

# **Topics to be Discussed**

**Global Clients Relationships**

**International Finance**

**Exchange Rate**

# How to Maintain Relationships with Your Global Clients

- ☐ Educate yourself
- ☐ Speak to people differently
- ☐ Talk to people differently
- ☐ Understand their time
- ☐ Understand their seasons
- ☐ Tailor their emails
- ☐ Give gifts they can use
- ☐ Tailor what they see

# How to Maintain Relationships with Your Global Clients

## ❑ Educate yourself

The most important thing to note is that cross-cultural communication is far more than knowing what the local holidays are and adjusting your spelling for location (though those things are important). What it really comes down to is being willing to listen and learn.

## ❑ Speak to people differently

Even if your customers speak English natively, you're going to have to speak (or write) to them differently if you want to really connect with them. This may involve adding or deleting letters (like "colour" instead of "color") but more importantly, you'll need to watch your slang and colloquialisms.

# How to Maintain Relationships with Your Global Clients

## ❑ Talk to people differently

You'll need to moderate not just your words, but also your tone of voice. Especially if you're naturally more boisterous or very reserved, you'll need to find a happy medium, since many people may perceive overt emotion as intimidating or gauche, or extreme reserve as cold and removed.

## ❑ Understand their time

Time zones: Live them, love them, post them on your wall, set different clocks on your phone, and then make sure that any applicable webinars, support or communication channels are available to overseas clients during their daytime hours.

# How to Maintain Relationships with Your Global Clients

## ❑ Understand their seasons

Consider this your friendly reminder that Christmas does not fall during the winter for many people—the whole Southern hemisphere, to be exact. Infusionsoft by Keap learned this lesson the hard way. We once held a promotion called Own Your Summer, which fell during summer in North America, but we promoted it to all our customers—which included our substantial base in Australia.

## ❑ Tailor their emails

If you use Infusionsoft by Keap, you can schedule emails for each contact's time zone instead of sending everyone the same email when it's 8 a.m. for you, but not necessarily for them.

# How to Maintain Relationships with Your Global Clients

## ❑ Give gifts they can use

If you're promoting a giveaway or prizes or meeting them in person and exchanging gifts, you need to consider what they can use. Food is a popular gift, but you'll also want to be super cognizant of customs and border control. Bottles of alcohol are often subject to limits and taxes, and most fresh foods like fruits, vegetables, cheese and more are often banned completely, whether you're sending the food via postal service or taking it on a plane with you.

## ❑ Tailor what they see

If you have products for sale online but certain products that aren't available globally, make sure that people entering your site no matter where they are only see the products they can actually buy and receive.

# International Finance

International Finance is an important part of financial economics. It mainly discusses the issues related with monetary interactions of at least two or more countries. International finance is concerned with subjects such as exchange rates of currencies, monetary systems of the world, foreign direct investment (FDI), and other important issues associated with international financial management.

# International Finance

Like international trade and business, international finance exists due to the fact that economic activities of businesses, governments, and organizations get affected by the existence of nations. It is a known fact that countries often borrow and lend from each other. In such trades, many countries use their own currencies. Therefore, we must understand how the currencies compare with each other. Moreover, we should also have a good understanding of how these goods are paid for and what is the determining factor of the prices that the currencies trade at.



# Importance of International Finance

❑ International finance is an important tool to find the exchange rates, compare inflation rates, get an idea about investing in international debt securities, ascertain the economic status of other countries and judge the foreign markets.

❑ Exchange rates are very important in international finance, as they let us determine the relative values of currencies. International finance helps in calculating these rates.

# Importance of International Finance

❑ Various economic factors help in making international investment decisions. Economic factors of economies help in determining whether or not investors' money is safe with foreign debt securities.

❑ Utilizing IFRS is an important factor for many stages of international finance. Financial statements made by the countries that have adopted IFRS are similar. It helps many countries to follow similar reporting systems.

# Importance of International Finance

- ❑ IFRS system, which is a part of international finance, also helps in saving money by following the rules of reporting on a single accounting standard.
- ❑ International finance has grown in stature due to globalization. It helps understand the basics of all international organizations and keeps the balance intact among them.

# Importance of International Finance

❑ An international finance system maintains peace among the nations. Without a solid finance measure, all nations would work for their self-interest. International finance helps in keeping that issue at bay.

❑ International finance organizations, such as IMF, the World Bank, etc., provide a mediators' role in managing international finance disputes.

# Exchange Rates

*Exchange rates* denote the number of units of one currency that must be given up for one unit of a second currency. For example, the direct exchange rate of one dollar in terms of the Bangladeshi Taka might be BDT 84, meaning that 84 taka are required to purchase one U.S. dollar.

# Types of exchange rate

**Nominal exchange rates** are established on currency financial markets called "forex markets", which are similar to stock exchange markets. Rates are usually established in continuous quotation, with newspaper reporting daily quotation (as average or finishing quotation in the trade day on a specific market). Central bank may also fix the nominal exchange rate.

# Types of exchange rate

**Real exchange rates** are nominal rate corrected somehow by inflation measures. For instance, if a country A has an inflation rate of 10%, country B an inflation of 5%, and no changes in the nominal exchange rate took place, then country A has now a currency whose real value is  $10\% - 5\% = 5\%$  higher than before. In fact, higher prices mean an appreciation of the real exchange rate, other things equal.

# Exchange Rates





# Factors Affecting in supply and demand of Exchange Rates

- ✓ Government policies
- ✓ Supply and demand conditions for commodities in the two countries
- ✓ Income levels in the two countries
- ✓ Interest rates in the two countries
- ✓ The perceived risk of engaging in trade with the two countries.

# Determinants of Exchange Rates

## 1. Differentials in Inflation

Typically, a country with a consistently lower inflation rate exhibits a rising currency value, as its purchasing power increases relative to other currencies.

## 2. Differentials in Interest Rates

Interest rates, inflation, and exchange rates are all highly correlated. By manipulating interest rates, central banks exert influence over both inflation and exchange rates, and changing interest rates impact inflation and currency values.

# Determinants of Exchange Rates

## 3. Current Account Deficits

The current account is the balance of trade between a country and its trading partners, reflecting all payments between countries for goods, services, interest, and dividends.

## 4. Public Debt

Countries will engage in large-scale deficit financing to pay for public sector projects and governmental funding. While such activity stimulates the domestic economy, nations with large public deficits and debts are less attractive to foreign investors.

## 5. Terms of Trade

A ratio comparing export prices to import prices, the terms of trade is related to current accounts and the balance of payments.

# Calculate Exchange Rates

- ☐ Estimate the amount of money you wish to exchange.
- ☐ Look up the exchange rate of the currency to which you wish to convert
- ☐ Calculate how much money you'll have after the exchange.
- ☐ Check for an up-to-date conversion rate online.
- ☐ Contact the government for accurate exchange rates.
- ☐ Google the conversion you want to know.
- ☐ Ask your bank.
- ☐ Use a currency exchange service.
- ☐ Use an ATM in a foreign country.