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Want sales in China? You need an introduction

At Purdue on Saturday, Chinese faculty members, industry experts will share advice on business there

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Hoosier businessman Mark Cisneros remembers taking an unusual, and slightly comical, taxi ride to meet a Chinese client.

The driver spoke excitedly on his mobile phone in Chinese, Cisneros spoke on his phone in English and -- despite the language barrier -- the two managed to find the location.

"I've been with a translator and without one," said Cisneros, who has traveled to China three times while representing his West Lafayette company, Life Plus, which helps U.S. clients move technology-oriented products through China's regulatory process and into the market.

"Now I will always go with a translator. We have had so many stories about being lost in translation," he said with a laugh.

In 2006, Indiana companies exported \$559 million worth of chemicals, machinery, electronics and other products to China. Despite occasional complaints about currency rates and the loss of U.S. jobs, trade with the Asian economic power clearly isn't a one-way street.

But how can a small-business owner in the Midwest navigate the vast distances and cultural differences to begin to sell to this market of more than 1.3 billion potential customers?

Attendance at a workshop at Purdue University's Discovery Park on Saturday could be a step in the right direction.

Called "Discovering China in Business and Engineering," the free event at the Morgan Center for Entrepreneurship will gather experts from the Confucius Institute at Purdue, as well as professionals who have done business in China, to share their knowledge of Chinese business and culture.

Beside the obvious language barrier, some Chinese behavior, such as the use of indirect communication and the showing of humility and deference to visitors, can be difficult for a Westerner to understand, said Wei Hong, director of the Confucius Institute and a professor of Chinese at Purdue.

For instance, a Chinese businessman may keep a Western peer waiting indefinitely for an answer; however, that's not because he is rude, Hong said, but because he doesn't want to appear impolite by flatly turning down a deal.

The Chinese penchant for entertaining guests with food and drink also is an important preliminary step to undertake before beginning actual business negotiations, she said.

"Confucianism teaches us to get to know someone as a friend before any business happens," Hong said.

"Harmony is a major concept in Chinese culture. That has a lot to do with doing business in China."

Pankaj Sharma, an associate director of Discovery Park, said the explosive growth of economies in countries such as China and India is creating "a new generation of middle-class people that will have the capability and capacity to buy all the products that they need."

That creates great opportunities for U.S. companies, especially smaller companies that often can generate innovations and new products quicker than larger competitors, he said.

"Main growth comes from the smallest businesses," Sharma said. "They need to start thinking from Day One that they're part of the global economy. They need to be preparing for that."

Michael Spink, a senior consultant with Plexus Ventures, retired at the end of 2006 from Eli Lilly and Co. He now uses his three decades of overseeing pharmaceutical manufacturing in overseas locations to help Midwestern clients who want to buy or sell foreign companies or sign licenses to share or borrow new technologies and intellectual property.

There are many barriers to surmount to do business overseas, Spink said, such as overcoming cultural differences, making sure potential partners' strategic goals align and even solving operational challenges, such as deciding whether to handle transactions in U.S. dollars, euros or another currency.

Spink, who will deliver a talk at the workshop, said a key step is to develop reliable contacts in the country where you want to do business.

"Find an agent, someone you can trust, who can act for you on the ground," Spink said. "There are many ways of finding enough people to help you achieve what you want."

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