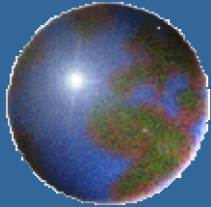
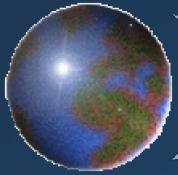




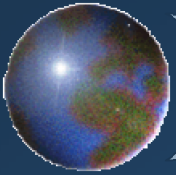
Relocation & Global HR Solutions



Israel – US: Cross-Cultural Training



12 Mistakes Israeli Companies do when Establishing a US Operation



Mistake # 1:

Over-Globalize

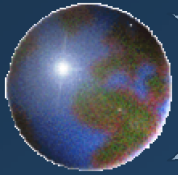
✚ Corporate Identity < Site Identity

✚ Where is the real headquarter?

✚ Who makes the Call?

✚ Where are:

- ❑ Marketing
- ❑ Finance
- ❑ Human Resources



Mistake # 2:

No Clear “Rules of the Game”

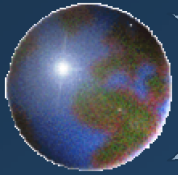
- ✚ Who Acquired and who Got Acquired?

- ✚ Reporting Lines

- ✚ Communication Channels

- ✚ Staff meetings

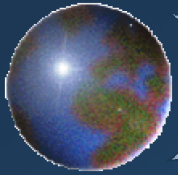
- ✚ Delegation \neq Abdication



Mistake # 3:

Lack of External Corporate Identity

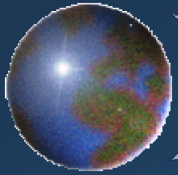
- ❖ Company Logo
- ❖ Company Colors
- ❖ Company letterhead
- ❖ Company Shirts, hats, mugs, etc



Mistake # 4:

“Dragging” Termination

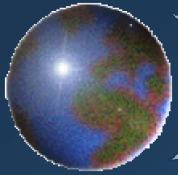
- ✚ Create un-Certainty
- ✚ Perceived as lack of confidence
- ✚ If you don't control the process—it controls you
- ✚ Termination lists prior to actual take over



Mistake # 5:

Maintain Current Business Goals

- ✚ Feeling of “business as usual”
- ✚ Missing the logic of the acquisition
- ✚ Fears of hidden agenda
- ✚ No integration

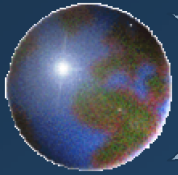


Mistake # 6:

Ignoring the “Soft Stuff”

❖ “Soft” issues =>

“Hard” problems

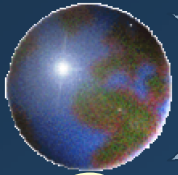


Mistake # 7:

Overemphasize Cultural Differences

Look for:

- ☐ Competency issues
- ☐ Control issues/site identity
- ☐ Professional identity

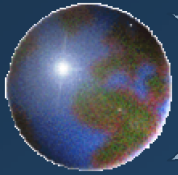


Mistake # 8:

Over-Respect Local Values

⊕ Awareness \neq Acceptance

⊕ Business before culture



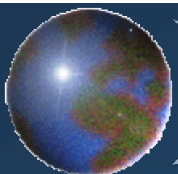
Mistake # 9:

Globalize Compensation

- ✚ Stock Options Matrix

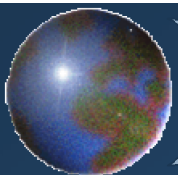
- ✚ Awards

- ✚ Benefits



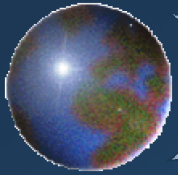
Stock Options: Standardization

	U.S.	Israel	Poland
Gross Cash	\$110,000	\$75,000	\$30,000
Options Grant	10,000	10,000	10,000
Exercise Price	\$0.50	\$0.50	\$0.50
Sell Price	\$17.00	\$17.00	\$17.00
Gross Profit	\$165,000	\$165,000	\$165,000
<u>Relative W.</u>	150%	220%	550%



Stock Options: Equalization

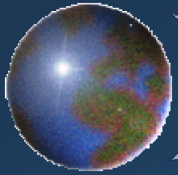
	U.S.	Israel	Poland
Gross Cash	\$110,000	\$75,000	\$30,000
Options Grant	14,670	10,000	4,000
Exercise Price	\$0.50	\$0.50	\$0.50
Sell Price	\$17.00	\$17.00	\$17.00
Gross Profit	\$242,000	\$165,000	\$66,000
<u>Relative W.</u>	220%	220%	220%



Mistake # 10:

Localize Hiring Policy

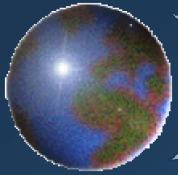
- ⊕ Prevent “Corporate Sapiens”
- ⊕ Prevent employees mobility



Mistake # 11:

Confuse Statutory & Practice

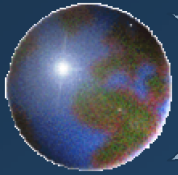
- ⊕ Statutory benefits \neq Market practice benefits
- ⊕ Employment Contract Vs. Employment Offer



Mistake # 12:

Forget about Termination

- ❖ Every new-hire is a future terminated employee...

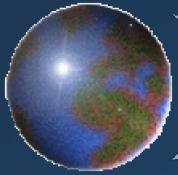


US – Israel: Apparent Similarity

- ✚ Apparent Similarity - Surface Level

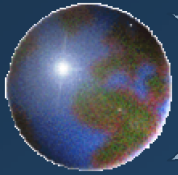
- ✚ Deep rooted differences

- ✚ It is easier to deal with a more “obvious dissimilarity”



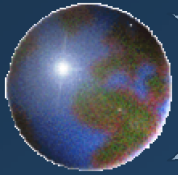
Israel – The Melting Pot

- ✚ 2,000 + 60 Years of Survival Mode (“Massada Myth”)
- ✚ “Living Outside the System”
- ✚ Self Selected Authority (“Choose Your Own Rabbi”, “We have all been at the Sinai Mou.”)
- ✚ Learning Methods Based on a Conflict
- ✚ Founding Fathers – Social Revolutionaries
- ✚ Frontier Mentality
- ✚ Integration by Conflict
- ✚ The Kibbutz and the Army



US – The American Dream

- ⊕ The “Mayflower Myth” (1621)
- ⊕ “The Sky is the Limit” – “Tomorrow the Sun will Shine Again”
- ⊕ 400 years of history
- ⊕ Founding Fathers – WASP
- ⊕ Integration by Keeping Low “Common Denominator”
- ⊕ The Sheriff – the Person who supervises land
- ⊕ Frontier Mentality
- ⊕ Integration by Inclusion
- ⊕ Individual Freedom



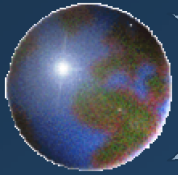
Individualism

ISRAEL

- ✚ Belonging to a Group
- ✚ Freedom to Express Opinions
- ✚ Collective is the Center of Society
- ✚ “I’ll Help You to Understand”

USA

- ✚ No Trespassing
- ✚ Privacy
- ✚ Private Property
- ✚ Private Interest
- ✚ Individual Rights
- ✚ Individual is the Center of Society
- ✚ Live and Let Live



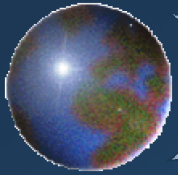
Responsibility

ISRAEL

- ✚ Group and Personal
- ✚ Welfare State System
- ✚ Team Achievement
- ✚ Collective Situation, We
- ✚ More Status-Equality
- ✚ Sharing Blame & Glory

USA

- ✚ Personal
- ✚ Self Reliance
- ✚ Individual Achievement
- ✚ Individual Success
- ✚ Competition
- ✚ Personal Accountability



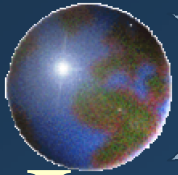
Self-Assertiveness

ISRAEL

- ✚ Open and Forceful
- ✚ Don't Like Mellowness
- ✚ "Trust Me"
- ✚ Vocal Debate, Confrontation-Bound
- ✚ Assertiveness - No Threat to Harmony
- ✚ Stubbornness Until a Consensus is reached

USA

- ✚ Mellow
- ✚ Skepticism
- ✚ Avoid Confrontation (Politeness)
- ✚ Assertiveness Perceived As Rude
- ✚ Resolution by majority or authority



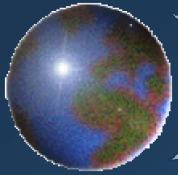
Interpersonal Relations

ISRAEL

- ⊕ Diffuse
- ⊕ Total Friendship
- ⊕ Friendship By Assignment
Strong Obligations
- ⊕ Sincerity
- ⊕ Don't take "No" For an Answer
- ⊕ Demanding Relationships
- ⊕ Admitting Weakness is OK

USA

- ⊕ Contractual
- ⊕ Compartmentalized Friendship
- ⊕ Choose Your Friends
- ⊕ Politeness
- ⊕ Can Say "No" in a Friendly Way
- ⊕ Non-Imposition
- ⊕ Avoid Showing Weakness



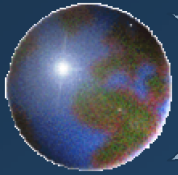
Interpersonal Relations (Cont)

ISRAEL

- ✚ Openness/bluntness
- ✚ Directness
- ✚ Rudeness “Glorified”
- ✚ Informal
- ✚ Stranger/Acquaint. Gap
- ✚ Meddling
- ✚ Conflicts Solved By Arguments

USA

- ✚ Reluctance to Criticize
- ✚ Sensitive to Criticism
- ✚ Tact
- ✚ Formal
- ✚ Respect/Trust Strangers
- ✚ Mind Your Own Business
- ✚ Conflicts Solved by Litigation



Association With Group

ISRAEL

✚ Primordial Belonging

✚ "Us And Them"

✚ Cement relationship → corporate

✚ Belonging Despite Doubts

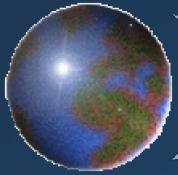
USA

✚ Join By Choice

✚ Vague Group Limits

✚ Easiness to corporate (trust)

✚ Can Leave Group At Any Time



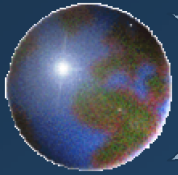
Relation to Authority

ISRAEL

- ✚ Low Power Distance
- ✚ Question Authority
- ✚ “Rules Are Created in Order to Change Them”
- ✚ Equality of Status
- ✚ Leadership By Role-Model
- ✚ “Socialism” – No Status, Natural Authority

USA

- ✚ High Power Distance
- ✚ Respect Authority
- ✚ “Rules exist in order to obey them”
- ✚ Equality Of Rights
- ✚ Leadership By Command
- ✚ Hierarchical System Works Well



Employee Relations

ISRAEL

✚ Loyalty to Company > Than Profession

✚ Familial

✚ Seeing the Whole Picture

✚ Cooperation Based on Companionship

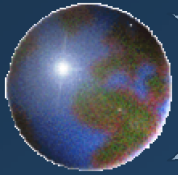
USA

✚ Loyalty to Profession > Than Company

✚ Contractual

✚ Excellence In Your Job

✚ Cooperation Based on Contract



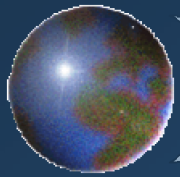
The Israeli Factor

✚ Pros:

- ☐ Creative
- ☐ State of the art technology
- ☐ Aggressive, "no prisoners", "fight to the last bullet"
- ☐ Winners

✚ Cons:

- ☐ Arrogant
- ☐ Stubborn
- ☐ Micro manager
- ☐ Suspicious
- ☐ "Cards close to the chest"



Israeli Expatriates in the US

✚ Pros:

- ❑ Knowledge transfer
- ❑ Internal communication
- ❑ Loyalty
- ❑ Resourcefulness
- ❑ "Spinning resistance"

✚ Cons:

- ❑ Cultural/language barriers
- ❑ External communication
- ❑ "Us and them"
- ❑ Cost