



MANAGEMENT

Avoiding Mistakes when Doing Business with the Chinese

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One of the most important keys to doing business in China is the willingness to modify Western behaviors. It is pure Western arrogance to go to China and expect to do business as we do in the West. Even with the best intentions, what works in the West can result in failure in the Far East.

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. Our behavior needs to change. When we choose to adapt our behavior out of respect for cultural differences, we start the process of building the deep human connection that Asians crave. That emphasis on relationship will build trust and assure loyalty to your organization long into the future.

We must recognize that the Chinese have a deep need for acknowledgment. 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.

Companies have to understand that the Chinese need for respect and acknowledgement governs all business communication, and 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 traveler who brings home the contract.

Anxious to Do Business.

The Chinese are highly adaptable, anxious to do business, and willing to overlook minor indiscretions. But some Western behaviors can cause loss of face. That can have serious consequences, because a favorite way of preventing face loss is passive resistance. No one will challenge you directly, because that would be rude. They will go

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 behaviors that elicit passive resistance, we can make the small changes that have a major impact on productivity.

Decision-Making.

The Western system rewards good, independent decision-making. We value the philosophy of individual accountability. We are taught to ask to speak directly to the decision maker. When customer issues arise, we demand that someone take responsibility.

In China, while the senior person makes major decisions, lesser decisions are reached by consensus. In the latter case, no one person is responsible.

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.

It is best to avoid it. 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. 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 Everything.

Document in writing and in detail. Make sure your facts are 100 percent 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 opportu-

nity, including sketches, charts and diagrams to appeal to the visual bias of many Asians. Keep everyone in the communications 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. 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 behavior 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 humor altogether.

Of great benefit is an excellent cross-cultural guide titled, *China in Motion: 17 Secrets to Slashing the Time to Production, to Market, and to Profits in China, Japan and South Korea* (\$26.95, 210 pages, softcover, ISBN 0-9735409-0-7, Bankerman Press). This book is intended to be used as a mandatory training guide for anyone who deals with Asian customers, and it captures the key lessons learned from thousands of hours of interviews with seasoned business people from both cultures.

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