



Tips for Doing Business in China *China Trade Mission*

Dress to impress

Appearances and first impressions are important in Chinese business culture. Dressing conservatively and wearing high quality clothing will help to indicate both status and modesty. Men should wear suits and ties.

Entrance

Enter rooms in order of seniority. You should actively demonstrate great respect to the leader of the Chinese delegation. The person with the highest rank of your team should introduce the rest of the group.

Introductions

Handshakes in China are not as firm as in the West -- expect it to be soft and short. And keep the eye contact brief. Too much eye contact can be interpreted as a challenge.

Business Cards

When the time comes, present your card with two hands. Receive a card with two hands, study it briefly and place it into a business card holder — never your wallet or pocket. In China, business cards are treated as extensions of the person, so treat any business card you receive with great respect.

Don't Point

It's considered rude in China to point with your finger. Instead, point with an open hand or, if possible, make eye contact and get someone's attention without using your hands at all.

Don't expect a yes or no

When you ask a question, you often get the answer, "Let's see how things go." It can be frustrating to ask someone to do something and not get a firm commitment. However, if you try to pressure them for an answer, they probably won't meet you again.

Small talk first, big deal later

The Chinese seldom start discussing business right off the bat, preferring instead to get to know more about their business associates first. Don't take offence if conversation topics quickly become rather

personal: the Chinese definition of small talk often includes questions on one's age or marital status or even salary. However, avoid questions that could negatively reflect someone's financial or social status.

WeChat is the default communication platform for everyone in China, including business people

Developed by Tencent in 2011 and with over 700 million users worldwide, WeChat is now the most important social network platform in China. 846 million are using the service to chat and share with friends, read news, play games, track their fitness goals, make voice and video calls, shop online, and pay for meals. Increasingly used for business communication, WeChat has become an essential way for foreign small and medium sized businesses to interact with partners, stakeholders and customers in China.

For simple instructions on how to set up an account and use WeChat, read the following:

<https://blog.hootsuite.com/wechat-marketing/>

<https://www.dragonsocial.net/blog/beginner-guide-wechat-for-business/>

No company in China is disconnected from politics

In China, governmental agencies have their hands in everything. However, in many cases, local bureaucrats may be more prominent than the central Chinese authority. Accordingly, it's crucial to study the political landscape of the area where you will be operating and learn how to navigate the unique mix of centralization and decentralization that is present throughout the economy.

Hire local partners and learn from them

You're far more likely to be successful if you rely on local partners who can guide you through the cultural and logistical hurdles that await you. This is especially true in China, where local values and systems are still largely misunderstood by most casual Western observers.

Find a skilled translator who can attend every meeting with you, and pay close attention to the advice given by your trusted local staff. These people will often be the difference between your making an unforgivable faux pas and successfully navigating the complex world of Chinese business.

The power of guanxi

The concept of *guanxi* is central to the Chinese culture. The closest English translation of the word is "relationships." At its core, *guanxi* points to the importance of building a strong network within the business community. The Chinese have high regard for relationships built outside business meetings and boardrooms, so it takes significant patience and effort to nurture *guanxi*. Once established, it builds personal trust and helps open the door to potential business opportunities.

Western leaders tend to prioritize getting down to business as quickly as possible. There's little patience for small talk. In China, business partnerships tend to last a long time, so they are based on carefully cultivated relationships with people who are known and trusted. Commerce is based on the deep

mutual respect that develops slowly. Fulfill your promises. Do what you say you're going to do. This builds trust and strengthens the all-important relationships between people.

Relationships all revolve around negotiation

Life in China is seen on the street. When you go to Beijing, Shanghai, or any big city in the country, you will find markets everywhere. You will find people trying to sell you something. From a very young age, Chinese people are accustomed to bargaining.

The Chinese live in a world of negotiation. The minute you walk out of your door, you are surrounded by a bargaining culture. The entire process becomes second nature because you see it every day.

Safeguard one's reputation

Reputation is of utmost importance in China. *Mianzi*, or face, must always be respected and protected, so avoid any situation that might result in a 'loss of face' causing them to feel embarrassed. Gaining a better understanding of China's local customs and business culture can help foreign businesses eliminate potential misunderstandings, which might otherwise break lucrative deals and damage working relationships.

Meetings don't often happen around a boardroom table

The Chinese often prefer frequent and lengthy meetings to build trust before signing contracts. Most business in China isn't even done in the boardroom. Expect long lunches and dinners featuring courses you may not be familiar with. Make sure you try everything. It may be considered rude if you don't. At the table, many Chinese businessmen will smoke many cigarettes and consume large amounts of alcohol. Once you start imbibing, your fellow diners likely will expect you to keep pace with them.

Gifts are extremely common and expected. Most Chinese don't count receiving gifts for favours as corruption – it's simply part of showing respect.

Collaborate with long-term goals in mind

Although Chinese policy shifts may cause tectonic effects, one virtue of the system is that big plans don't switch with each election cycle. Planners don't just aim for results within four years, but are able to set goals for ten years and beyond for infrastructure, educational reforms or technological development. Chinese organizations learn to think with long timeframes.

Things are slow to get going, but once they do, they move fast

Negotiating with and gaining the trust of a Chinese company can take a long time. But once you agree on terms, they expect to start right away, and they want instant results. Also, contracts seem relatively unimportant because many businesses may try to renegotiate them at any time.

Resources

Understanding the Chinese Cultural Context

Sarah Kutulakos Executive Director – Canada China Business Council

<https://youtu.be/KvSm1rpO1gg>

The Chinese Form of Innovation

Clay Shirky – Professor of Journalism and Interactive Telecommunications, New York University

https://youtu.be/2Wm_Lew0kME

A Guide to Doing Business in China

King & Wood Mallesons

<http://www.kwm.com/en/knowledge/downloads/doing-business-in-china-20170801>

Power List: 10 Must-Know Execs for Doing Business in the China

Hollywood Reporter

<https://www.hollywoodreporter.com/lists/china-power-list-10-know-execs-doing-business-middle-kingdom-1062223/item/pony-ma-10-know-chinese-execs-2017-1062204>