

BUSINESS

在 CHINA

中國經濟



Rainer
Thomm

A practical insight into doing business in China

Business China

Suzuki - San

Hope to see you
again in China
soon.

Travis Thomas

25.8.96

recap what you understand has been discussed and achieved, and what you believe will be done next. You may also wish to ask who your point of contact will be.

Keep a record

It is an old Chinese custom to keep very detailed notes of anything discussed during business meetings. These notes will be made available to all who need to know. If at your second meeting the person whom you first met is not available, you may well find that whoever has taken their place will be fully informed about what was discussed at the first meeting. You may not expect this at home, but it does make things easier. Of course, these notes will also serve to hold you to your word.

The obvious response, clearly, is to write notes yourself. The most capable member of your delegation should be designated to keep detailed minutes of the proceedings. As most of your delegation will be silent observers, this should not present any difficulties.

If you are travelling alone, or with only an interpreter, you will have the problem of finding time during the day to write down what was discussed, what requests were made, what concessions you made. (The evenings are *not* available, being set aside for banquets, as you will soon see.) These matters should be recorded in greater detail than you may be used to doing at home. If you don't do this, don't be surprised if you are caught out at a later stage, perhaps a year later, when you will be reminded of what you said and when you said it. (It may be at the most inopportune time from your point of view.)

The joy of banquets

A great deal of business in China, as in the rest of Asia, is conducted after hours. Two kinds of entertainment dominate—banquets and karaoke—and they are often conducted in succession on the same evening. The concept of karaoke is now well known

outside Asia. What is not so well known is the rule that everyone participates. George Koo observes that:

Surprisingly, while Westerners are generally considered much less inhibited than Asians, when it comes to singing in front of a bunch of strangers, the reverse is true. Perhaps, the Westerner has not yet made the transition from the shower stall to the music hall.

Perhaps. In the author's merchant banking days, we certainly never did any business with one particular group of target customers until my colleague finally plucked up the courage to sing 'Oh Danny Boy'.

Banquets, by contrast, are a much less musical form of business meeting, but they can be just as difficult, as Masaru Suzuki, who knows China well, writes in his book *How to Survive and Thrive in China*:

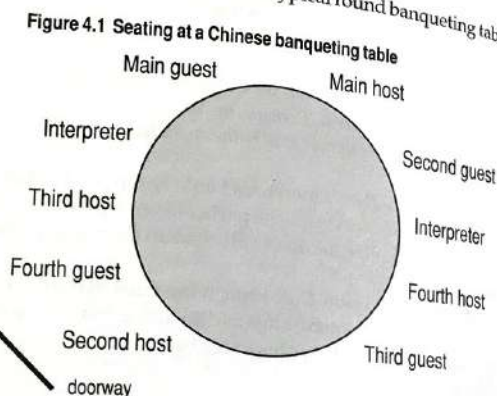
You cannot escape from banquets while you are in China. Especially when you are there on business, it is a must activity. You simply have to be either a guest or a host. Here are some warnings and some advice.

Round tables are used in most cases. The head host (the master of the household) normally sits in the centre position, facing the main entrance door. The main guest sits on his right, the second-ranking guest on his left. The No. 2 host sits right across the table from the head host. To his right, the third guest, and to his left the fourth. It is common to have ten people at each table, but banquets might be held in various sizes. From groups of four or five to as many as two thousand. Name badges are in many cases prepared in advance for those attending.

Sudden apologies and unexpected extra guests are always an enormous headache for the host side. One thing is certain. The Chinese are a very sensitive race when it comes to the seating order at banquets.

At a normal banquet, the head host will begin by taking food from a serving plate for the main guest, and then the second guest. This is known as the offering and is a sign to commence eating. The head host then pours some spirit and offers some subjects for conversation. The head host plays the role of master of ceremonies for the evening.

Figure 4.1 shows a diagram of a typical round banqueting table.



There is a custom in China of tilting one's spirits cup to show one's drinking partners that one has really drunk up after a toast. When the main guest returns the toast, Chinese people like to use the phrase: 'May I borrow the host's cup to . . .'

Whatever else may be said about them, banquets in the Chinese style are quite a magnificent affair, with no guest left feeling uncomfortable. The Western-style buffet banquet has been adopted in China in recent years in an endeavour to make us foreigners even more relaxed.

As for drinks served at banquets, there are now fewer and fewer places where traditional clear grain spirits called baijiu, with alcohol levels between 50 and 64 per cent are served. Beer is ever popular. Draught beer is a recent fashion, drunk even in the cold Beijing winter. There are also some Chinese wines served at Chinese banquets, such as Great Wall, which are becoming popular among the bottoms-up loving Chinese.

Here are some points to remember for visitors:

- ◆ When you invite Chinese VIPs to banquets, meal coupons or some money have to be provided by the host for the guests' drivers. If you forget to do this, the drivers will turn up and ask anyway.

- ◆ If you are invited to a banquet during a short business trip, it is a must to return the hospitality before you depart. So your stay in China will start with a banquet, and end with a banquet.

Take a few gifts

Gift-giving is a sure way to win friends and China is no exception. It is the custom for visiting businesspeople to offer some memento of their visit to their hosts. There are several possibilities. One is to present a largish gift to the host organisation. This is particularly appropriate when large delegations meet face to face. A suitable gift for a Western delegation might be some print with a local flavour, or a collection of stamps issued by your country's postal authorities.

Gifts such as these are visible reminders of the visit, help satisfy curiosity about your country, create a relaxed atmosphere and provide a suitable subject for small talk.

When meeting individual holders of higher rank, suitable gifts might be consumables like XO brandy or other Western spirits, or wine from your home country. Overseas travel is a valuable gift. The issuing of the invitation of itself may be sufficient to enable the recipient to apply for a passport and visa. You do not necessarily have to pay for the trip—it will depend on the closeness of the relationship.

In cases like these, wait until you are alone with the recipients of the gift. This will avoid unnecessary envy. In case your delegation meets with a small group of Chinese businesspeople, T-shirts with local motifs might be a good idea. Or small items such as special day-of-issue stamped envelopes. Some Western countries even produce special issues for Chinese New Year, or other Chinese motifs, such as pandas. Again, these will be good conversation topics.

Chinese people are not likely to open wrapped presents in front of you, so you will never know what they think of your present. A good way out is to tie a red ribbon around each present. A bottle of XO brandy in its box is fine, but don't forget to take a supply of red ribbons with you before you set off!