Crain's Silicon Valley

If I Knew Then...

In this ongoing series, we ask executives, entrepreneurs and business leaders about mistakes that have shaped their business philosophy.

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About the company:

Global Context helps organizations improve their relationships with clients and other businesses in different parts of the world by helping them understand how people in those regions communicate. The company offers training classes, one-on-one consulting and online tutorials. Previous clients include Apple, Nissan, Microsoft and LinkedIn. Before founding Global Context, Stuart Friedman was the vice president and general manager of Terayon, a telecommunications company that was acquired by Motorola Inc. in 2007.

The Mistake:

During an earlier part of my career, I spent about 50 percent of my time travelling internationally. International travel is a breeding ground for making mistakes.

When working across different cultures, you find that despite your previous success, your intelligence and your technical prowess, you can't extrapolate the way that people from another culture prioritize and process things around them.

As Americans, we think time is money, and we believe in putting our cards on the table and being candid. Some other things are not of high cultural value to Americans. For instance, there's the concept of mood, which is important in Korea.

Twenty years ago, I was the vice president of sales at a semiconductor company, and LG was one of our largest customers. LG was building a device using one of our components, and they ran into difficulties. Our engineers came to the conclusion that LG was using the part in an out-of-specification way. As the vice president of sales, it was my instinct to get on the phone with them right away and tell them they weren't using it correctly and we needed to work it out.

I wanted to do this because I was aware they were going into production in just six weeks and the next week they were going on vacation — we better not waste any time. So I flew to South Korea with our engineers.

It turns out in Korea, there is a concept called "kibun." It translates to "mood."

I had taken away their mood by going there and messing up their vacation, which they had worked all year to get ready for. I had screwed up their kibun.

I may have helped them keep on their schedule, but I would have been better off if I had not said anything at all and let them go on vacation, not spoiled their mood, and waited to tell them when they came back. In Korea, it's better to save the mood and miss the schedule.

As a result, we lost LG's business.

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The Lesson:

We make assumptions based on our experience. However, we can't extrapolate. We have to understand the beliefs and values of the people we are speaking with, or we are prone to make mistake after mistake.

We all grew up hearing about the golden rule of treating others the same way you want to be treated. That rule may have worked in another millennium when most people never travelled more than 30 miles in their lives and never met any other people who didn't have the same cultural values.

In this era, the golden rule doesn't apply. You can't treat other people the way you want to be treated — you must treat them the way they want to be treated.

My experiences have made me embrace a very profound level of not just cultural sensitivity, but the value of diversity.

Perhaps more deeply, I've learned that there's always another side of the story, no matter how well you think you understand the situation. This insight has helped me become a better manager and leader. I know that there's always another perspective.

Follow Stuart Friedman on Twitter at @GlobalContext.