

## *Doing business and investing in China*

With the completion of the 18th National Congress of the Communist Party of China, the country is signaling that it's open for business to foreign investors. As China moves from its former position as a global sourcing destination to its new status as a global market, the focus for foreign businesses has shifted from the "emerging labour pool" to the "emerging middle class."

So now is the time to do business in China. But how can businesses best take advantage of this opportunity? Finding the right path into the China market brings its own unique challenges: Many have discovered that success in their markets is not entitlement to the same in China. The lesson we learned from early entrants is clear: Do not invest here if you are not fully prepared and committed.

Here are 8 etiquette tips for doing business in China, suggested by Jackson Hudgins, which gives you some idea how complex it is for the unprepared to enter let alone penetrate this 1,371,220,000 market. So here are 8 etiquette tips that will take you through some of the critical hurdles and success factors that will ensure you can succeed in one of the fastest-growing parts of the world.



# 8 etiquette tips for doing business in China



For the uninitiated, conducting business in China can be a daunting task. To get a sense of the do's and don'ts when travelling to the country. Whether it's your first or your fiftieth time visiting the country, it's important to keep these tips in mind if you want to be successful on your trip.

**Dress to Impress:** Appearances and first impressions are important in Chinese business culture. Dressing conservatively and wearing high quality clothing will help to indicate both status and modesty.

**Entrance:** Enter the room in order of seniority. You should actively demonstrate great respect to the leader of the Chinese delegation. The person with the highest rank of your team should introduce the rest of the group.

**Handshakes:** Handshakes in China are not as firm as in the West -- expect it to be soft and short. And keep the eye contact brief. Too much eye contact can be interpreted as a challenge.

**Business Cards:** Make sure you have both a Mandarin and an English side on your business card. When the time comes, present your card with two hands, with the Chinese side up and facing the other person. Receive a card with two hands, study it briefly and place it into a business card holder — never your wallet or pocket. In China, business cards are treated as extensions of the person, so you'll want to treat any business card you receive with great respect.

## Face:



Losing or gaining "face" is an important Chinese concept. It can be loosely understood as your honor, your community's honor and the honor of those you are with. Avoid self-deprecation or sarcasm. Attempt to display competence and keep your emotions under control.

## Don't Point:

It's considered rude in China to point with your finger. Instead, point with an open hand or, if possible, make eye contact and get someone's attention without using your hands at all.



## Be Prepared for More:



The Chinese often prefer frequent and lengthy meetings to build trust before signing contracts. When it comes down to it, most business in China isn't even done in the boardroom. Expect to be invited to long dinners featuring courses you may not be familiar with. Make sure you try everything. It most definitely will be rude if you don't.

## Finally, Be Yourself:

The most important concept to remember when doing business in China is to be true to you.

The Chinese place a high value on authenticity and have low tolerance for posturing

or pretending. If you are genuine, respectful and observant, you are likely to endear yourself to your host. Otherwise, they'll see through your facade and it will be impossible to do business.

**Be yourself**