

Getting ready for negotiations in Lithuania - the art of negotiating

Sonia Gullova, a lecturer at the Prague Economics University, informs Czech business people in the magazine “Eurofirma” about the strategies of negotiation with Lithuanians.

The reader is informed that Lithuanian is the official language in Lithuania. The author notes that one can conduct talks in Russian or in English, however it is important to find out ahead of time the nationality of the businessperson on the other side of the table. It is recommended to interact with Lithuanians in a similar manner as one would with German business people, and not like with Russians. Lithuanians are described as educated, shrewd, hard working people who often know several foreign languages fairly well.

An outsider trying to penetrate Lithuanian markets needs to have personal contacts and business connections in order to get into the inner circle. It is very difficult to achieve desired results with Lithuanian business people through correspondence without personal contact. Lithuanian business people know each other very well and form a clan where communication lines are open only with friends and friends of friends. Lithuanians prepare for business meetings very well by doing the homework and collecting all necessary information and documentation. Usually negotiations are on an individual level with only one or two participants from each side at the table. Lithuanians always want to talk to the business people on the same level of the organization structure as they represent in order to have a discussion of equals. Women and men are equal at the negotiating table. It is not recommended to start written communication with subordinates in Lithuanian business without first informing the owner/head of the company. In case the communication has started already, it is expected that the executive will be informed as soon as possible.

Tactics and Strategy

The author notes that Lithuanians often skip the getting acquainted initial phase of the dialogue, and move on directly to the business. Lithuanians are tough negotiators who sometimes do not like to compromise, and can easily say no to the prospective deal.

It seems that Lithuanians have enough confidence in themselves and can from time to time raise the voice trying to get a point across. However, generally, Lithuanians are not emotional, and they expect that the other negotiating parties will curtail their emotions as well. Serious facial expression, “cool headed” composure and no nervous appearance are expected even if the most unpleasant issues are being discussed. Silence as part of communication is not acceptable, and the expectation is that either positive or negative position will be expressed. Lithuanian business people do not plan far in advance. They are more interested in short-term financial results. Verbal and handshake deals do not carry great significance; therefore, contracts are usually being prepared very meticulously making sure that all the details are defined.

Payment culture is similar to the one in Czech Republic – guaranteed terms are required. Lithuanians do not like to make quick decisions and often stretch the decision making process to the maximum. If there is only one negotiator from the prospective business partner side, there usually is a feeling of doubt and uncertainty about that business partner.

Lithuanians like to travel. All Lithuanians know Prague because they usually stop by there on the way to other European cities and countries. The notion among foreign business people that one could sell anything in Lithuania is completely wrong. The Lithuanian market is relatively small, saturated and very competitive, making it very challenging to find a niche in it.

Communication

Telephone is the favorite mode of communication in Lithuania. Lithuanians like when others call them or send them messages using all e-communication tools. They also like to call their business partners and friends to discuss what is on their mind at the moment. Lithuanians do not like long formal letters, especially if they are longer than one page. It is normal to expect that Lithuanian business people will reply to a letter within 10 business days.

Average pay in Lithuania is similar to that in the Czech Republic. However, prices for goods and services are slightly higher. Giving expensive gifts and taking partners out to dinner at a good restaurant are a norm in business relations. Bureaucracy and corruption with associated barriers are unfortunately still present in Lithuania.

A handshake is necessary at the time of being introduced for the first time and greeting someone at the beginning or the end of a meeting. It is common to shake hands with all meeting participants. In private gatherings, Lithuanian men may kiss woman's who they know hand instead of a handshake.

Business cards are usually printed in two languages – Lithuanian and English. Academic titles lower than “Dr.” are not shown on the business cards. Business cards normally list the business title, work address, work telephones, e-mail, web address and company logo. Academic titles are not used in addressing people at business meetings. Foreigners' business cards are expected to be in English.

Lithuanians address business partners using business titles and last names. This type of address is quite formal. Only business people on the same or close hierarchical level address each other by their first name. After several meetings, for practical reasons, Lithuanians will start addressing foreign partners by their first names as well. Since foreigners have a difficult time remembering and pronouncing Lithuanian last names, first names easily become the preferred way of address.

About the Time and Dress

The author notes that punctuality does not play as important a role in Lithuania as it does in Germany. Although getting to a meeting on time is considered a showing of respect, the rule is not always observed. It is also acceptable to come to a meeting ahead of the scheduled time. In spite of this, Lithuanians expect foreign partners to always arrive on time. Normally Lithuanians do not R.S.V.P. in advance to organized receptions, parties and social events. If the organizers remind about the invitation by phone, Lithuanians usually promise to attend, however that does not necessarily mean that they will actually show up.

Lithuanians dress formally. Clothes highlight a person's social position in Lithuania. Lithuanians pay more attention to dress than, for example, Czechs. Brand name designer clothes, good shoes and expensive accessories are given a priority. Women closely follow the

latest style, like to use makeup, wear expensive gold jewelry and expensive perfumes. Lithuanians like to show off their designer clothes and expensive prestigious automobiles in front of the foreigners. In general, Lithuanians like bigger, more powerful automobiles because they serve both functional and representative purposes. During the first acquaintance, it is important to create a good first impression. Therefore, there is a big emphasis on observing all accepted rules of etiquette, being extremely polite and graceful and dressing up appropriately for the first introductory meeting. The author also notes that in Lithuania the difference between rich and underprivileged is more pronounced, and that well off business people try to reap all the profits today because of the uncertainty of tomorrow.

While in business talks, it is a norm to have some coffee and mineral water. Wine and liquor are rarely offered, and can be refused without being perceived negatively. Lithuanians value invitations to have lunch or dinner at a restaurant. It is common to drink good Lithuanian beer, which is stronger than Czech beer, with meals. Wine is also served, and it is gaining popularity among the business people. Drinks are more expensive in Lithuania than in Czech Republic. Restaurants accept all forms of payment (cash, major credit cards). Repeat meetings may be scheduled directly at a restaurant; however, the expectation will be that the foreign partners will pay the bill.

Lithuanians and Privacy

The author touches Lithuanians' personal lives highlighting the fact that they like to invite business partners home only after a longer acquaintance. Lithuanian homes and country homes are similar to Czechs, and almost all have saunas installed. When visiting business partners at home, it is expected to bring a small gift for the hosts. Lithuanians are very generous hosts. They like to toast before and during a meal. It is not important to finish all food served at a dinner but it is very important to praise the hostess. When leaving it is also important to thank the hosts for the invitation and the evening spent together. It is recommended not to get involved in political and economical discussions or gossip about the high society in casual conversations. However, there are no limits on any other discussion subjects. Lithuanians know history, are interested in European and world current events, remember the names of famous athletes, authors and celebrities.

Lithuanians are proud to be born as Lithuanians. They are very patriotic. They are also proud of their beautiful country, untouched romantic nature, state symbols, history and language. Lithuanians like to tell various jokes, however they do not appreciate when somebody makes a joke out of them or their country. Even if Lithuanians start to criticize themselves, it is recommended that foreigners maintain neutral ground and emphasize that Lithuania had many improvements in recent years. Lithuania is a clean country. The population in Lithuania is very homogenous – there are very few other nationalities living there. Russian population only reaches about 6.6% and Polish, Ukrainians and Belarus 6.7% combined. The mainstream religion is Roman Catholicism.

Translated from a summary of the article prepared by the Embassy of Lithuania in Czech Republic.