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Forming Successful Business RELATIONSHIPS in China

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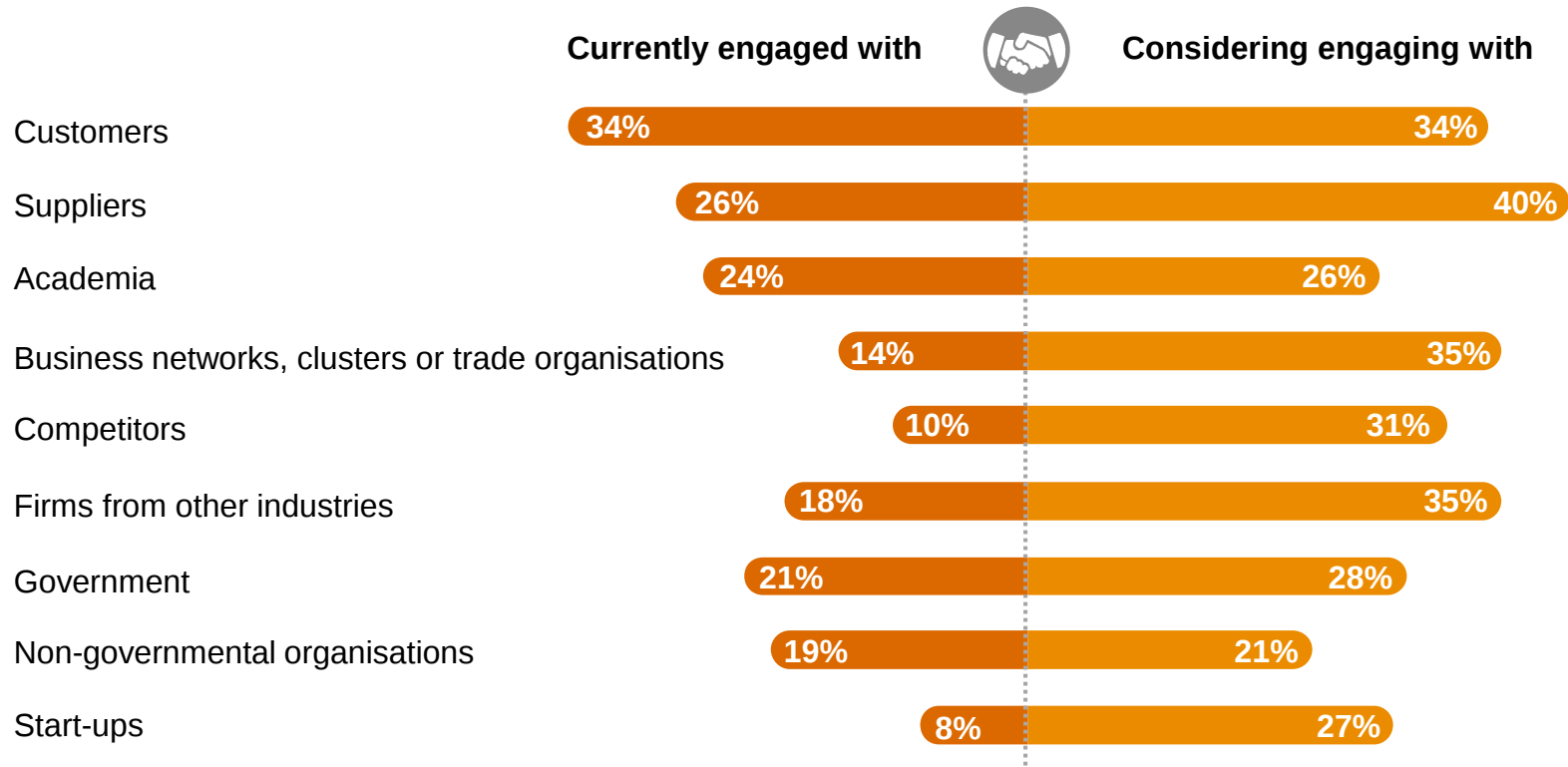
Follow these rules if you want to be very unpopular in China:

1. ALWAYS point out someone's mistake in public
2. ALWAYS interrupt when someone else is talking and raise your voice in discussion
3. ALWAYS educate the Chinese about what happens in the “better” half of the world
4. ALWAYS be TACHLESS
5. ALWAYS generalize

CEOs position business for future growth with partnership plans

Partnerships – particularly with customers and suppliers – are increasingly important for China's CEOs

Q: Are you currently engaged with or considering engaging with, any of the following types of partners through joint ventures, strategic alliances or informal collaborations?

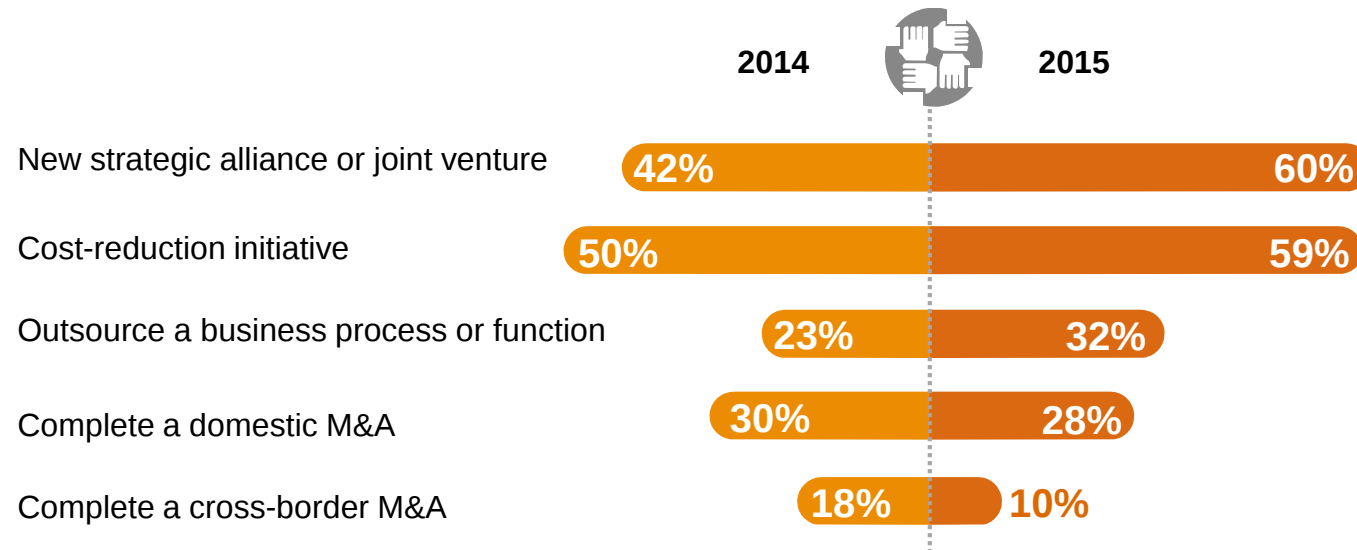


Base: 136, respondents who stated 'yes'

China's CEOs are planning more JVs and alliances

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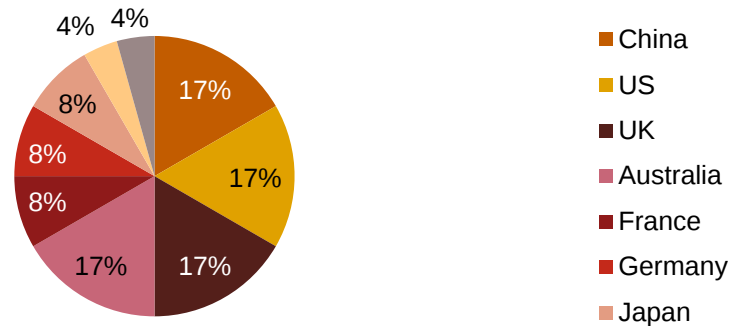
Q: Which, if any, of the following restructuring activities do you plan to initiate in the coming 12 months?



Base: China (2015 = 136; 2014 = 66)

Courting China Inc: Expectations, pitfalls and success factors of Sino-foreign business partnerships in China

Respondents by country %

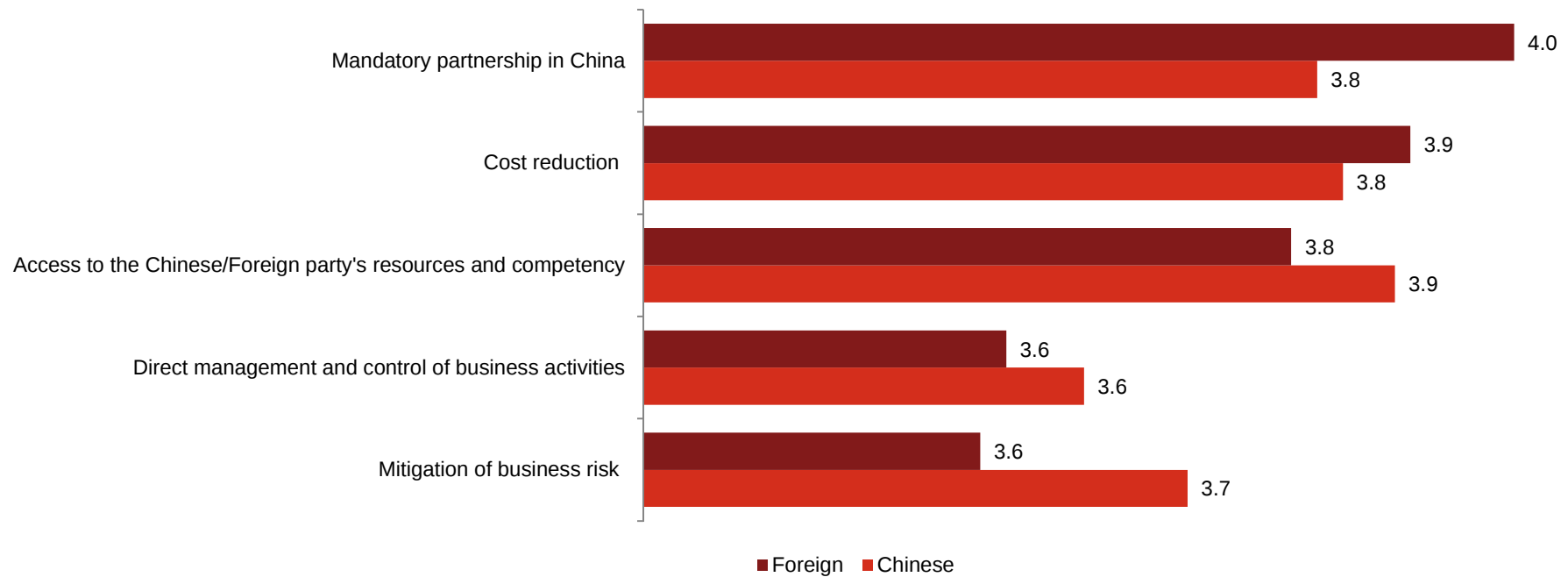


Respondents by annual revenue %



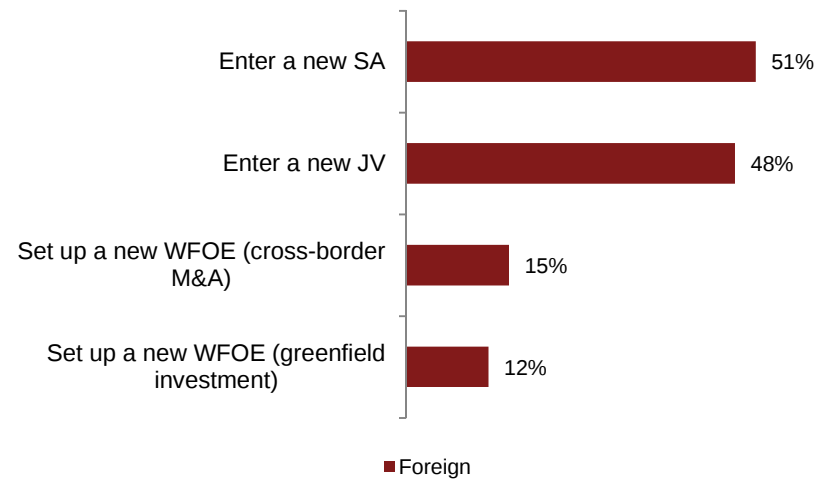
Top reasons for choosing JV/SA model

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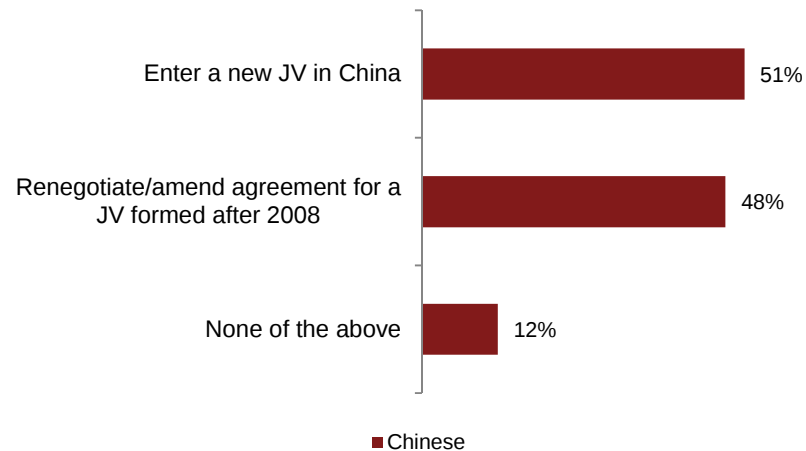


Business partnership plans in China

Business partnership plans in China

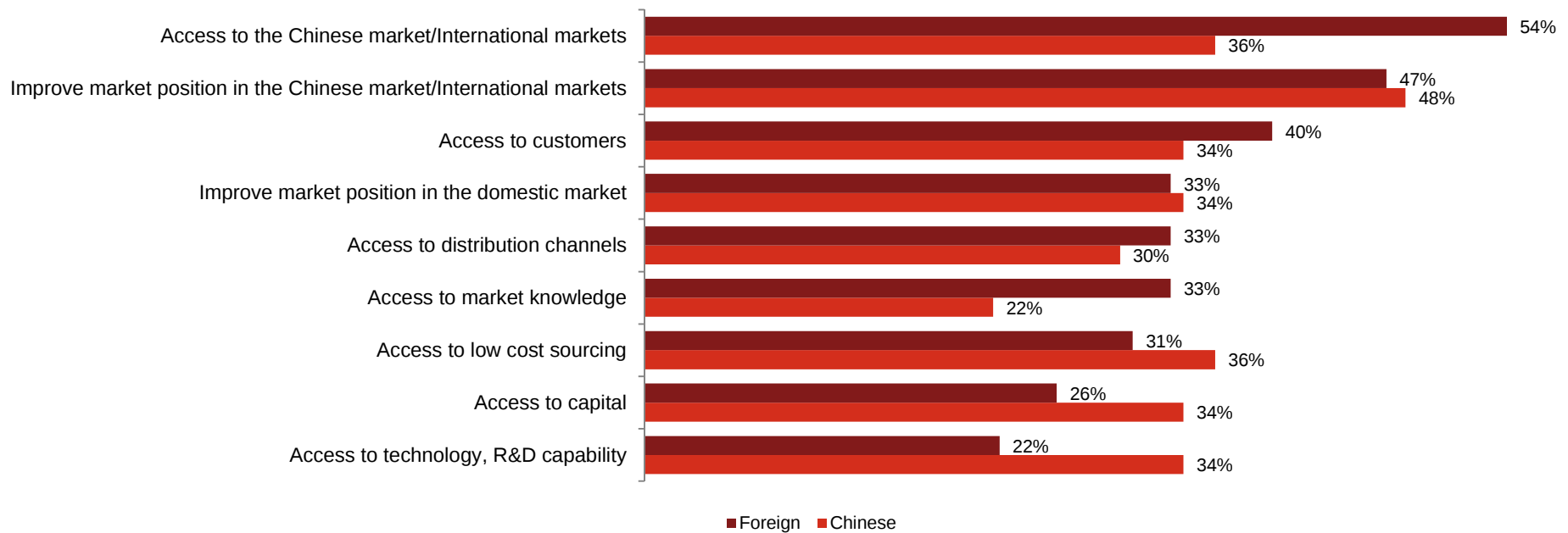


Business partnership plans in China



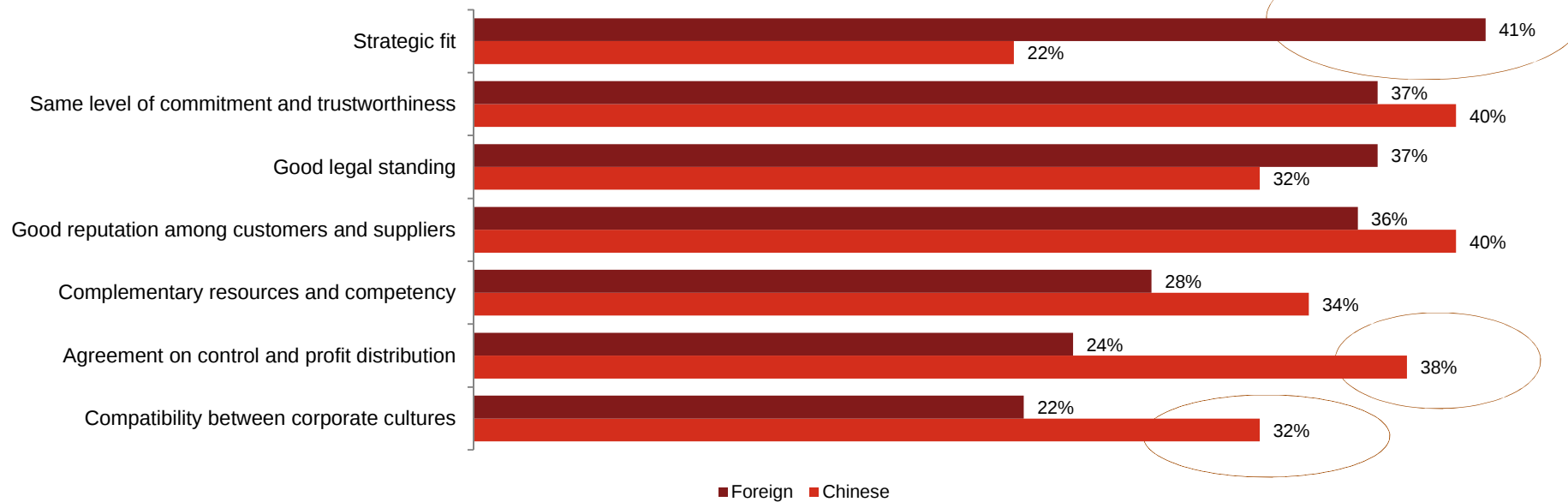
Why to form a JV/SA in China?

Most important strategic motives for forming a JV/SA in China raised by foreign and Chinese respondents



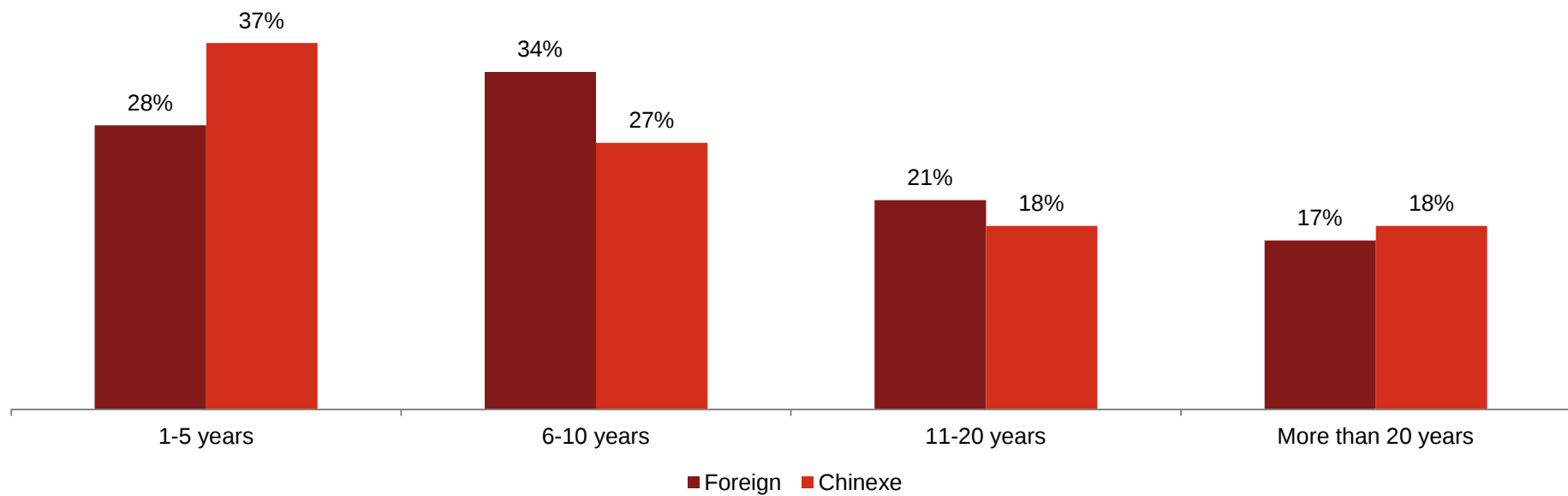
Challenges

Most important criteria for selecting a JV/SA partner in China raised by foreign and Chinese respondents



How long?

Expected lifespan of JV/SAs in China



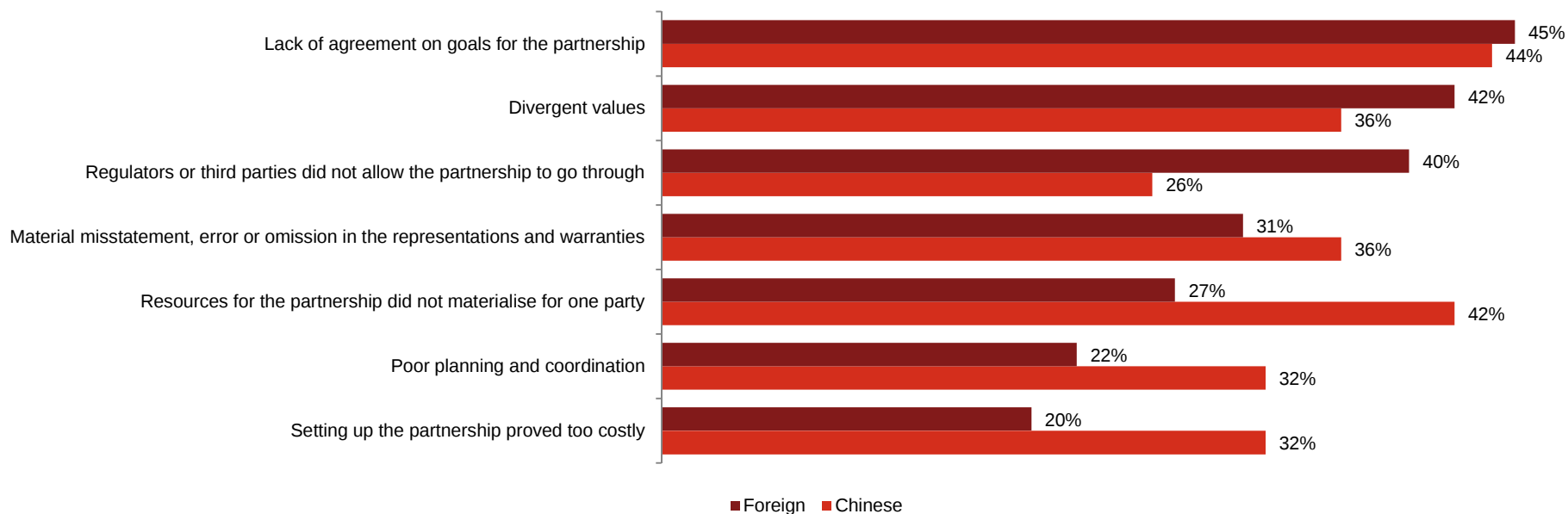
Why to terminate a JV/SA?

Main reasons to terminate a JV/SA



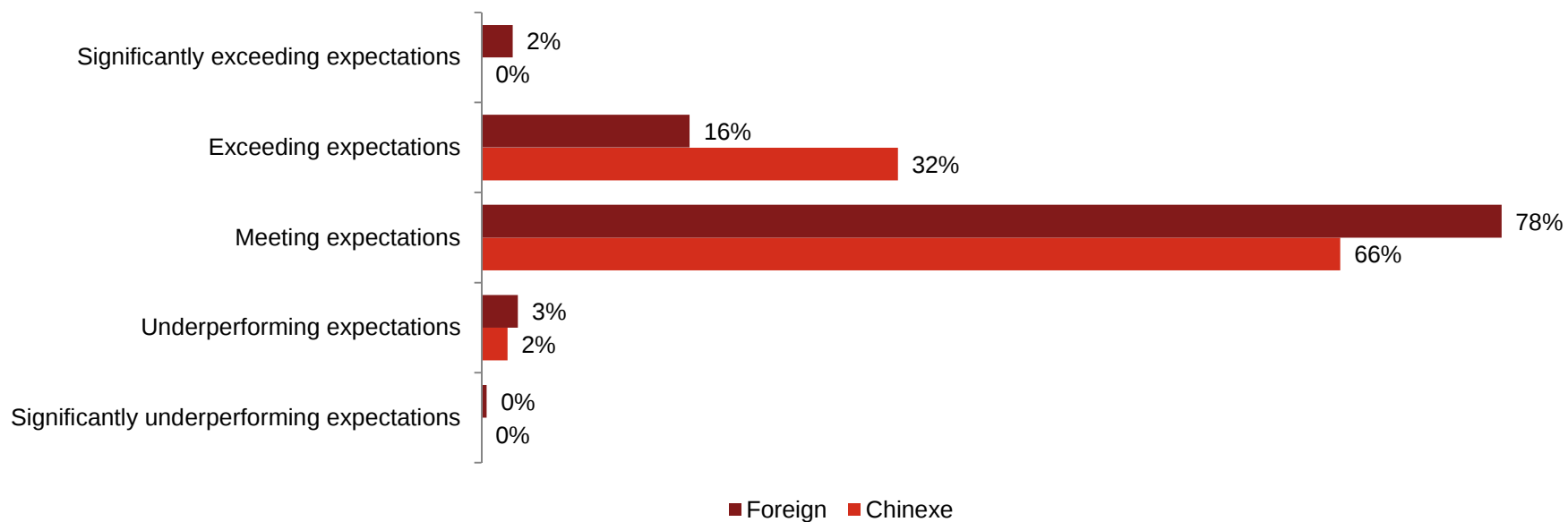
Why to abort?

Main reasons to abort a JV/SA



Performance vs. Expectations

JV/SA performance vs expectations



Key Takeaways

- Consider various criteria to assess your partners (e.g. reputation, alignment of goals and values, etc.)
- Manage divergence in values and culture
- Be open about discussing conflicts or concerns arising from the partnership early in the process
- Be flexible and regularly review the objectives of the partnership
- The right incentives
- Be involved in operation to ensure quality

3 Lessons from Alibaba for Chinese Companies Going Global

Lesson #1: Be Visible

Lesson #2: Address Concerns Early and Directly

Lesson #3: Hire & Empower Local Employees

Source: www.forbes.com

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No. 1 Global Business Consulting firm

IDC & Kennedy Information

No. 1 In Operations Strategy

IDC (2012)

No. 1 Global Merger & Acquisition (M&A) Advisory

Kennedy Information

No. 1 In Innovation Solutions

Kennedy Information

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