



“Business Schmoozing the Chinese”



March 2009 - Beijing



Table of Contents

- Protocol and the Larger Picture
- Ten tips for doing business in China
- Meeting and Greeting People
- The Chinese Banquet
- The Business Meeting
- Gifts & Misc
- ACO Team



Protocol and the Larger Picture



- Greater China: Mainland, Taiwan ,
Hong Kong; North / South etc
- Wheat is staple in North, and rice in
South
- The Advantages of Understanding
Chinese Ways

Map of China



Islands of South China Sea



Distribution is a big challenge

- Tier 1- Beijing/ Shanghai/ Guangzhou
- Tier 2- Tianjin/ Hangzhou / Qingdao /Dalian
- Tier 3 – Wuhan/ Shenyang/ Harbin





China is China

- No time zone
- No heat in South (Qinling Mountain and Huaihe River)
- No Debate



You will always be “forgiven” if you made a honorable mistake, because you are a foreigner.



Stereotyping:

- China is so diverse that one cannot apply a label to everyone. These examples are just meant to be guidelines.
- Learn to use different “HATS” for different occasions
- Different regions, Different phases (i.e. Post Olympics)



Four Points on Getting in Touch

1. The Chinese dislike doing business with strangers; it's helpful to be introduced properly by an intermediary known to both sides
2. Alternatively, if you make an independent initial approach, you should provide as much information as possible about your company and what you hope to accomplish, preferably in Chinese.



Four Points on Getting in Touch

3. Business relationships are institutional in nature and are not necessarily predicated on close personal ties. It's always a good idea to cultivate personal friends in the bureaucracy, however.
4. A host organization is sometimes a helpful thing to have when one visits China. Such organizations should be selected carefully, since your ability to get things accomplished in China often depends on the amount of clout they have in the bureaucracy



Ten tips for doing business in China

When doing business in China, the ability to navigate cross-cultural issues is just as important as the goods and services you bring to the marketplace. Mia Doucet, author of the award-winning book *China in Motion*, prepared the following tips for *CanadExport* to help Canadian companies avoid costly mistakes.



- **Tip #1:** Never underestimate the importance of existing connections. You need to be dealing with a Chinese person of influence. If that person feels you are trustworthy enough, and if they can get their network of contacts to trust you, there is a chance you will succeed. Asians want to do business with people they trust. But there is no real trust unless a person is in their circle. At first, they don't know if you will be a good partner. Show respect by keeping some distance. Focus on building the relationship before talking business. Do not go for big profit on your first contract.
- **Tip #2:** Protect intellectual property, use the same due diligence you would in the West.



- **Tip #3:** Never pressure your Asian colleagues for a decision. To speed up the decision process, slow down. Start from the beginning and work through to a solution in a logical, step-by-step fashion. Then stand your ground.
- **Tip #4:** The negotiation process will be anything but smooth. Your best strategy is a walk away mentality. You have to go in trying not to make the deal. Explain your position in clear, concise words. State your terms clearly. Respectfully. Then be prepared to walk away if your terms are not met.
- **Tip #5:** Respect face. Never argue or voice a difference of opinion with anyone—even a member of your own team. Never make the other person wrong. Never say "no" directly, as that is considered rude and arrogant.



- **Tip #6:** Account for the fact that most Asians understand less spoken English than we think they do. The easiest thing in the world is for a Chinese to say yes. Their smiles and nods have more to do with saving face than getting your meaning. Talk in short sentences. Listen more than you speak. Pause between sentences. Find four or five easy ways to say the same thing. Never ask a question that can be answered with a simple yes. Avoid all slang. Skip humour altogether.
- **Tip #7:** Manage the way you present written information. Document everything in writing and in precise detail. Present your ideas in stages. Write clearly, using plain English text. In order to appeal to Asian visual bias, use sketches, charts and diagrams.



- **Tip #8:** Prepare for every interaction. Do not count on your ability to wing it. A lack of preparedness can cause loss of face and trust. Do not give or expect to receive partial answers from your Chinese colleagues, as that is considered offensive.
- **Tip #9:** Make sure your facts are 100% accurate in every detail, or you will lose credibility. Do not present an idea or theory that has not been fully researched, proven, or studied beforehand. If you make a mistake, you are not to be trusted.
- **Tip #10:** Everyone on your team needs to know how to avoid costly gaffes.
Most of us are not by nature sensitive to the differences in culture—we have to be taught. Time-honoured passive resistance could bring your company to its knees. It makes sense to teach people the cross-cultural factors that have a direct impact on your profits.



Meeting and Greeting People



- Breaking the ice
- J.V.
- Commonly used titles in Chinese
- Some useful phrases
- On the telephone
- Five reminders on meeting and greeting



Breaking the Ice

- Don't be surprised if even in an initial encounter you are asked a question or two you deem to be very personal—cultural standards differ here.
- Small Talk – bring up recent news that is non-political, e.g. Olympics.



J.V. :Same Bed-Different Dreams

Tong Chuang Yi Meng

同床异梦

- The past experience of J.V. partners may not be that useful – experience is historical and China is changing rapidly
- Spending half the time managing J.V.
- As with a marriage – you must be lucky enough to have the right partners



Commonly used titles in Chinese

Personal Titles

Mr.

Xiansheng 先生

Miss

Xiaojie 小姐

Ms.

Nüshi 女士

Madame

Furen; Taitai 夫人 ; 太太

- *Really Depends*

* *When speaking Chinese, the surname precedes the title. So, for example, Bureau Director Liu would be rendered as Liu Jüzhang.*



Commonly used titles in Chinese

Government Titles

President	Zhuxi 主席
Premier	Zongli 总理
Vice Premier	Fuzongli 副总理
Chairman	Zhuxi 主席
Party Secretary	Shuji 书记
Minister	Buzhang 部长
Bureau Director	Jüzhang 局长
Division Director	Chuzhang 处长
Governor	Shengzhang 省长
Mayor	Shizhang 市长
Vice Mayor	Fu Shizhang 副市长



Commonly used titles in Chinese

Corporate Title

Chairman of the
Board

Dongshizhang 董事长

President

Zongcai 总裁

Managing Director

Zongjingli 总经理

Manager

Jingli 经理

Factory Head

Changzhang 厂长

Vice / Deputy ...

Fu 副



Five reminders on meeting and greeting

- Names are very important to the Chinese
- Chinese surnames come first, not last.
(When in doubt for correspondence, use the full name only)
- Drop the “deputy” in any officials title.
- Formal welcoming parties are sent to airport by the Chinese to meet important delegations, try to reciprocate
- Pictures may be useful





Some Useful Phrases



Thank You - Xie Xie –谢谢



Hello/How are you? – Ni Hao –你好



Tastes Good - Hao Chi –好吃



Ok – Hao – 好



No – Bu Xing –不行



On the telephone

- Chinese telephone etiquette has improved in the last several years, especially in the larger cities and in the more prestigious organizations, but still often leaves a good deal to be desired. You may be left hanging for several minutes while someone tries to find the person you are calling, for example, but don't expect to be kept apprised of what is going on.
- Voice mail is not commonly used





The Chinese Banquet



- Chopsticks
- Eating
- Seating
- Paying the bill



Chopsticks:

- Knife and fork is OK
- Don't play with them
- Don't stick in bowl
- Don't point them



Eating

When you are guest:

- don't start eating first
- leave the food on plate if you don't like it
- don't drink alone; always toast when drinking liquor
- all or nothing (drinking, especially in NE)
- don't pick at the dishes



Eating

When you are host:

- reconfirm
- arrive early
- seating plan
- Identify the main guest
- Gifts?



Seating

- Meeting: opposite sides / interpreter is beside or behind
- Eating: at right of host
- #2 is opposite host
- Wait: Never sit down first





Paying the Bill

- Splitting the bill, “Going Dutch”, “AA” is not common unless you have a close relationship.
- Being invited to Chinese home for dinner is also not common.





The Business Meeting



- Meeting
- Guanxi
- Mianzi - Face



Meeting

- Always wait till host finishes introductions and opening remarks
- Address Chinese by title, never by Chinese first names
- Business cards: two hands please
- Business profile should be prepared
- Simplified Mandarin and Traditional: 国/國



Guanxi -Relationship



Big Question:

how much Guanxi is needed
and how far to go?



Mianzi – Face

- Saving, Giving, Losing
- Chinese are task oriented rather than results oriented? –
More so with govt
- Using colleagues for initial or negotiating meetings
- Paying the restaurant bill (in Canada)
- Are you married? How old are you: Tell, Guess or
NOYB?
- Yes is not always yes



Gifts & Misc

Gifts:

- From Canada: Ice Wine
- Try practical gifts:
Vitamins, Organic Foods
- Open gifts:

Misc:

- Fruit is a good touch for Chinese visitors
- Try to personally greet at Airport, arrival/departure



Sources

- *“Culture Shock”* by Betty Wei and Elizabeth Li
- *“Business Etiquette- A guide to Protocol, Manners and Culture in the People’s Republic of China”* by Scott D. Seligman
- *“Bamboo Goalposts – One man’s quest to teach the people’s republic of China to love football”* by Rowan Simons
- Colleagues at ACO
- Alberta companies in China



Alberta China Office (ACO)

Mr. David Wong

Managing Director

Canadian Embassy – Alberta China Office

19 Dongzhimenwai Dajie

Chaoyang District, Beijing

China 100600

Tel: (86-10) 5139 4272

Fax: (86-10) 5139 4465

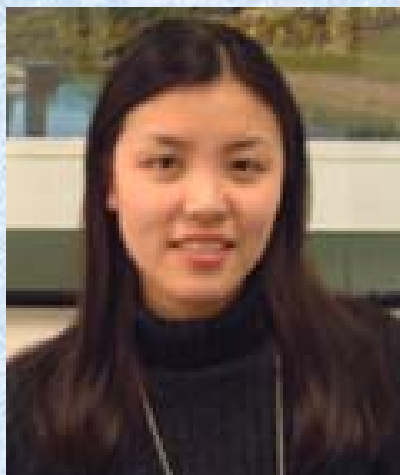
Email: david.wong@international.gc.ca

Website: <http://www.albertachina.com>



Our ACO Team

Jessica



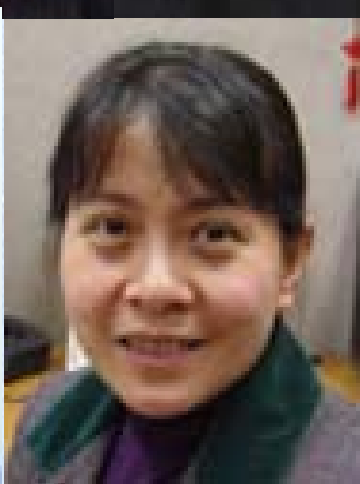
David



Vivian



Ken



Jenny



Sophia



Jackie



CAPC: CNPC-Alberta Petroleum Centre

Mr. Angelo Zia

Managing Director

2nd Floor, Science & Technology

Bldg. No. 20 Xue Yuan Road

Haidian District, Beijing

China 100083

Tel: (86-10) 6209-8533

Fax: (86-10) 6209-8529

Email: info@capcbj.com.cn

Website: www.capcbj.com



Alberta Hong Kong Office

Mr. Joseph So

Managing Director

Room 1004, Tower Two,

Admiralty Centre, 18 Harcourt Road

Hong Kong

Tel: (852) 2528-4729

Fax: (852) 2529-8115

Email: gov.ab@alberta.org.hk

Website: <http://www.alberta.org.hk>

Alberta China Office

艾伯塔省中国办事处



Alberta Trade Representative Office in Taipei

Ms. Li-An Chen

Representative

13th floor, 365 Fu Hsing North Road

Taipei, 10483, Taiwan

Tel: (886-2) 2715-3637

Fax: (886-2) 2715-1717

Email: Lian.chen@international.gc.ca



Thank You !

谢谢

Xie Xie