



# Speaking Business in China

A practical guide to the secrets of saving face in Asia | BY LEE OLIVER

**G**olf is big business in China. Since the first course opened there in 1984 more than 200 have cropped up across the country. Another thousand are under construction, and that number is expected to double by 2006. So you'd think that a fellow like Dan Webb, vice-president of operations for Toronto-based The Core Golf Centres Inc., would be all over the opportunity. After all, his company specializes in golf instruction and training, and the Chinese market is ripe for PGA-style golf pros. "There is a high incidence of golf in that target market," he agrees, but The Core isn't rushing in. Rather, it's taking its time and developing strong relationships on the ground in China. "We have a very targeted goal," explains Webb.

That targeted goal is the result of a devastating false start four years earlier.

The Core's original parent company was a manufacturing firm that sourced and assembled parts for golf simulators in China. They had been in China for three years and were setting up golf schools as a distribution vehicle for the product.

But things didn't go as planned. "We thought we had an agreement, after a year-long negotiation process," explains Webb. "But the Chinese changed the terms at the last hour. Our head person got fed up, the company bailed out and shut down the entire teaching division when the negotiations got tough." Webb and a handful of entrepreneurial-minded colleagues, sensing a lost opportunity, left the parent company and resurrected the division as The Core.

But the question remains: How could so many wires be crossed after a year of dis-



Marketing consultant, Mia Doucet

cussions? Simply put, we really don't speak the same language. The most important secret to doing business in China is the willingness to modify Western behaviours. Learn that and the keys to the Middle Kingdom could be yours.

"It is pure Western arrogance to go to China and expect to do business as we do in the West," says international marketing consultant Mia Doucet. "While a one-year negotiation seems unusually long to a North American, it is not so rare in China when dealing with strangers. Nor is it unusual for Chinese to make changes

after the contract has been signed."

According to Doucet, Webb's story highlights one of the main differences in business culture.

"We need to learn how to communicate with Asians. And we can't do that without understanding some of the dramatic differences in our cultures," explains Doucet. "Our behaviour needs to change. When we choose to adapt out of respect for cultural differences, we start the process of building the deep human connection that Asians demand. That emphasis on relationship will build trust and assure loyalty to your organization long into the future."

Doucet, author of *China in Motion*, a guide to doing business in Asia, counsels companies to recognize that the Chinese have a deep need for recognition. "We all want to be acknowledged, but the Chinese crave it. Anything and everything you can do to reinforce status and respect will repay you in spades."

According to Doucet, companies have to understand that the Chinese need for respect and acknowledgement governs all communication, not just negotiations. It takes careful training and preparation to avoid costly cross-cultural gaffes. The folks who interact with Asian customers, suppliers and local staff by phone, fax and e-mail need to be just as aware of cross-cultural sensitivities as the business traveller who brings home the contract.

"The Chinese are highly adaptable, anxious to do business and willing to overlook minor indiscretions," says Doucet. "But some Western behaviours can cause loss of face. That can have serious consequences because a favourite way of preventing face

loss is passive resistance. No one will challenge you directly, because that would be rude. They will grow quiet, submissive and outwardly non-resistant when you place them in an impossible position. This is the underlying cause of costly delays and production errors."

Once we know the Western behaviours that elicit passive resistance, we can make the small changes that have a major impact on productivity. In Doucet's experience, there are three major stumbling blocks: decision making, problem solving and information management.

### Decision Making

The Western system rewards independent decision making. We value the philosophy of individual accountability and are taught to ask to speak directly to the decision maker.

In China, while the senior person makes major decisions, lesser decisions are reached by consensus. In the latter case, no one person is responsible. So quite often, when you pressure your Asian colleagues for a decision, you are asking them to defy their instincts, their culture and their training. They will not act, because they cannot act alone. So the decision you want will stall.

To speed the decision process, slow down. Make sure that all parties receive the same detailed information. Keep everyone in the loop.

### Problem Solving

The freewheeling Western brainstorming practice goes against strict hierarchical codes of conduct. Successful brainstorming requires that everyone's ideas be treated equally, without hierarchy, and without regard for authority. All ideas are potentially laughable. But in a status-conscious culture, where acknowledging rank is critical to maintaining face, and where they are taught to take business seriously and not make mistakes, this presents an impossible situation.

Best to avoid brainstorming altogether. Problem-solve logically. Allow one person to speak at a time. Defer to the one in authority. Start from the beginning and work through to a solution in a logical, step-by-step fashion.

### Information Management

Westerners have the tendency to come to the conversation only partially prepared.

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They feel confident in their ability to wing it. If they don't have all the necessary information, they will provide it later.

The flip side of this tendency is to expect Asians to be fine with giving and receiving partial answers. However, Chinese are offended by partial answers. Lack of preparedness can cause loss of face and loss of trust. Since an Asian won't get back to you until all the facts are known, break your requests for information into smaller segments.

Prepare for every interaction. Do not present an idea or theory that has not been fully researched, proven or studied beforehand. Do not risk looking unprepared by deluging your Asian contact with partial answers and frequent updates.

If you are unable to provide a complete response: Acknowledge the request, apologize for the inconvenience and then provide a complete and accurate response when the facts are in.

Document in writing and in detail. Make sure your facts are 100% accurate in every detail. You will lose credibility if there are errors and they will be used against you later.

Present your ideas in stages. Prepare each document as a stand-alone file, with background, rationale, analysis and logic built into the text. Write clearly, using plain English text. Use visuals at every opportunity, including sketches, charts and diagrams to appeal to the visual bias of many Asians.

Keep everyone in the communication loop by copying them on all written and e-mail follow-up correspondence.

"It helps to understand that most of your Asian colleagues are not fluent in spoken English," says Doucet. "This causes shame. One of the biggest mistakes you can make is to think that they really understand what you say. This false assumption can prove costly. Most Asians understand far less than we think they do. They smile and nod and we interpret that to mean the communication is understood.

"Fortunately, small changes in behaviour can have a major impact on results. As an example, the way to communicate clearly is to 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. And skip the humour altogether." **BIZ**

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