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REVOLUT'S EXPANSION: NEW MANAGEMENT OFFICE IN GERMANY

Module: International Business Communications

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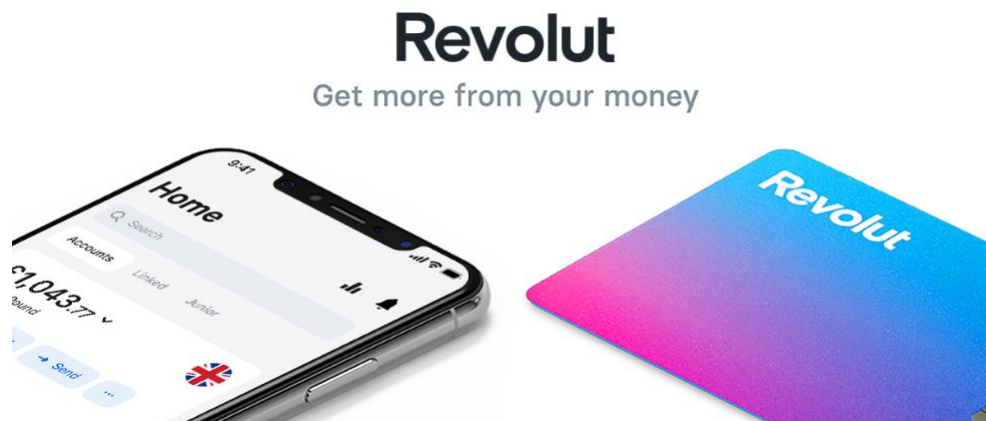
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Introduction

- Founded in 2015 by Nikolay Storonsky and Vlad Yatsenko.
- Started with fee-free currency exchange
- Expanded to banking, stock trading, crypto currency, insurance, etc.
- **Vision:** Create the first genuinely worldwide financial super-app in history.
- **Mission:** Maximize financial potential through innovative technology.



Introduce the German culture

German culture values efficiency and punctuality in personal and professional life, emphasising orderliness and organisation.

Workplace Structure and Hierarchies:

- **Germany:** Flat hierarchical structure emphasising expertise and technical skills. Collective decisions, along with punctuality and reliability, are essential (Hofstede Insights, 2023; Goodwille, 2020).
- **UK:** Pronounced hierarchies with clear management levels. Networking and relationships are crucial in the workplace (Goodwille, 2020).

Communication Style:

- **Germany:** Direct and clear communication, valuing efficiency over small talk. This approach can sometimes be perceived as rude (Hofstede Insights, 2023).
- **UK:** Favors indirect and polite communication, emphasising maintaining social harmony. Small talk is common in professional settings (Hofstede Insights, 2023).

Social Norms:

- **Germany:** Social interactions in the workplace are formal, with a clear distinction between professional and personal life. Networking outside work hours is rare (Hofstede Insights, 2023).
- **UK:** More informal social interactions, with a common practice of socialising with colleagues through activities like visiting pubs (Hofstede Insights, 2023).



Success and failure factors of succeeding in Germany



Success in Germany requires a strategic approach:

- **Legal and Regulatory Compliance:** Adherence to local laws and regulations is crucial. Example: **Deutsche Bank** has maintained its reputation by strictly complying with local and international regulations.
- **Innovation and Technological Advancement:** Germany is known for its engineering excellence and innovation. Example: **Wirecard** (before its collapse) was initially successful in providing advanced payment processing technology.
- **Effective Communication:** Clear and direct communication is a fundamental part of German business culture.
- **Lack of Local Market Knowledge:** Thorough market research and understanding of local consumer behaviour and preferences are essential (Goodwille, 2020). Example: **Walmart** struggled in Germany due to a need to understand local shopping habits and competition more.

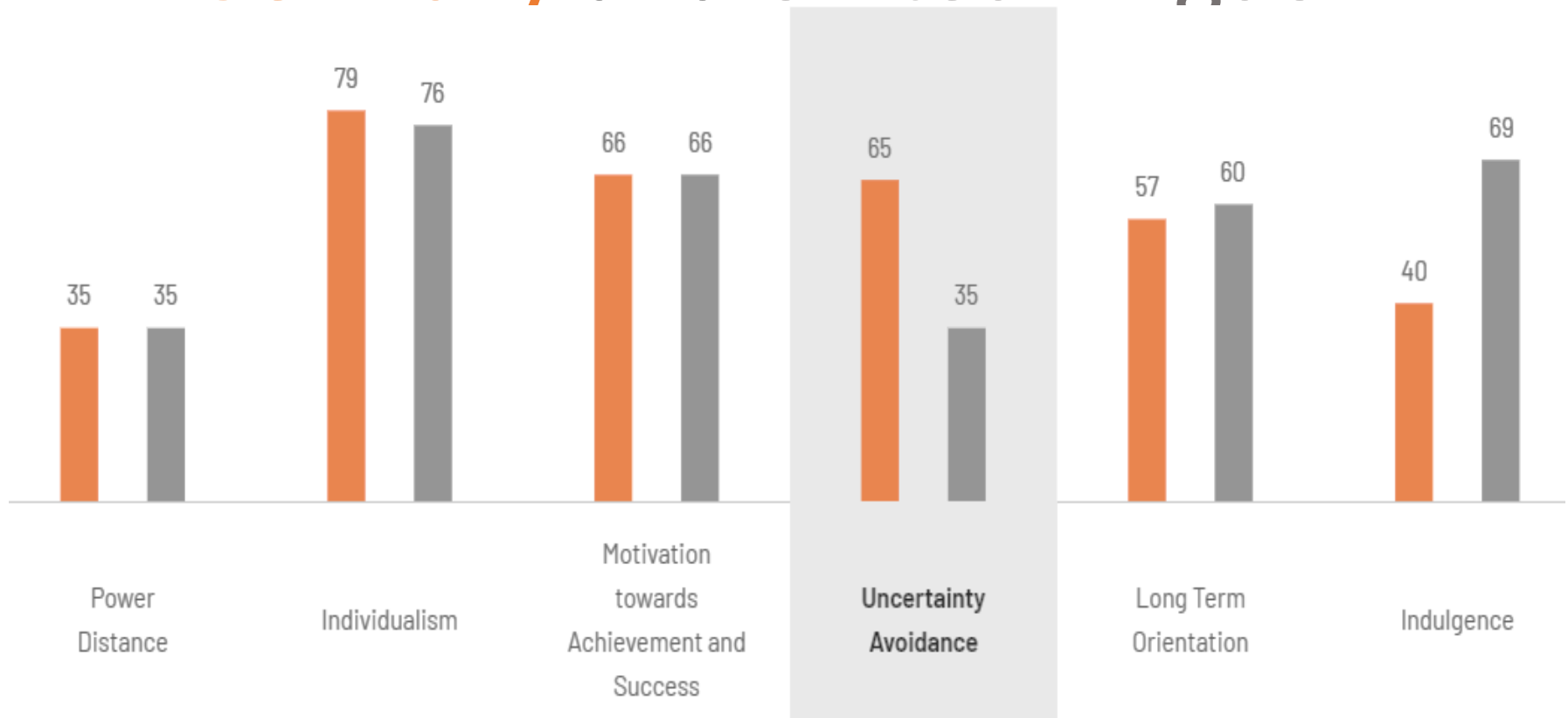
Cultural sensitivity in Germany/ The differences from the UK

Cultural Variations

- **Formality:** Germans tend to be more formal in business and social settings, while Brits may mix formality with 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: Germany and United Kingdom



Source: Hofstede Insights. (2023)

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.
- The UK and Germany share a common ground in their high Masculinity, both valuing competition and achievement.
- Notably, the UK and Germany differ in their cultural dimensions, with the former exhibiting low Uncertainty Avoidance and high Indulgence, while the latter shows high Uncertainty Avoidance and moderate Indulgence.

Recommendations

Revolut must adopt a strategic approach that respects the unique aspects of German culture. This includes adhering to local laws and regulations, leveraging Germany's appreciation for innovation and technological advancement, and implementing clear and direct communication strategies that align with German business practices.

Revolut must ensure cultural sensitivity and adjusting its operational and communication strategies accordingly.

Conclusion

Failure to adapt to the German market could result from cultural misalignment, regulatory non-compliance, and inadequate market understanding. By focusing on these factors, Revolut can better navigate the German market, enhancing its chances of success and practical integration. Understanding and respecting cultural differences, adhering to regulatory standards, and leveraging technological innovation will be essential to Revolut's successful expansion into Germany.



Thank you for your attention

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