



2ND WORKSHOP ON BUSINESS DIPLOMACY:
MANAGING NON-MARKET CORPORATE RELATIONSHIP CAPITAL
BRUSSELS, 2ND OCTOBER , 2009

The European Institute for the Advanced Studies of Management

Co-organised by Diplomacy Dialogue and Centre for Socio-Eco-Nomic Development,
Geneva

CO-CHAIRS

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BACKGROUND

This workshop builds on findings of first workshop held at EIASM on 13-14 November 2008. The second workshop consists of further deepening of research into sector specific application of Business Diplomacy.

BUSINESS DIPLOMACY

Global companies must be competitive in the business they are in and at the same time show dexterity in managing multiple stakeholders at home and abroad. While it is of key importance to have the right products and services at the right price, global companies need increasingly to be equipped with new competencies in dealing successfully with obstacles emanating from outside of their direct sphere of control. Often these

operational obstacles outside of the “normal” business transactions stem from complex sets of relationships in an ever changing business landscape. Recent examples of such cases are the compromise on intellectual property rights concerning HIV/AIDS medication (e.g. Abbot Inc. and other pharmaceuticals vs Thai and Brazilian government), the violent conflicts around water rights (Suez and Bechtel in Bolivia and Argentina), powerful consumer backlash against child labour (Nike) and contaminated products (Coke Cola), destruction of production equipment (sabotage of Shell Oil’s pipelines in Eastern Nigeria by dispossessed and oppressed minority tribes), hostage taking (Sinnoc in Ethiopia) or the persistence of non-tariff trade barriers of Japan’s telecom industry (Cable & Wireless’s difficulties in acquiring International Digital Communications against strong opposition by Japan’s NTT Company).

Facing such challenges, global companies require a new set of relational competencies that most global managers have no prior learning or training in. The competencies needed to deal with non-business counterparts such as foreign governments, multiple domestic and foreign pressures groups or domestic civil society groups like tribal leaders or NGOs predispose that global companies acquire organizational competency in Business Diplomacy Management. This competency would help build bridges and networks between global companies and the complex political landscapes within which they conduct business. Many needed attributes of a Business Diplomacy Manager are comparable to the competency profile of a political diplomat other attributes are unique to the context of international business.

HOW CORPORATE REPUTATION CONNECTS

Corporate Reputation is closely linked to Business Diplomacy. The perceived trustworthiness of the company and its products impact its brand and performance in the market. Today, corporate reputation is not only scrutinized by the consumers for the safety and soundness of its products or services, but even more importantly companies are scrutinized by civil society for its corporate citizenship and overall performance against social, environmental, and labour standards as well as other human rights requirements. A negative “rating” by corporate observers, once published in cyber space, can quickly damage the reputational capital of a company and cause disruption of relationships with consumer groups and the community at large.

It is against this background that business diplomacy offers avenues of interaction between an MNC and its multitude of operating environments and corresponding stakeholders who might have limited business connections to the MNC. The goal of business diplomacy is to safeguard both the reputational and relational capital of a company so that its business interests are positively represented in a sustained manner in the local communities and the world at large. Business Diplomacy forestalls possible disruptions of an MNC’s business processes and performance through instruments such as public campaigns, communications, negotiation and representation to mitigate potential risks to property, people, and share price depreciation.

WHY SHOULD YOU ATTEND?

Multinational companies need competent Business Diplomacy management in order to support positive branding and in order to safeguard key assets of its value chain. Top leaders of an MNC and its country representatives need to develop the right mindset to take account account of the stakeholders outside their corporate domain. They need to develop the competence required to perform the role of business diplomats in an effective and efficient manner.

OBJECTIVES

To create a forum for academic exchange of empirical qualitative or quantitative research in the area of Business Diplomacy. Research in all stages, dissertations proposals, research in progress, and completed research is welcomed.

The objectives of this workshop will consist of the following:

1. Research into application of Business Diplomacy by Multinational companies into sectors such as telecommunications, pharmaceuticals, energy, public utilities (water) and agriculture.
2. presentation of research results from pilot work covering US, Swiss and German global companies;

SCHEDULE

The workshop will be from 10.00- 17.00 Hrs at EIASM with a short lunch break (sandwiches, soft drinks and coffee/tea provided at no charge to participants)

WELCOME TO PRACTITIONERS

Practitioners working in this field are welcome to join our second research event in Brussels.

DEADLINE FOR PARTICIPATION

Persons interested in attending are requested to confirm their participation not later than 15th September by writing to Prof. Raymond Saner at saner@diplomacydialogue.org

COSTING

Participation at the workshop is free however transportation, hotel and food is to be paid by the participants.

QUALIFICATIONS OF CHAIRS

Professor Saner and Dr Yiu have made pioneering contributions to this new field as researchers, teachers, experts and authors.

Relevant publications are:

- Saner, Raymond; Michalun, Varinia; “Negotiations between State Actors and Non-State Actors: Case Analyses from different Parts of the World”, Republic of Letters, Dordrecht, NL, 2009
- Saner, Raymond, Yiu, Lichia, “Swiss Executives as Business Diplomats in the New Europe: Evidence from Swiss Pharmaceutical and Agro-Industrial Global Companies”, 15 pages, *Organizational Dynamics*, Elsevier Publ, NY, Vol.34, Issue 3, pp 298-312, 2005
- Saner, Raymond; Yiu, Lichia; “International Economic Diplomacy: Mutations in Post-modern Times”, *Discussion Papers in Diplomacy*, No. 84, Clingendael Institute of International Relations, The Hague, pp. 1-37, January 2003.
- R. Saner; Yiu, L.; Sondergaard, M. “Business Diplomacy Management: A core Competency for global Companies” in *Academy of Management Executive*, vol.14(1), February 2000.
- R. Saner, Yiu, L; “Global Governance and Diplomacy: Worlds Apart?”, *Palgrave Publ.*, (2008 in press)