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REVOLUT'S EXPANSION: NEW MANAGEMENT OFFICE IN GERMANY

Module: International Business Communications

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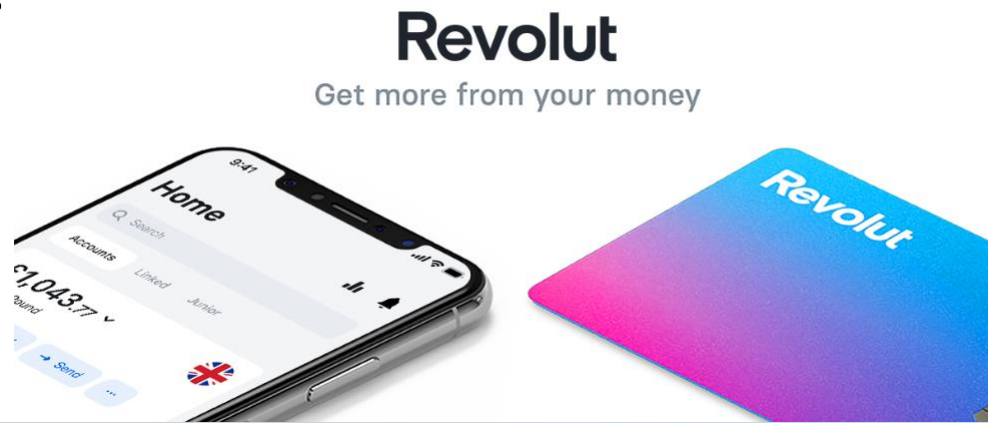
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Introduction

- Founded in 2015 by Nikolay Storonsky and Vlad Yatsenko.
- Started with fee-free currency exchange
- Expanded to banking, stock trading, cryptocurrency, insurance, etc.
- Vision: Build the world's first truly global financial superapp.
- Mission: Maximize financial potential through innovative technology.



Introduce the German culture

German culture highly values efficiency and punctuality in both personal and professional life, with a strong emphasis on orderliness and organization.

Work Culture

- **UK:** Longer working hours with a focus on individual performance.
- **Germany:** Shorter working hours emphasizing collective success and work-life balance.

Education

- **UK:** Mix of private schools and universities with high tuition fees.
- **Germany:** Predominantly public education with low or no tuition fees for universities.

Social Life

- **UK:** Pubs are central to social life.
- **Germany:** Popular social venues include beer gardens and outdoor cafes.



Success and failure factors of succeeding in Germany

Success in Germany requires a strategic approach:

- market and cultural nuances,
- language proficiency,
- legal compliance,
- strong local networks. Conversely, failure often stems from cultural misalignment, regulatory non-compliance, poor financial management, and inadequate market understanding.
- **Example: Walmart** – Walmart's attempt to enter the German market failed partly due to cultural misalignment. Their American-style customer service, including overly friendly greetings, did not resonate with German consumers, who prefer a more reserved shopping experience.



Cultural sensitivity in Germany/ The differences from the UK

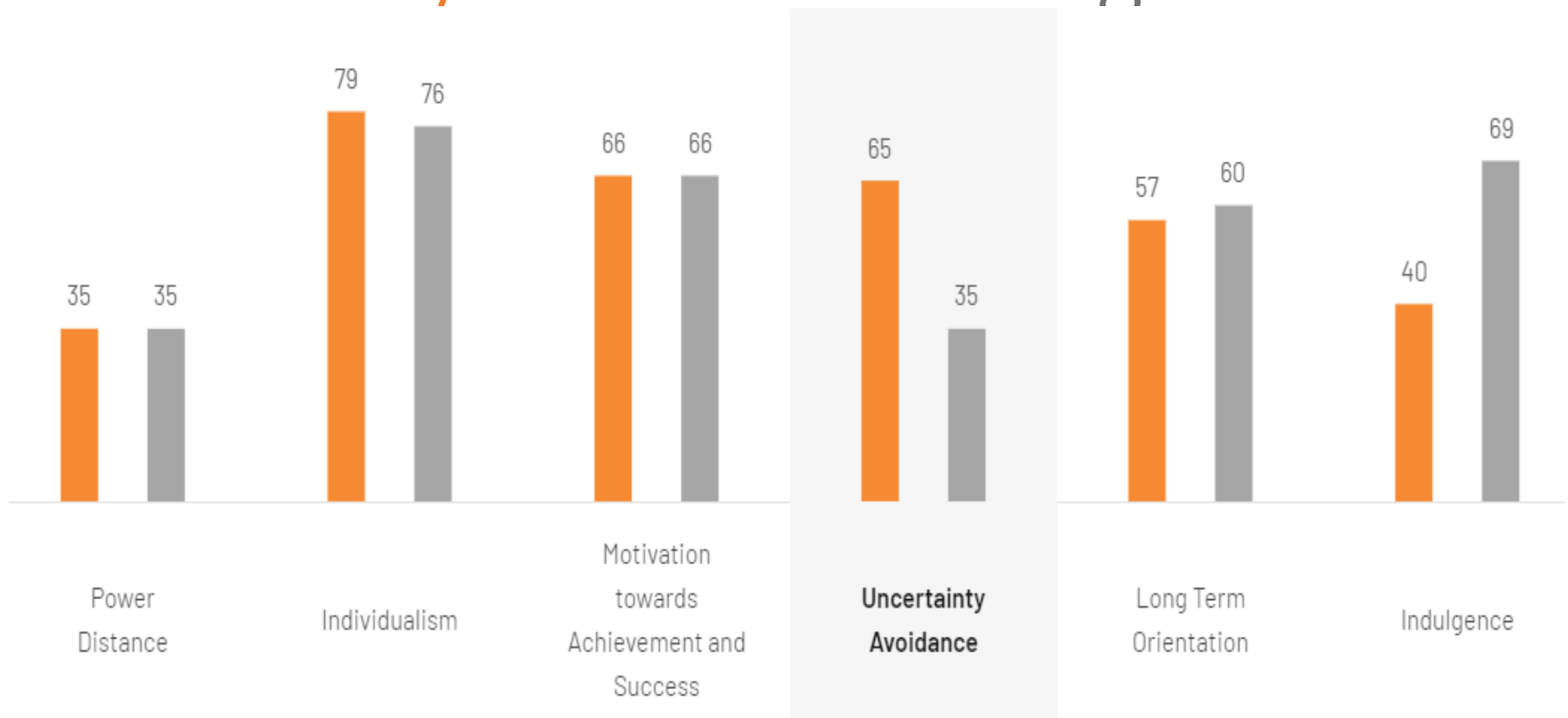
Cultural Variations

- **Formality:** Germans tend to be more formal in both business and social settings, while Brits may mix formality with a bit of casual friendliness.
- **Work-Life Balance:** Germans typically emphasize a clear separation between work and personal life, while Brits may blur these lines more frequently.
- **Decision-Making:** Germans often prefer thorough, data-driven decision-making processes, whereas Brits might be more comfortable with a mix of data and intuitive judgment.
- **Social Interactions:** In Germany, initial social interactions can be more reserved, while in the UK, there may be more small talk and polite pleasantries, especially in business settings.
- Conversely, failure often stems from cultural misalignment, regulatory non-compliance, poor financial management, and inadequate market understanding

Hofstede cultural Dimensions: UK and Germany

- Both the UK and Germany have low Power Distance and high Individualism, indicating a preference for equality and individual autonomy.
- They both exhibit high Masculinity, valuing competition and achievement.
- Differences include Uncertainty Avoidance (low in the UK, high in Germany), Long-Term Orientation (moderate in the UK, high in Germany), and Indulgence (high in the UK, moderate in Germany).

Hofstede cultural Dimensions: Germany and United Kingdom



Source: Hofstede Insights. (2023)

Recommendations

- **Cross-Cultural Training:** To understand cultural differences and enhance communication.
- **Localized Marketing and PR:** To better connect with the German audience.
- **Bilingual Channels:** To ensure clear and inclusive communication.
- **Stakeholder Engagement:** To build strong local relationships and support.
- **Internal Communication Strategy:** To maintain alignment and engagement within the organization.

Implementing these strategies will support Revolut in effectively navigating the German market and ensuring a successful office launch.

Conclusion

For Revolut to succeed in expanding into Germany, a multifaceted communication strategy is essential. Key components include:

- **Cross-Cultural Communication Training:** This ensures employees understand and respect cultural differences, reducing misunderstandings and fostering effective communication.
- **Localized Marketing and Public Relations:** Tailoring marketing and PR efforts to align with German preferences will build trust and resonate better with the local audience.
- **Bilingual Communication Channels:** Providing information in both English and German will enhance clarity and inclusivity, meeting the needs of employees and customers alike.
- **Stakeholder Engagement and Relationship Building:** Proactively engaging with key stakeholders, including regulators and local businesses, will facilitate smoother operations and integration into the local business environment.
- **Internal Communication Strategy:** A robust internal communication framework will ensure alignment and collaboration between the UK and German offices, fostering a cohesive organizational culture.



Thank you for your attention

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