

**PRELIMINARY REPORT**

## Managing Across Distance in Today's Economic Climate: *The Value of Face-to-Face Communications*

**WHILE BUSINESS TRAVEL BUDGETS HAVE TIGHTENED** during the economic downturn, global business executives surveyed say face-to-face meetings remain a crucial part of selling new business as well as building key partnerships.

In a global survey of 2,211 *Harvard Business Review* subscribers, conducted by Harvard Business Review Analytic Services, 79% view in-person meetings as a highly effective way to meet new clients to sell business. Eighty-seven percent agree such face-to-face meetings are essential for “sealing the deal,” and virtually all (95%) agree that face-to-face meetings are key to success in building long-term relationships.

More than half (52%) of those surveyed said restrictions on the numbers of flights they take for business would hurt their business. And, more than two-thirds (69%) reported a reduction in their travel budgets over the last six months. Most reported their companies have instituted business travel restrictions including limitations on frequency of travel (57%), on cost of airline tickets (57%) and accommodations (51%).

Across the board, face-to-face meetings were seen as the most effective method for conducting business with key stakeholders, compared with videoconferences, teleconferences, and webinars.

Specifically, face-to-face meetings are seen as most effective for:

- Negotiations on important contracts (82%)
- Interviewing senior staff for key positions (81%)
- Understanding and listening to important customers (69%)

Attitudes about face-to-face meetings underscore the pivotal role they play not only in successful business relationships but also in bridging cultural gaps: 86% agree that in-person meetings are helpful when negotiating with business people from different language and cultural backgrounds.

The majority of participants in the study (70%) represent companies that operate in multiple countries. More than two-thirds (68%) reported they make their own decisions to travel.

*Note: Data reflects preliminary results; full report will be published in August 2009*