



# Succeeding in China:

On Thursday 16 June 2016, 31 business practitioners and specialists met at the University of Edinburgh Business School to share their experience of succeeding in China. Simon Harris (University of Edinburgh) and Margaret Fletcher (University of Glasgow) first led a discussion with **Ivor Tiefenbrun**, founder and Chairman of Linn Products, and **Giles Blackburne**, of the China-Britain Business Council: see the youtube:

<https://www.youtube.com/watch?v=E-oOkb6-MOc>. The practitioners and specialists then shared their top tips for succeeding in China.

## What businesses need to know

- A Gain an awareness of what you don't know, For example**
  - How Confucian culture affects everything.
  - Who you should be speaking to before you start.
  - What appeals to Chinese people?
  - How Chinese People do business (negotiates, contracts, etc.).
- B Establish your USP in the specific sector in the part of China**
  - How do they relate to Chinese needs?
  - How will brand attributes be received there?
  - Who do you need to speak to – Who has the power?
- C Know the China business basics. For example**
  - Know when a contract is not a contract, and what that means.
  - Know if you're relationship developing or if you're negotiating.
  - Know how to negotiate, for example, when to mention price.
  - Know the basics of legislation in China.
  - Know whether a written agreement is worth anything at all.
  - Know how trading relationships work in China.



## D. Know your Market

- Is there a need for your product in China and will it appeal?
- What is the specific market size, opportunity and geography?
- Who are the customers, really?
- Get the product certifications and know the legal requirements.
- See how others have broken into the sector, know their pathways.

# Overcoming the difficulties in finding it all out

## A. What are the difficulties?

- Language.
- So much is not written down.
- Discriminating reliable from duff information.
- Understanding the Chinese internet.
- Identifying who can support and help.
- Understanding how to build Guanxi.

## B. How you overcome them

- Find people who have done it before.
- Form relationships who can advise and give unwritten information.
- Use Chinese students who are here in the UK.
- Do your homework and use it to make connections.
- Find out what others in your sector are doing and copy them.
- Develop a Guanxi Strategy.
- Learn practices and etiquette, eg. Gifts and greetings.
- Team up and collaborate.



## Who specifically to get to know

### A In the UK

- CBBC; SDI; UKTI, Local Councils, Trade Associations.
- Chambers of Commerce; Confucius Institutes.
- Businesses in your sector with good or bad China experience.
- Chinese businesses operating in the UK.
- Chinese students here in the UK.
- UK Trade/Social/Professional networks for useful links & leads.

### B. In China

- Agencies can help (CBBC, SDI etc.)
- Contact businesses directly.
- Chinese government agencies.

## Making contacts into good relationships

### A. Making initial contacts

- Trade Fairs
- Use existing connections and business networks to introduce and recommend you
- Industry specific forums
- Do your homework before travelling to meet people
- Join forums for sharing experience

### B. Developing good relationships

- Etiquette – know how to show politeness and respect
- Understanding how Chinese hierarchy works.
- Avoid directness that may cause offence or loss of ‘face’.
- All relationships take perseverance: be there for the long term.
- Find mutual benefit and value.
- Show openness and honesty.
- Interact in many ways – socially, social media and directly.



## Tips for business advisers

- Be visible and easy to navigate.
- Firms have very different needs in varied types of support.
- Clearly challenge firms to set realistic expectations based on knowledge and homework before travelling.
- Caution firms not to over commit before learning sufficiently, to avoid huge losses.
- Ensure firms have budgeted the required resources.
- Indicate the real opportunities and how these may not be the political statements of intent.

---

This event was hosted by University of Edinburgh Business School and Adam Smith Business School at the University of Glasgow in collaboration with Manchester Metropolitan University (MMU) and the Institute of Small Business and Entrepreneurship (ISBE).

