

Business takes on new languages

Adapting to other countries' ways becomes part of Lectrodryer's culture

By Wayne Tompkins
wtompkins@courier-journal.com
The Courier-Journal

John McPhearson described a recent order for Lectrodryer's huge machines as increasingly typical of "today's world."

The contract is with an Indian engineering firm, "their customer is French and the final customer is in South Africa."

McPhearson, managing partner of the small Richmond, Ky., company, said he has learned that any businessman who doesn't check the comforts of his native culture at the border is risking trouble.

"You need an appreciation for the people and their culture," he said. "Many people say business is always done in the language of the buyer. We've worked all over the world in English. I try to be apologetic about that. As an engineer, I'm very poor with languages. I have to work really hard at it."

Lectrodryer is a manufacturer and supplier to chemical-processing plants and oil refineries and counts almost all of the 100 largest U.S. industrial firms as its customers. Its desiccant drying and purification equipment removes water and other impurities from air, gases and liquids.

The company's foreign markets are growing in importance.

"The domestic business has been relatively static," McPhearson said. "No new refineries have been built in the U.S. (since 1976). There are implications for that."



Lectrodryer, which employs 31 in Kentucky, is a manufacturer and supplier to chemical-processing plants and oil refineries. With its domestic business stagnant, the company has tried to grow internationally. (Photos by Michael Clevenger, The Courier-Journal)



John McPhearson, foreground, the company's managing partner, said his local work force is more productive than any he'd find in another country. But he said regulations and health care create challenges.

McPhearson said he began developing Lectrodryer's Mexican market in the late 1990s, where at a trade show in Monterrey he met a young bilingual woman from Guadalajara, Blanca Ramirez.

She was working for the Kentucky Economic Cabinet at a trade office in Guadalajara, helping Kentucky companies do business in Mexico and helping McPhearson identify potential representatives in the country.

Today, she is working for Lectrodryer as McPhearson's guide in the Mexican market, which accounts for just over 8 percent of the company's business, around \$600,000 in annual sales. Smaller companies looking to do business in other countries are turning to people like Ramirez, who serve every role from interpreter to cultural counselor to bureaucracy navigator.

Communication pays off

Schooled in English and French, as well as exports, Ramirez has paid dividends for Lectrodryer even without a background in engineering.

"Communication is the bottom line," said Ramirez, who is international sales manager for Latin America. "For us, it's been a very important step to be able to communicate with a market that wasn't understanding what we did."

Meanwhile, she joked, she is learning another language: engineering.

"They're trying really hard to train me," said Ramirez, who has a work visa and has settled in Richmond.

She also has helped Lectrodryer, which has 31 employees in Kentucky, find sales agents in Mexico.

"This is how we can do this with a little smaller company," McPhearson said. Lectrodryer's manufacturer's representative in Mexico has 60 people working on the company's behalf, paid with commissions or products.

"The same is true in the U.S. We have a number of manufacturer's reps in the U.S. as well," McPhearson said.

The company had \$5.8 million in total sales last year and expects \$7.2 million this year.

"Most companies are moving their manufacturing jobs to Mexico so they can export it somewhere else," McPhearson said. "We're trying to take kind of an inverse look at it in terms of how we can add, in this case, Blanca, and have the Mexican representation, so we can keep the jobs in Madison County and export the material down there."

That allows him to keep his local work force, which he said is more productive than any he'd find in another country, and take advantage of foreign sales.

"There is a clear benefit to Madison County," McPhearson said. "We had over a \$1 million payroll last year and that \$1 million came from outside of Madison County. The bulk of it came from outside of Kentucky. That money flowing in creates a ripple effect for the banks, the hairdressers, the local restaurants -- that's really the benefit."

While McPhearson said a work force in another country would lack the resources to produce what his workers do, he concedes there are challenges to keeping his manufacturing here.

He said not only wages, but regulation and health-care costs reaching "catastrophic proportions" are causing industries to look across the border.

"Those are the issues that drive people away."

In foreign nations, however, required certifications can vary widely among countries, while bribery and other corruption remain widespread. High crime rates in many developing countries can put employees at risk.

Navigating a new world

Ramirez and McPhearson said doing business in Latin America is about taking your time.

"I've seen many people on trade missions literally be the ugly American," McPhearson said. "People, for whatever reason, get on an airplane, fly down there and think people are just going to flock up to them and buy stuff."

It's very easy for a U.S. businessman to be rude without intention, he said.

Ramirez said many business people must learn the difference between high-context and low-context cultures.

"Low context is direct. What you say is what you mean," she said. "High-context culture has to do with politeness. When you are in a low-context culture you can be assertive and you're being direct. You are communicating what you want."

Ramirez said a speaker in a high-context culture, such as most Latin American countries, will say something they don't mean simply to be polite. The listener is intended to understand the speaker is saying "no" without actually saying it.

Such behavior can confuse and frustrate an inexperienced listener from a "low-context" North American culture.

"In Mexico, we always say, 'My house is your house.' Well, that's polite, but it's not literal. The meaning of the words is not literal."

When an uninterested Mexican prospect is telling an American businessman "we're thinking about it," or "we don't have enough signatures," it's usually a polite way of declining the offer, Ramirez said.

Along the way, McPhearson and Ramirez have helped each other navigate their cultures.

"I've told John a bunch of times, you don't draw up your documents on the table, that's rude," she said. "Here it's very normal, you just put it on the table and it's OK."

Said McPhearson, "There were things Blanca did when she first got here that were very much a part of her nature, but they were received very differently in this society."

Ramirez said her biggest struggle was in spatial relationships.

"I'm used to more space now," she said. "In Latin American culture, they touch you. They always want to grab your hand or pat you on the back. Even if they don't know you, they might give you a hug. Here it is like, oops."

"It really took me awhile ... not to kiss everybody here just on the cheek. Here, it's the hand, and to me, that's cold, because I'm used to that closeness."

McPhearson said if he were to introduce Blanca to a man and she kissed the man on the cheek in front of his wife, the wife "may not necessarily receive that properly -- 'Who's this girl flirting with my husband?' That's certainly not her intent. They receive it in their context and their environment. It goes both ways."