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## China Toolkit: Trading with China

[Madeleine Sturrock](#) · 10 April 2012



Madeleine Sturrock tells you what you need to know

before doing business with China

So, you've decided China is the one country in the world you can't ignore. Why? To start with, one fifth of the world's population is Chinese. It's the world's second-largest economy after the USA, and catching up fast. Most children in full-time education are studying English – and travelling abroad in increasing numbers, around 100,000 to the UK alone at the last count. But it won't be easy: China is enormous, more a continent than a country, with huge variations in climate and culture, language and ethnicity, as well as in wealth and spending power. So, before you get started, think through what you're hoping to achieve.

Depending on what sort of publishing you do, you'll probably be aiming to sell Chinese-language rights to Chinese publishers. The publishing sector, once very diverse, has been simplified by the concentration of smaller publishers into a handful of major groups covering education, science, foreign-language, media, children and youth, art and culture and general publishing. In addition, there are specialist university presses and a number of regional groups, generally based on provincial boundaries. But selling rights is just a start. Your relationships in China will take a long time to develop and once you've built them up it's worth asking how you can extend them to more profitable ways of doing business. Joint ventures, joint development of editorial programmes may be possible. And don't forget to look for trade coming the other

way. Chinese publishers are aiming for the global market and an interest in the potentiality of their list will help build a profitable two-way trade.

### Chinese Cultural Characteristics

Before we consider how business culture will influence the way you'll work in China, a couple of fundamental points.

If there's one characteristic which is key to understanding how Chinese business culture works, it is *guanxi*, or relationships. The Chinese have a much more structured and sophisticated sense of their place in a network of relationships than we do. We have networks in our own lives but we're not so assiduous at keeping them up or making use of them in different ways for different situations. A Chinese person has a whole network of relationships, built up almost from birth. Chinese culture is based on relationships. Even now, it's often who you know, not what you know, that brings success. To do business in China effectively, you need to pay attention to the relationships you're building – they will help you get things done. Take your relationships seriously and you'll be given generous assistance. But be sure to fully understand the motivation of those doing business with you, as relationships bring with them an obligation to reciprocate.

The other characteristic to bear in mind is *Face*. Chinese people are polite and hospitable. They will treat you with courtesy and kindness. English society is also fairly polite but we are rather thick-skinned about criticism. This is where the two cultures differ. The Chinese pay great attention to *Face* and don't like to lose face. Be careful what you say in public that might affect your host's standing or position.

### Business Culture

Doing business in China is very different to the west. First, when you arrive for a meeting, you'll probably be faced by several people, maybe from different departments, whereas you're likely to be travelling alone or with just one colleague or an interpreter. Don't be put off. Your hosts will be very keen to hear what you have to say. Second, notwithstanding the terrible traffic in some Chinese cities, your meeting will probably take place on time: the Chinese are very punctual. The time of your meeting may also be pertinent. The Chinese eat early – generally between 11.30 and 12.30 for lunch and around 6pm for dinner. So if you've been invited to a meeting at, say, 11am, it's wise to ask what time the meeting might end otherwise you'll be trying to organize a further meeting before lunch (according to our western timetable) and find either that you've been invited to stay for lunch or that your intended second meeting cannot be fixed because they're all out for lunch.

It's advisable to have your name cards translated by a reputable agency which will choose an auspicious name for your company – you may be stuck with it for some time. You should have your name translated into something which works in Chinese (try to stick to three or four characters, despite how many are required for your full name). The Chinese are interested in your choice of name. If it has a meaning in English, translate that name. If it has a particular sound, find a Chinese word with a similar sound.

But do check it out with your adviser – you can easily make an embarrassing mistake. Chinese banquets are a whole story in themselves but it's good advice to watch your hosts and do as they do. There are, however, two key pieces of advice: you don't have to eat everything you are given (just leave it on your plate and it will disappear) and beware pungent, colourless alcohol – it's more lethal than it looks.

It's customary for your hosts to give you small gifts. You should reciprocate. I find taking inexpensive gifts which are representative of Britain and British culture go down well – CDs of British composers, picture books about the UK. First-day covers are also well received and light to pack.

Take your camera and lots of photos. It's remarkable how clear everything seems when you are there but it isn't always the case once other pressures get in the way.

When you return home, you could find yourself waiting weeks for any contact. Publishing is quite a sophisticated industry but you still may find that it's up to you to make contact. Photos are useful to remind you of who you met and to attach to emails when you get home.

Although there's a whole industry focusing on how to conduct yourself in China, here are a few common-sense ways to make the most of your trip:

1. Have both your business name and your own translated into Chinese
2. Be on time for meetings
3. Remember, banquets are an essential part of doing business
4. Take small gifts for those you meet
5. Brief your interpreter before a meeting
6. Don't make anyone lose face by ridiculing them in public
7. Be patient
8. Don't take "yes" or "maybe" at face value. It may not mean "yes"
9. Keep in touch with your key contacts
10. Expect the unexpected

In time you'll have built some useful contacts. Your relationship will grow. Chinese publishers are being encouraged by their government to "go global" and they will be considering how to respond to that instruction. What starts off as a one-off rights deal could end up as something much bigger.

Lastly, did you enjoy your time in China? If not, send someone else. If you are successful, you're going to be spending a lot of time there. Good luck!

Madeleine Sturrock was Deputy CEO of the China Britain Business Council until she formed her own company, Pancathay Consulting Ltd ([www.pancathay.com](http://www.pancathay.com)), which assists companies both in China and the UK to access each other's markets. With her husband Philip Sturrock, former Chairman of Continuum and Cassell, and Sonny Leong, former owner of Cavendish Publishing, she has established the Publishing Partnership ([www.thepublishingpartnership.com](http://www.thepublishingpartnership.com)) to assist Chinese publishers in the formulation of their international growth strategies.

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