

# Deusto Meetings on Business Diplomacy

## BUSINESS DIPLOMACY AS A NEW VALUE LEVER

In recent years, the concept of **Business Diplomacy** has emerged strongly in the field of management. This new area of business activity helps to create the necessary conditions to be successful in foreign markets and to achieve organisational objectives in an international context.

Business Diplomacy means that both companies and their employees develop new activities that historically have been related to diplomatic bodies, since companies cannot always maximise the capabilities and resources of their governments or embassies.

Some of these new activities that both large companies and SMEs must undertake to support their globalisation strategy include:

- Create a network of contacts in the target market.
- Identify, know and manage the different stakeholders operating in these markets.
- Analyse geopolitical risk.
- Ongoing management of corporate reputation.
- Understand and take advantage of cultural and political differences across markets.

In the past decade, companies embarked on an extensive expansion into new markets, aimed at increasing both their turnover and diversification in their different business areas and activities. **They have since realised that their internationalisation strategy includes a number of key activities with room for improvement**, as they do not have enough tools, knowledge and skills to manage them properly at present.

These activities are not part of traditional business management, and they involve the relationship with foreign governments and public administrations, the interaction with deeply-rooted interest groups or with strong media influence at the target market, or the management of international geopolitical risk. All this takes place both in institutionally stable markets and in emerging and frontier markets.

**The inadequate management of these activities can lead to the emergence of a series of risks** that, should they materialise, would be a serious setback for a company's internationalisation strategy and business performance.

Prime among the risks are expropriation processes, sudden changes in legal or regulatory frameworks, conflicts between local political opponents, physical damage

to facilities or persons, corruption and anti-corruption legislation, theft of intellectual property and/or problems of an ethnic, religious or cultural nature.

**A skilful deployment and management of Business Diplomacy meets these challenges by improving a company's capacity to perform international operations,** as it helps to effectively achieve reputation management, enhance a strong network of relationships and contacts in foreign markets, and facilitate the opening of new geographical and business areas.

These **Meetings on Business Diplomacy**, hosted by the University of Deusto, mainly seek to offer a **global view of the concept of Business Diplomacy**, and provide business and organisational managers attending them with the **necessary tools and skills to improve the management of their international activities and implementations.**

## Calendar and Timetable of the Meetings

These meetings will be held next **14 and 28 May** at the CRAI Library of the University of Deusto in **Bilbao**. The timetable will be from **9.30 to 13:45**, as shown below:

### 1<sup>st</sup> Meeting – Wednesday, 14 May

#### Title: Diplomacy and Business

Introduction to the concept of Business Diplomacy and its relevance for business. Presentation on what diplomacy can offer business in an ever-changing world, where the type and intensity of geopolitical risks are increasing. Analysis of how business diplomacy can offer new aspects to non-commercial risk management. Integration of diplomatic strategies into a company's business operations.

9.30 – 9.40: Registration

9.40 – 10:00: Introduction to the Meetings

10:00 – 10:30: Talk by James Small (Business Diplomacy Consultant)

10:30 – 11:00: Talk by Shaun Riordan (Director of the project on Business Diplomacy at Cliengendael)

11:00 – 11.45: Discussion on the issues covered.

11.45 – 12:00: Coffee-break

12:00 – 12:30: Talk by Azlor (Tubacex)

12:30 – 13:00: Talk by Josu Ugarte (Mondragon International)

13:00 – 13.45: Group discussion and debate.

13:45 – 14:30: Buffet lunch / Networking

*\*Most presentations will be in English.*

### 2nd Meeting – Wednesday, 28 May

#### Title: Business Diplomacy in Action

The impact of geopolitical risks on a company's financial results. How to analyse and deal with non-commercial risks. Approach and analysis both of the risk of fraud and corruption and the impact of US and UK laws on our businesses. How to focus business diplomacy on SMEs.

9.30 – 9.40: Registration

9.40 – 10:00: Introduction to the Meetings

10:00 – 10:30: Talk by Raymond Saner (University of Basel) and Lichia Yiu (Co-founder and President of CSEND).

10.30 – 11:00: Talk by Jennifer Kestelyn (Ghent University)

11:00 – 11.45: Discussion on the issues covered.

11.45 – 12:00: Coffee-break

12:00 – 12.30: Talk by Christopher Nason (Director, Corporate Intelligence at PricewaterhouseCoopers).

12:30 – 13:45: Group discussion and debate.

13:45 – 14:30: Buffet lunch / Networking

*\*Most presentations will be in English.*

## Brief CV of the Speakers at the Meetings

### **James Small -Business Diplomacy Consultant**

James Small has a decade's experience working as a Business Diplomacy consultant, especially but not exclusively, in the mining sector. His first project as a consultant focused on the acquisition of environmental permits in Bulgaria, when he created an alliance between companies, the Canadian government, NATO and the EU. Since then, he has worked on projects in Armenia, Bulgaria, Congo, Turkey, Serbia and the EU. James created *The Atlantic Strategy Group* to promote Business Diplomacy in relation to the EU.

### **Shaun Riordan – Clingendael Institute**

Shaun Riordan is a Senior Visiting Fellow at the Institute of International Relations in the Netherlands (Clingendael Institute), and a Principal Analyst at Wikistrat (International Consultancy Firm on Geopolitical Analysis). At the Clingendael Institute, he leads the Business Diplomacy project and is a co-editor of a special issue on Business Diplomacy of the *Hague Journal of Diplomacy*. He is also an independent consultant on the analysis and management of geopolitical risk, and some of his clients include Anglo-American investment funds and Spanish and foreign companies. He has recently explored Business Diplomacy in China. He is the author of *The New Diplomacy* (2003), *Adios a la Diplomacia* (2005) and a co-author of *Futures for Diplomacy: Integrative Diplomacy in the 21st Century* (2012).

### **Anton Azlor – Tubacex**

Anton Azlor is a graduate in Economics and Business Administration from La Comercial Faculty at Deusto, and a former Managing Partner of KPMG Consulting. He is currently Vice-Chairman of Marketing and Sales at Tubacex, the second largest worldwide producer of seamless stainless steel tubes and one of the leading industrial companies in the Basque Country. In addition to his long professional career, Anton is a lecturer, coach and mentor on several programmes at the University of Deusto and in other institutions and organisations in the Basque Country.

### **Josu Ugarte – Mondragon Corporation**

Josu Ugarte is an economist from the University of the Basque Country. He has developed his professional career at Mondragón Corporation. He has worked in the international sphere for the last 17 years: He was an expatriate in Morocco for five years, he spent six months in London, four years in Poland and three in Paris. He has been Chairman of Mondragón International for the past 5 years and runs its nine offices worldwide (Brazil, Russia, India, China, Mexico, Chile, USA, Vietnam and Taiwan). He is an expert in the models of emerging nations, particularly the BRIC countries, with which the company he presides over has registered a 86% increase in sales in the last

four years. Josu is also a member of the Spain-China Council Foundation, the Spain-Russia Council Foundation, the Exporters' Association and the Executive Committee of the Guipúzcoa Chamber of Commerce.

### **Raymond Saner – University of Basel**

Raymond Saner is Professor of International Relations and International Management at the University of Basel, where he lectures on negotiation and conflict resolution at OMC. He also teaches on the Master's in Public Affairs at the Sciences Po University in Paris. He is Co-founder of CSEND (*Centre for Socio-Eco-Nomic Development*, a non-governmental centre for research and development based in Geneva) and Director of its *Diplomacy Dialogue* department.

Raymond has been a pioneer in the study of Business Diplomacy and is a consultant in this field for a number of international companies. He also lectures on Business Diplomacy at several universities and centres across Europe.

### **Lichia Yiu - CSEND**

Lichia Yiu is a Co-founder and President of CSEND (*Centre for Socio-Economic Development*). She has designed and developed platforms for institutional development to support public sector reforms in countries like China, Slovenia, Vietnam and Russia. Lichia has been Professor of Psychology at the China Cultural University in Taiwan, and she is currently Professor in the School of Business at the Chengchi National University in Taipei. Her current research focuses on Business Diplomacy, global leadership and the applications of the theory of chaos and the complexity of change in social systems.

### **Jennifer Kestelyn - Ghent University**

Jennifer Kestelyn is a Lecturer specialising in contemporary economic diplomacy at Ghent University. Her research focuses on economic and business diplomacy carried out both by governments and multinational companies, including historical aspects. She has recently analysed and worked on the role of the Chambers of Commerce in promoting diplomacy for SMEs.

### **Christopher Nason - PwC**

Christopher Nason is Director of Corporate Intelligence at PricewaterhouseCoopers. He has worked as a lawyer for fifteen years, advising his clients on how manage problems such as corruption, fraud and geopolitical risk. His current work focuses on performing studies and analysis for his clients in order to ensure compliance with anti-corruption legislation in USA and UK. Prior to joining PwC, he worked at Kroll, and was a Managing Partner of Stirling Assynt.