



GALA: The Globalization and Localization Association

Getting China Straight

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Today in 2005, how many people in the world can go a day without using a product 'Made in China'? Although the answer is not yet "none", it soon will be. Whether people know it or not, the Chinese tide is already lapping at our feet. Yet most people remain ignorant of what it stands for.

I have worked for the past eight years with many Chinese companies and translators, having founded and run a company that provides Asian Language translation services. I recently rang in the New Year in China with 30 employees from my successful local office there. So I am glad to share with my fellow GALA members a few lessons learned about doing business in China in the hope it will be helpful to them.

1. Don't just think of China as a poor country.

This is true not only for China but also for many developing countries. One could make the case that a Chinese wage earner making US \$300 per month is relatively better off than an American earning US \$3000 per month. With that salary, the Chinese worker can enjoy a good quality of life while saving almost 50% of his pay. He can eat out almost every night and watch new movies every week. As long as you hold on to the notion that you're richer, happier, or better than the average Chinese salaried man simply because Western per capita income is greater, you will be unable to develop the mutual respect needed to do business in China.

2. Learn about *Quanxi*, or relationships.

As in other Asian countries, relationships are very important in China, sometimes more so than regulations or the law. This means that even if you prepare everything according to the rules, you may be unable to get a business permit. But if you have the right relationships with right people, you do not need to worry because those contacts will make sure everything is prepared according to the regulations. Rather than simply dismissing this as sign of "corruption," you need to understand that that this way of doing business is a long and successful history. The Chinese people value relationships, experience and tradition more than numbers, systems or regulations. For example, if you hire your friend's son as your accountant, that son cannot afford to act deceitfully as an employee because he knows that doing so will affect his father's relationship with you. Chinese business people have developed these kinds of "relationships" for the last 5,000 years and the loss of money or a job is far less serious than losing a relationship. This high-minded view of relationships is found not only in business but also in every aspect of life, careers, marriage, and friends and family. This makes it less risky to depend on the long-standing tradition of *Quanxi* than to depend on changing regulations or laws. So don't be surprised if your Chinese counterparts do not speak a word about your impending business contract and want to go out for a drink with you every night. Be aware that they are building a "relationship" before they can decide on a business matter. Remember that the Great Wall wasn't built in a day.

3. Learn the language and culture.

Before saying "That's easier said than done!" please understand that I do not ask you to attend language classes for six months or read a pile of history books. Simply carry a small phrasebook with you and read it on the airplane. You will be surprised how your attempts at a few basic phrases, such as *Se Se* (Thank you), *Zai Zhen* (See you again), or *Ni How* (How are you), can completely change the mood of a meeting. At my first dinner meeting with my 30 new employees, I ate 2-inch thick butterfly pupae. That set the tone for our meeting and changed their attitude toward me.

4. Gifts are nice, but...

In China, gift-giving can work very well in building a relationship. But there's a catch. You should know that the gift will be measured against gift customs, which exist on a very large scale. For example, when a colleague gets married, it is customary to give between a quarter and a third of your monthly salary as a gift. If the person is a close friend, you may be expected to give one month's salary. So, when giving a gift, you must be very generous. In China, business is very much about give and take.

5. China is not one-dimensional; Keep learning!

My final piece of advice is to not depend too much on my advice at all. It is impossible to characterize 1.3 billion people and 5,000 years of cultural development in a few pages. There is so much diversity! For example, did you know more than 10 thousand Chinese are Arabic speakers? And people in Shanghai are very different to those from Beijing. This brings me to my number one golden rule: As long as you respect others and are open-minded, don't worry and feel free to speak your mind. You will always find that you share something, and that words spoken from the heart will always reach the heart.

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