

FEATURES OF MODELING OF BUSINESS BEHAVIOR IN UKRAINE

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There are only two main models of business behavior in the world: relationship-focused (RF) and deal-focused (DF). Whether marketing, selling, sourcing, negotiating or managing internationally, the differences between relationship-focused and deal-focused business behavior impact our success throughout the global marketplace.

The majority of the world's marketplace are relationship-oriented: Ukraine, Russia, Asia, the Arab world and most of Africa, Latin America. These are markets where people tend to avoid doing business with strangers. Instead they expected to get things done through networks of personal contracts.

In contrast, the deal-focused approach is common in only a small part of the world. Strongly deal-focused culture are found primarily in the high-trust societies of northern Europe, North America, Australia and New Zealand where people are relatively open to doing business.

Because DF people are relatively open to dealing with strangers, export sales people can normally make direct contact with potential distributors and end-users in these markets. Let's take the United States as an example. Perhaps because they are raised in a highly mobile immigrant society, Americans tend to be willing to discuss business possibilities even with people they don't know.

The success of business-to-business telemarketing in the USA illustrates this openness. Each year American companies buy billions of dollars worth of goods and services from total strangers. No wonder the USA is called the home of the "cold call".

The Great Divide between the worlds cultures affects the way we conduct business from the beginning to the end of any commercial relationship. For starters, the way we make the first approach to potential customers or partners in good part upon whether they are in DF of RF cultures.

In Ukraine people get things done through relatives, friends, contacts and connections – in other worlds, through relationships. Initiating a business relationship can often only be done if you know the right people or if you can arrange to be introduced to them.

Today, Soviet and Russian influence on Ukraine is decreasing. However, doing business in Ukraine can be a complicated affair, and some investors simply keep away from outsourcing to the Ukraine or only make short-term investments. This of course has a damaging effect on the country's economy. The main contributor to the country's problems with fulfilling its economic potential has been the relatively high level of corruption and crime. This corruption and crime has often been related to individuals and informal networks that sought to improve their own position by taking advantage of investors.