofstede grid, so Ben's Cookies must pay attention and tread carefully in light of these cultural differences.

A world map is shown in a light blue, semi-transparent style. Overlaid on the map are numerous pushpins in various colors (yellow, red, blue, white). These pushpins are interconnected by a dense network of thin black lines, creating a global web or network diagram. The background is a soft, out-of-focus light blue.

Conclusion

Globalization is accelerating, and multinational corporations must deal with significant cultural differences. Our research highlighted the cultural differences and cultural challenges that the Joint Venture will face by employing theory models.

We have made several recommendations, including two involving training and communication, to ensure the success of the joint venture.

We can only conclude that understanding the relationship between national and organizational cultures is critical for a joint venture.

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