

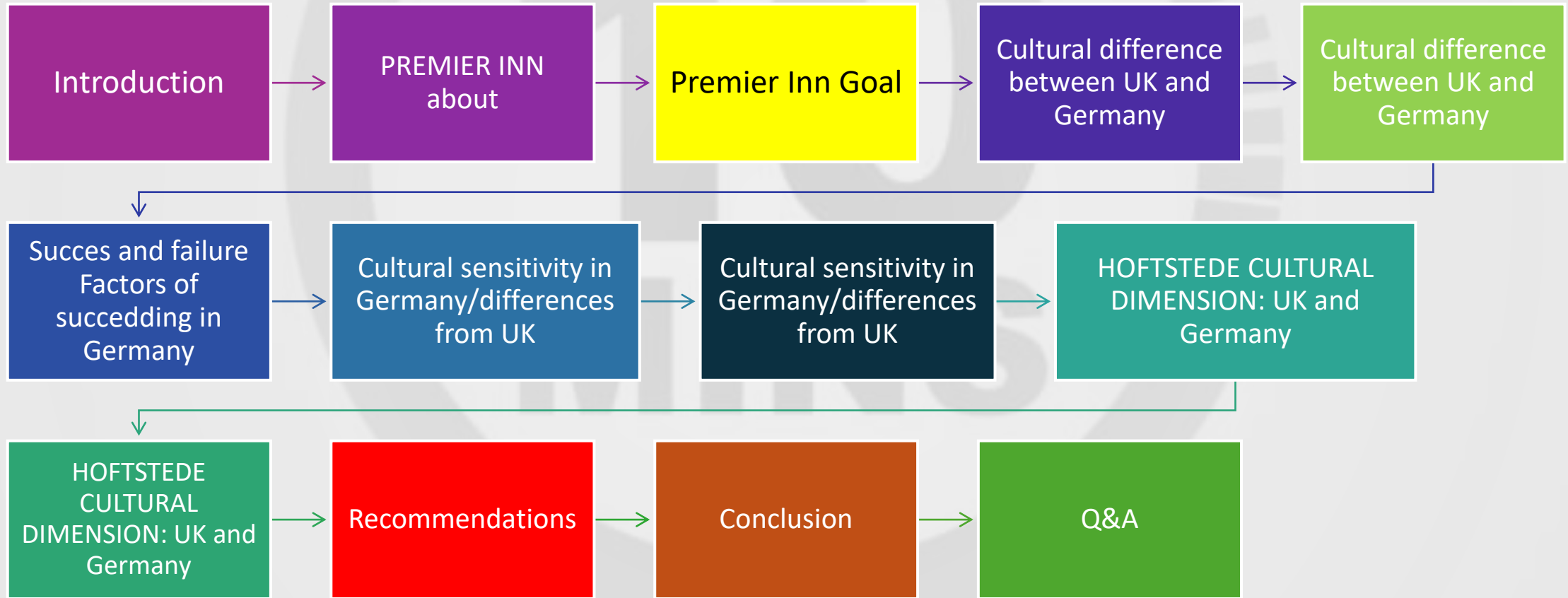
Assignment 2
International Financial Management

Module Name: International Business Communications
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AGENDA



INTRODUCTION

Premier Inn is conquering Germany

1. Premier Inn, the UK's largest hotel chain, plans to expand its low-cost brand in the German market by acquiring smaller businesses.
2. Hemant Patel, chief financial officer of parent company Whitbread, stated during an earnings call on Tuesday, "We also have the flexibility to execute bolt-on M&A [mergers and acquisitions] in Germany due to the strength of our balance sheet." "We have a clear plan of action in Germany: we want to grow to a large scale, copy our model from the UK, and offer competitive returns."
3. Premier Inn acquired six German hotels, 900 rooms, on March 2, bringing its total open hotels in Germany to 51, or 9,000 rooms.





Premier Inn goal

- Premier Inn, the UK's largest hotel chain, is gaining popularity in Germany due to its high-quality, affordable lodging options. With over 840 hotels and 83,500 rooms, it employs 39,000 people and serves over five million customers monthly.
- Premier Inn aim is to provide guests with high-quality, affordable lodging, while also providing opportunities for team growth and skill development without any entry barriers or ambition limits.

Germany Facts

Germany, a federal parliamentary republic comprising 16 distinct states, is home to 84.6 million people and is known for its unique customs, culture, and government system.

- Christianity is the most common religion and German is the primary language.
- Berlin is the capital of Germany, but among of the country's largest cities are Hamburg, Munich, and Cologne.



CULTURAL DIFFERENCES BETWEEN GERMANY AND UK

- ❑ Germans value honesty and directness more than politeness, while British people internalize anger and negative emotions.
- ❑ German's view waiting to cross empty roads as more than just following the law; it sets a positive example for children, as indicated by signage at many crossings.
- ❑ German's respect private space and behave formally, especially when meeting new people. They use proper titles like Herr or Frau and make a respectful first impression to set the tone for future communication. Addressing senior individuals is essential.



CULTURAL DIFFERENCES BETWEEN GERMANY AND UK



- ✓ In Germany, punctuality is a cultural expectation, demonstrating professionalism and respect. Planning well for meetings and events is crucial, and punctuality extends to public transportation.
- ✓ Sunday Silence: The Day of Rest
Germany's Sundays are marked by closed businesses, promoting relaxation and introspection. To enjoy this cultural custom, schedule weekly shopping and spend Sundays exploring with friends, hiking, or exploring nearby areas.
- ✓ Germans prefer coffee, English people prefer tea
- ✓ Germany's bike culture embodies sustainability, promoting cycling in all weather conditions, similar to Sheffield, and potentially safer due to better-suited roads compared to UK roads.



SUCCESS AND FAILURE FACTORS OF SUCCEEDING IN GERMANY

- In Germany, academic titles are significant as indicators of one's "smartness." In Germany, academic titles indicate intelligence, and it is important to address someone with "doctor" followed by their last name if their name starts with "Dr."
- To effectively work with Germans, prepare thoroughly, possess all necessary information, and become an authority in your field.
- Germans value schedule adherence, but projects take longer due to consideration of all possibilities. Decision-making is labor-intensive, taking time, and reversing decisions is difficult due to scratching.
- Germany's success lies in producing unique, high-quality products, often referred to as "Made in Germany," which sets it apart from other national brands.]Germans are price-sensitive and highly judgmental, often rejecting brands if they don't meet their expectations, and negative reviews from Stiftung Warentest can be fatal.

CULTURAL SENSITIVITY IN GERMANY/DIFFERENCES FROM UK

- Germans have a better work-life balance due to their superior understanding of balance. They identify the sweet spot between work and play, a concept referred to as "Brückentage" or "bridge days," and often take additional days off work.
- British office workers often report unwell and downplay their illness, leading to longer work hours and increased illness spread among coworkers.
- The local population prefers satirical cabaret and larger music concerts over stand-up comedy or intimate bar or live music performances.
- Germans are highly sensitive to noise, particularly on Sundays and after 22:00 at night, as it is enshrined in law.



CULTURAL SENSITIVITY IN GERMANY/DIFFERENCES FROM UK

- Germans are known for their extreme susceptibility to drafts, wearing scarves in June and frowning open windows in offices and public transportation, according to local folklore.
- Germans often berate individuals for breaking rules, a saying that translates to "in jeder Deutsche steckt sich ein Polizist," indicating that there is a policeman within every German.
- In restaurants, it is customary to split the bill based on individual consumption rather than buying rounds of drinks.
- In Germany, dogs are allowed in bars and restaurants, and even petting a stranger's dog can be beneficial for the soul.



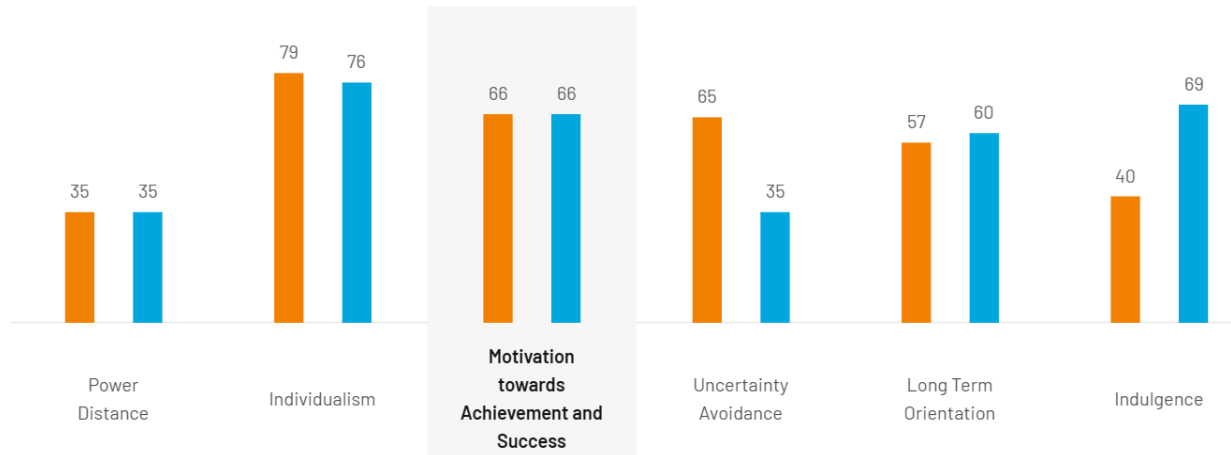
HOFTSTEDE CULTURAL DIMENSION: UK AND GERMANY

POWER DISTANCE

- With a rank of 35, Germany, a decentralized country with a strong middle class, ranks among lower power distant countries. Co-determination rights are extensive, and direct communication is common, with control disliked.
- Britain ranks 35th in the PDI, a society that prioritizes minimizing inequalities. Research shows higher classes have a lower PD index than working classes. This reflects the tension between birth rank and the belief that birth should not limit life progress, promoting fair

INDIVIDUALISM

- German (rank 79) society is characterized by individualism, small families, and a strong belief in self-actualization. Loyalty is based on personal preferences and duty, with direct communication and the ideal of honesty, allowing for learning from mistakes.
- The UK is an Individualist society, with a score of 76. Children are taught to think for themselves and contribute to society. As wealth increases, consumerism and the 'ME' culture are gaining prominence, leading to happiness through personal fulfillment.



MOTIVATION TOWARDS ACHIEVEMENT AND SUCCESS

- Germany, scoring 66, is a Decisive society, with high performance and early schooling. People value self-esteem and work to achieve goals. Managers are decisive, and status is often demonstrated through technology.
- Britain, at 66, is a Decisive society driven by success, with a culture of modesty and understatement. Understanding the UK requires reading between the lines, as people live to work and have clear performance ambitions, unlike Scandinavian cultures.

HOFTSTEDE CULTURAL DIMENSION: UK AND GERMANY

Uncertainty Avoidance

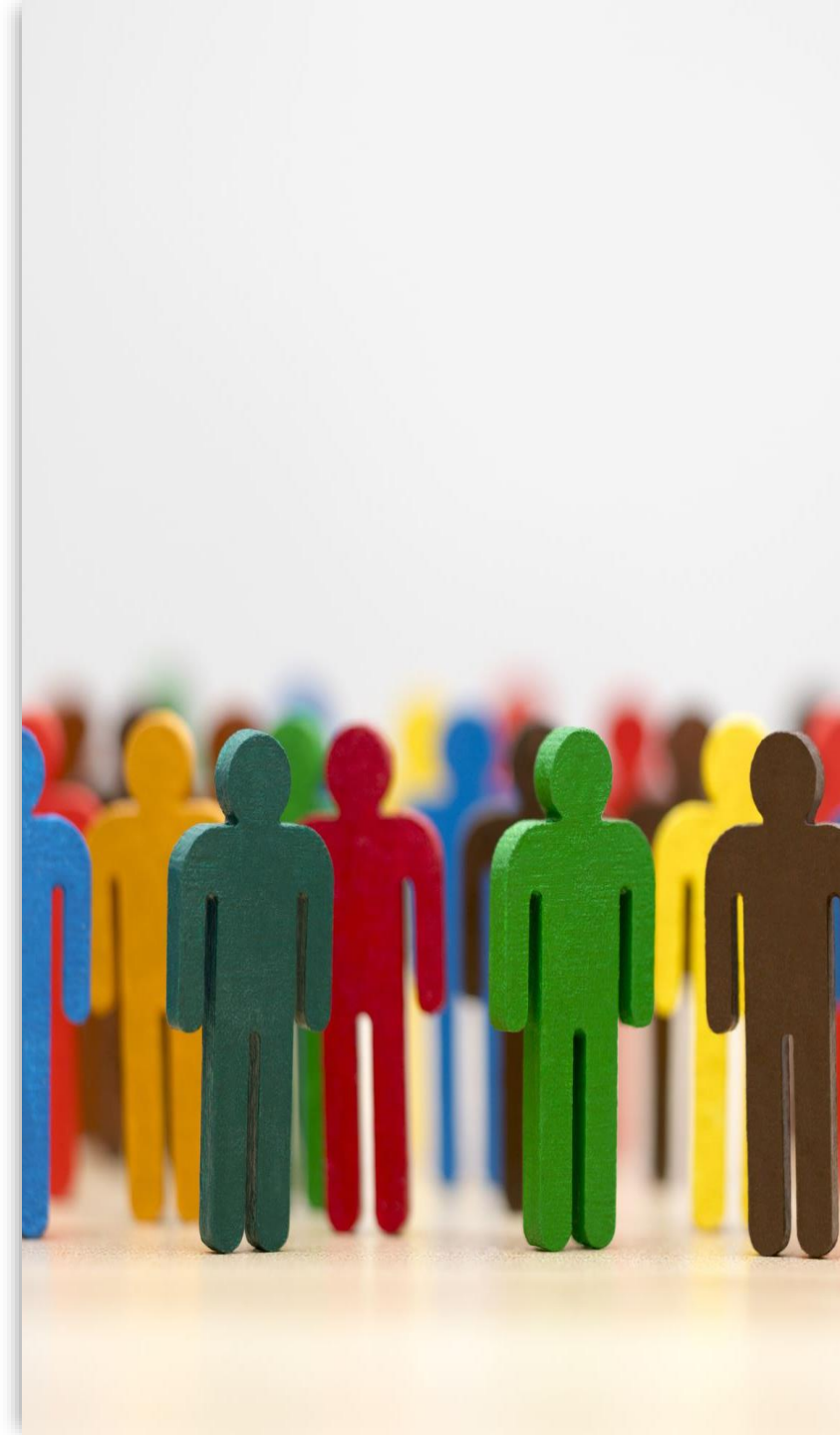
- ❑ Germany with score 65, is one of the most uncertainty avoidant countries, preferring deductive approaches in thinking, presenting, and planning. They rely on expertise to compensate for their higher uncertainty due to their low Power Distance.
- ❑ The UK has a low score, 35, on Uncertainty Avoidance, making them comfortable in ambiguous situations. This results in less detail-oriented planning and shorter horizons. The UK is highly Individualist and curious, with a high level of creativity and a strong need for innovation. This is reflected in the society's humor, heavy consumerism, and fast-paced industries.

Long Term Orientation

- ❑ Germany is a pragmatic country with a score of 57, characterized by adaptability, saving, investment, thriftiness, and perseverance.
- ❑ Britain has a pragmatic culture with a score of 60, characterized by adaptability, thriftiness, perseverance, and a strong propensity to save and invest.

Indulgence

- ❑ German culture is Restrained in nature, with a low score of 40 indicating a tendency to cynicism and pessimism. Restrained societies prioritize control over gratification and do not prioritize leisure time, perceiving indulging as wrong.
- ❑ British culture is classified as indulgent with a high score of 69. Indulgent people have a positive attitude, prioritize leisure time, act freely, and spend money as they wish.



RECOMENDATIONS

- German business meetings are formal and detailed, with precise agendas and a focus on decisive outcomes. Outsiders may struggle to assess progress, but lengthy examination of proposals indicates serious intent.
- In German business dealings, provide solid facts and examples, avoid exaggerated or indirect communication styles, and maintain analytical thinking and rational explanations for proposals.
- German business culture has a clear hierarchy with clear roles and responsibilities. In formal meetings, the highest-ranking person enters first, but contacts are important in informal situations. Use a bank or representative when possible.



CONCLUSION

- According to U.S. News, Germany is the fourth-best country for a company's headquarters.
- There are very few unstable political issues that have an impact on businesses in Germany, despite the fact that the growth rate of the German economy is decreasing.
- The nation offers stable political and economic environments conducive to development.
- Germany is a desirable destination for businesses seeking to expand both domestically and internationally due to its strong economy, appealing consumer market, and highly skilled labor force.
- Germany is a desirable option for companies wishing to broaden their market due to its advantageous position within the EU.





Q&A



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