

Doing Business in Romania

Romanians have always been a resourceful people, even while under the weight of Communism. Well educated, ambitious, and eager to join the ranks of industrial nations, Romania has been on a 10 year path to growth and prosperity. Alongside this effort has been a great deal of opportunity for foreign businesses seeking a foothold in Eastern Europe. As Romanian inclusion into the European Union approaches, the quantity and quality of these opportunities is expected to substantially increase.

Romania has allied itself with the United States politically, including inviting the U.S. to place military bases inside its borders. Economically the country is entwined with Western Europe, doing a great deal of business with Italy, France and others.

Interestingly, while the country has politically and economically aligned itself with the West, it is still in many ways an Eastern European country with processes and bureaucracies reminiscent of the former Soviet bloc. While these can try the patience, they rarely get in the way of getting a deal done.

Understanding Romanians

Romanians view themselves as the French of Eastern Europe, with a slight sense of superiority and pride in their cultural and business acumen. Doubters of this view will be converted upon visiting the replica of the Arc de Triumph that stands at a central location in the capital city Bucharest.

This affiliation to the French also influences certain business sectors, for example, the Romanians are known as the “tailors of Western Europe” because of the density of textile companies manufacturing for French (and Italian) designers.

Romanian is a language close to Italian and there is historic evidence to suggest that the Romanians are decedents of the ancient Romans. Someone familiar with European habits would see a greater resemblance between the Romanians and Italians, rather than to the French. This includes being somewhat spontaneous in their decision making, and a willingness to take risks, without always evaluating the potential downside or its degree of certainty.

Paradoxically, despite the inclination toward spontaneity, the Romanians are extremely tough negotiators who are capable of placing great demand (and therefore great stress) on the negotiating process. The Western concept of win-win is not their primary objective, and they will be satisfied with a deal that leaves the other party with no motivation or purpose to implement.

Romanians are willing to acknowledge the legitimacy of third party information, so long as it does not contradict any long held or strong beliefs. They prefer facts that are objective, but process them through feelings that are, by definition, subjective. They are excellent at comprehending complex concepts and are able to maintain an analytical dialogue. There are, however, extreme variations in sophistication, based both on educational levels and whether their position was obtained via merit or is somehow a remnant of the former Communist party patronage system.

Conducting Business with Romanians

Most Romanians are not proficient enough in English to conduct negotiations. It is advisable to have an interpreter with you so that there is complete understanding of all positions being expressed and discussed.

The spontaneity of decision making notwithstanding, Romanians are very slow to establish business relationships and act on business opportunities. Some of this is due to very poor communication habits that lead to emails and telephone calls going unanswered. An additional reason is yet another holdover from the Communist era, when relationships were made carefully so as not to set off any displeasure on the part of the ruling elite.

Perhaps the key to communicating with Romanians is understanding that they very rarely will offer a direct response to a question – particularly if they are uncomfortable with their answer (as in saying no to a request or solicitation). Rather, they will tell a somewhat long and detailed story, the moral of which is most likely the answer to your question. It is up to you to understand their meaning.

Do's and Don'ts in Romania

In many ways Romania is still a traumatized nation and it has not psychologically or economically completely recovered from the incompetence and financial backwardness of the Communist era. It is therefore important that you do not bring up economic weaknesses or social problems (such as beggars and pickpockets). It is also important that you not discuss politics or religion, as both topics, once forbidden, make people extremely uncomfortable.

Romania is an emerging market that has the potential to be a leading market in Eastern Europe. The Romanians are an energetic, resourceful, talented people interested in doing business, even if at times they get in their own way. The patience required will most likely be rewarded in the attractive returns on investment well positioned investments will be able to extract.