

Peter Eales

June 11th sees enthusiastic crowds cheering on racers participating in dragon boat festivals everywhere from Italy to Washington. But the dragon boat festival is more than an athletic event. It is the third largest festival in the Chinese calendar, taking place on the

5th day of the 5th month of the Chinese lunar calendar (June 11, 2005). It celebrates statesman and China's first known poet Qu Yuan who lived during the Warring States period (481 - 221 BC), when larger, powerful states were trying to consolidate power.

Dragons, snake soup and electronics in China

It is just one example of the ever-present history surrounding you on a trip to China, or, as is increasingly the case, when working in China.

'Your snake soup, sir?'

We were having dinner with a large Chinese company. The president of an American supplier of theirs was asked what he would like to eat. He replied, "Oh just a snack please". He was very surprised a few minutes later to see the waiter come back to the table with a live snake in a bag asking him if that one was OK to cook for him. A nightmare?

At oisolutions, we work transforming dreams of expansion in the Far East into a reality, using our experiences and successes there to help businesses.

How do you turn "if only" into a reality. We have a Four Step process. Focus is so important and the ability to have a plan to 1. Achieve 2. Preserve 3. Avoid and 4. Eliminate.



The Dragon Boat Festival

Appearances deceive

On another trip, involving a long journey to the outskirts of Beijing we arrived at the very shabby looking offices of a potential new partner. As we walked down a long dark corridor with tatty carpet on the floor, we started to think that it was a mistake coming to see them. We waited in a very untidy office with piles of paper and old PC's stacked everywhere. My colleague, looking down despondently at the desk he was sitting at, noticed an invoice from HP China for the equivalent of \$120,000.

At that moment we realised that this company had good customers and could be a very valuable partner - appearances can be deceptive in China!

It's why I admire the strategy of China's Lenovo Group for its purchase of IBM's PC division. They are so focussed.

They have created a PC giant that can compete globally with Dell and Hewlett-Packard. The US\$1.75 billion deal has made it the world's third-largest PC maker and should bring it to the rest of the world, having been marketing to China only previously.

Our chairman, Alan Clements CBE, was Worldwide Finance director for ICI and chairman for a number of large companies. Alan says: "Just "striking the deal" has

always been a challenge and continues to be, with these charming and astute business people!

Our team here at o i solutions who work in China have developed the skills to work effectively in this environment."

We'd better get used to this new Chinese presence. Latest estimates place China's economy as the world's largest by 2041. It will be centre of Asian political and economic power with global influence - politically and economically. The Olympics 2008 and Shanghai Expo 2010 are two stepping-stones in this fabulous explosion of energy.

We have chosen to experience this amazing country. We have learnt that doing business in China is about social rules as much as anything. Hence Guanxi - "connections, relationships" are important to cultivate and maintain.

My advice is don't be afraid of being foreign, but pay attention to manners. Put time into social occasions and don't fill the silences, especially in negotiations. And of course...negotiation never stops, even after the contract is signed. Our advice as practitioners: play hardball, but courteously!

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