

## **Business Diplomacy Management: A Core Competency for Global Companies**

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**Executive Overview:** Global companies can improve their effectiveness by setting up a business diplomacy management function and by developing and utilizing competent business diplomacy managers. Global companies must succeed in the business they are in and at the same time show competence 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 and time, global companies might not be able to deal successfully with obstacles outside their direct sphere of control. Recent examples at the destruction of production equipment- such as the sabotage of Shell Oil's pipelines in Eastern Nigeria by dispossessed and oppressed minority tribes, or the persistence of nontariff trade barriers in Japan's telecom industry- such as Cable and Wireless's difficulties acquiring International Digital Communications against strong opposition by Japan's NTT Company.

Facing such challenges, global companies require business competencies in which most managers have no background or training. The competencies needed to deal with foreign country interests, multiple domestic and foreign pressure groups, or international conflict demand that global companies acquire organizational competency in business diplomacy management. This competency would build bridges between core businesses and the complex political environments within which global firms conduct business. In fact, many of the attributes of a business diplomacy manager are comparable to those of a political diplomat.