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# Software

## Breaking the Code

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**Internet entrepreneur Isabel Maxwell is well experienced in dealing with communication issues between Israelis and their Silicon Valley counterparts. In this Part I of a two-part series, she presents her insights and offers concrete suggestions on how to close the communications gap.**

**A**s a recovering film-maker from the UK and California, I founded my first start-up in Berkeley, California in 1992 and began a long love affair with technology and communications that has lasted 13 years till this day here in Tel Aviv, an ocean and many lands away from the US.

For the last nine years I have been shuttling between America (California) and Israel, working between these two countries and cultures. I have lost count of the number of planes and hours of bleary-eyed travel that every investor and entrepreneur must endure if they have business between Silicon Valley and Israel. How we envy those who only have to undergo the New York leg!

But there is something special about the partnership between Silicon Valley and Israel that has only strengthened over the years, despite the inordinate difficulties with the economy, and the consequences of the Israeli-Palestinian conflict, to say nothing of the perennial culture gap and communication issues. Eric Benhamou, Chairman and CEO of Benhamou Global Ventures, venture philanthropist and long-time investor in Israel put it to me best: "In my experience, dealing with Israeli entrepreneurs over the past 25 years, I have been consistently impressed by their creativity and their persistence. The ideas that get presented to me are not simply remakes of Silicon Valley ideas. They are truly original. As to their commitment, drive and passion, I find that Israeli entrepreneurs just try harder. It is no surprise that they find favor among demanding US-based venture investors." And from the Israeli perspective, Chemi Peres, Managing Partner and founder of Pitango Venture Capital, confirms this: "...The landscape of the VC community in Israel is truly global, and it is the first time that top tier funds from the US are [actually] localizing operations."

I spend much time helping Israeli companies handle the demands of those very fund investors. While it is impossible to have control over geopolitical situations, it is possible to 'filter' between cultures and assist others to develop good communication between investors and companies, their target customers, and others.

For this article, I talked to many of my colleagues in Israel and the States. The good news is that all agree that the communications/culture

gap has narrowed from 15 years ago, but equally, all say that it clearly remains a large factor in determining the success of cross border business and communications. I will share their thoughts and my own as to what makes for good communications.

These can be summed up in the acronym "LLCC," which stands for Language, Listening, Consideration and Clarity. The combination of having strong [English] Language speaking, writing and reading skills; the ability to Listen; the capacity to be Considerate – of the person(s)/country whose culture you are communicating with, whether by phone, email or in person; and doing all of the above with Clarity – of thought and purpose, whether for a company or personal project – is what I believe defines successful communications.

Other country cultures create different views of how to approach business. For instance, China's codes of communication, according to Dan Star, energetic strategic investment manager of the Intel Israel Innovation Center in Israel, allow substantial leeway with the facts in negotiations, and this cultural business norm provides immense challenges for foreign companies trying to conduct business in China.

But whether you are an Israeli or American investor or entrepreneur, or a "Chuzaiin" (a Japanese businessman sent abroad by his company), or a Bangalore company providing development services for a Silicon Valley firm, I hope you will identify with some of the thinking here and perhaps find a few useful tips to help make your own personal communications more effective.

### **The sharing of English as a common language**

The roar of market expansion and globalization made possible by the Internet has put even greater emphasis on the need for investors and target company executives to take note of the many cultural differences that are misunderstood altogether or underestimated despite the sharing of English as the business *lingua franca*. I believe that the constant flow to and from Silicon Valley of Israeli businessmen and women has given a somewhat false impression that all Israelis speak perfect English, and that therefore they will feel at home in an Anglo milieu and vice versa.

Of course, most Israeli VCs and many CEOs are quite fluent in English and manage meetings and phone calls and emails well, but many first-time CEOs and founders of start-ups and a substantial percentage of vice presidents and project managers – the crucial 'middle tier' of



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customer-facing management – have relatively poor English language skills. The lack of a fluent understanding of English and unawareness of the subtle nuances of language and culture result in difficult communications and often lead to frustration and lack of trust between parties.

The language gap in communications between Israelis and Americans is palpable. When an American asks clarifying questions, "Could I ask you to say that again in your own words" or "Let me be sure that I understood you correctly... If I heard what you just said... It seems to me"..... he is not being slow or stupid. When an American disagrees with you, he may say something like, "How about we consider this from a customer-facing point of view." He will not come out with "Bullshit!" and begin arguing vehemently as to why he is right.

The irrepressible Yossi Vardi, founding investor and chairman of Mirabilis Ltd., the creator of ICQ, emailed me en route to Brazil to say, "What is regarded by Americans as politeness and "PC," is regarded by Israelis as hypocrisy and flattery. What is regarded by Israelis as honesty and openness may be regarded by Americans as rudeness and aggression. For example, when an American tells you "don't call us, we will call you," he doesn't specify when it will happen. When he tells you "very interesting" it usually means " ... but not to me "; when an Israeli is telling you that you are an idiot, he doesn't mean to insult you, he is merely trying to provide you with constructive medical diagnosis!"

We all smile at little things such as email bloopers that are the result of sheer lack of knowledge of English that Microsoft Word does not catch for obvious reasons. "Someone once wrote he wanted to be synchronized with the US team," said Shlomo Sapir, VP Sales at Lambda-DSS, a provider of nifty software for preventing data theft. "They wanted to be cool and wanted to stay 'in synch,' but it came out as "being in sink with the US team"! Also, he remembers how someone else wrote about "the great sailing activities" and of course he meant "selling"; and how one of his bosses wanted to "concur the battle" with a vendor – when he meant "conquer" ... Even when Israelis are not fighting in the army, it seems they are still fighting!

I think that one of the best long-term solutions to closing this language gap is to have country managers spend significant amounts of time abroad in the country they're supposed to manage. "There is no substitute for it," says Rami Kalish, also Managing Partner and founder of Pitango. Quite apart from the invaluable learning experience of being exposed to another business culture, it materially helps cement inter-company relations. Too often, Israeli companies feel cut off from key decisions and discussions that vitally affect their work lives and ability to contribute more effectively. To counteract this, says Allan Barkat, Head of Apex Partners in Israel, "Have as much face to face as possible and use video conferencing, not audio conferencing, whenever possible." Another solution is to provide real opportunities to as many customer-facing

personnel to better their English. When VCs are interested in a company, I would really encourage checking into the English capabilities of the deeper team and actually setting aside a small portion of the investment proceeds for mandatory business English and culture classes.

### **The ability to Listen**

One of the things I have noticed in business, as in life, is that people tend to be 'on full transmission' all the time, but that their 'receivers' are either turned way down or broken altogether... In other words, few people are really listening! David Rubin of Tech Capital agrees.

"I think that just raising the issue has a lot of merit. Everyone talks about immense cultural differences, but what do they really do about it? One of the most important practical ways to help is to listen. Listen to the words, how they are said, the spirit in which they are said and assume that if someone is saying it, he means what he says. If he says, 'change your plan,' don't start arguing with him about how good your plan is, he means, 'change it!'"

In Israel, as throughout the Middle East, conversation is positively Tower of Babel-like. Each one interrupts the other constantly and intensely and voices rise very rapidly. Trying to hear what is being said and sitting through even ten minutes of discussion between Israelis is quite a feat. Dan Dolberger, Director of Marketing at Earnix, a provider of optimization software to US and EU financial service providers, highly values his conversation learning experiences from his years of working in California and doing business with European customers. "Conversation there," he says, "is an orderly process where one person speaks and the other listens, and it enormously improves the quality of the exchange, especially in the initial phases of encounter."

Yuval Malinsky, principal in consulting company Stage 1 Strategies LLC of Boston and adviser to early stage healthcare and IT companies, always encourages his entrepreneurs this way: "Go and meet the customers and listen to what they have to say. Get their feedback, and then when you start selling in the US, your product will be what they want rather than what you think they want." Amir Lev, President of Commtouch Software, the email security company, observes that "Israelis tend to think that interrupting and forceful conversation shows that they care. To an American, it is just plain rude. Biting your tongue and listening really helps. A bit later on, when you know someone better, you can begin interrupting."

Dan Ciporin, the hugely successful American Chairman and former CEO of the Israeli company Shopping.com is very well placed to comment on communication issues between Israel and Silicon Valley. "...Some of it does come down to personality. I love the bluntness and practicality of Israelis, and I can 'filter' it to Americans when need be; however not everybody is in love with that same kind of bluntness."

A corollary to listening is to ask the right questions. When a company comes to me and asks me to introduce them to investors, I first ask them,

## The arts of communication

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"What makes you attractive to an investor? What is the problem you are solving? What are you really selling? What is your business model? What is your message?" It is a truism in the States, says Harald Horgen, CEO of The York Group, an International Business Development firm out of Boston, who travels several times a year to work with his Israel-based partners, "that in the US people don't buy a product, they buy a message, and this is the case whether the product is a

running shoe, a soft drink, or a piece of software...." ■ *to be continued*

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