MONEY

PLANG CATCHUP

As China's economic progress <u>steams ahead</u>, the country's working practices have <u>lagged behind</u>. But not any longer. Steve Sibbald finds out why the Chinese are taking in, not out.



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I t's not what you know, but who you know as the old saying goes. Ask any successful businessman or <u>budding</u> <u>entrepreneur</u> and they will all agree that there is a lot of <u>mileage</u> in that statement. Many <u>would-be moguls</u> starting out with high ambitions and dreams of building their own <u>money-raking</u> empire do so with the notion that a good education, combined with pure <u>gall</u> and a lot of determination,

is enough to secure their piece of the This is <u>pie</u>. by no means the always case, however. As in many walks of life, meeting the right people paramount is becoming to

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successful and anybody wanting a lesson in how to achieve this should look no further than to China.

While the native tongue may well be one of the most difficult to master, there is only one key word which is required when looking to build, and of course, maintain a strong business in China - 'Guanxi'. The word roughly translates as 'connections' or 'relationships' but is being used in its original form more and more frequently in the western world, as the English equivalent fails to do it any real justice. For a simple six letter word, it has taken on a life of its own and has grown into more of a 'concept' that has become etched into the brains of the millions, who strive to see their company make it to the top.

Steve McCarthy runs a successful printing <u>merchants</u> in Newport, south Wales. To meet him today, he comes across as an <u>astute</u>, dynamic and focused kind of guy, but <u>rewind</u> back to15 years ago and you would see a very different image of a young man struggling to make his way in the world. "I first moved to the Chinese city of Harbin back in '93 with a four year plan. I knew what I wanted to do and how I was going to do it. I was a little <u>wet behind</u> <u>the ears</u>, fresh out of college and not really willing <u>to take on board</u> the advice from others. I honestly believed that I could <u>make a real go</u> <u>of it</u> with what I had <u>acquired</u> and learned during my academic years."

Like so many young <u>wannabe</u> businessmen, Steve was not fully aware of how the system operated

> and his company <u>folded</u> after only a year of trading, leaving him in <u>debt</u> and with no choice but to return to the UK. But it's an experience which he doesn't regret for a minute as he goes on to explain what he gained from his time spent in Harbin. "It taught me a lot of lessons, <u>chiefly</u> that knowing the right kind of people is imperative

to creating any kind of successful business. Building up a good list of contacts is a skill, but the importance of <u>honing</u> this skill in China was

catch up – nadgonić, nadrobić to steam ahead – iść szybko do przodu to lag behind – zostawać w tyle budding – obiecujący, dobrze się zapowiadający entrepreneur – przedsiębiorca mileage – tu: prawda *would-be mogul – domorosły potentat* money-raking – zgarniający kupę forsy gall – tupet, czelność someone's piece of the pie – swoja działka dochodu, tu: swój zarobek paramount – najwyższej wagi to master – opanować roughly – z grubsza to become etched into – wyryć się w to strive – dążyć do czegoś to make it to the top – dojść na szczyt merchants – zakład handlowy *astute – sprytny, bystry* to rewind – cofnać wet behind the ears - "zielony", niedoświadczony to take on board – uwzględnić to make a go (of sth) – rozkręcić (coś) to acquire – zdobyć, nabyć wannabe – niedoszły to fold – zwinąć (interes) debt – dług chiefly – głównie to hone – doskonalić

something I wasn't prepared for. | I've come across many people who have watched their businesses <u>fall</u> |

by the wayside over there and all cite similar kinds of problems as reasons for their failure."

Indeed, anyone who has made a name for themselves in the Chinese business world will be able to bombard you with endless tales of '<u>mixing</u> <u>it up'</u> with the

right people and building up a <u>sound</u> collection of 'Guanxi'. That many of these tales will involve money exchanging hands, or <u>plying</u> government officials <u>with</u> expensive <u>booze</u> is <u>by the by</u>. It's the house rules and you've got <u>to grease a few</u> <u>palms</u> and <u>pay your dues</u>, or you might as well forget it.

However, there is a belief at the moment that, like many things in China, the old traditional sense of the word appears to be changing and is being replaced by a new, <u>updated</u> and slightly different meaning. A young <u>breed</u> of moguls is starting to re-invent the concept <u>in keeping with</u> the modern age, giving it a fresher feel, and they are doing their best to take the emphasis away from its slightly <u>seedy</u> and old-fashioned <u>'back scratching'</u> connotations.

Whereas in the past, business may have been <u>conducted</u> behind closed doors, these days people are far more <u>willing</u> to meet up in trendy bars for dinner parties, allowing a much more user-friendly atmosphere and, of course, that <u>all-important</u> chance for 'outsiders' <u>to break into the loop</u>.

"If I knew back then what I know now, I would have had no problems starting up a business in China," believes McCarthy, before going on to suggest that things were indeed tougher a few years ago. "By all accounts, things have changed for the better and opportunities are opening up as more and more people look to invest in the Chinese market.

Whereas in the past, business may have been conducted behind closed doors, these days people are far more willing to meet up in trendy bars for dinner parties. I just didn't have the contacts when I was there and that is essential. Even more so back then."

But is it really that much easier in this day and age? Mathew Keene is a 31 year old selfmade millionaire, who <u>hit it big</u> in China less than eight years ago by starting up his pin Beijing Today

own <u>haulage firm</u> in Beijing. Today he <u>is based in</u> Spain and the UK, but is <u>back and forth</u> to the nation's capital on a regular basis, <u>to oversee</u> the running of the company.

As the <u>top dog</u>, Keene often gets <u>to</u> <u>rub shoulders with</u> some of the China's more prestigious characters and suggests that the 'Guanxi' game is ▶

to fall by the wayside – nie udać się failure – porażka mixing it up – obracanie się (w towarzystwie), zapoznawanie się sound – solidny to ply with – zasypywać czymś booze – alkohol *by the by – nawiasem mówiąc* to grease palms – "posmarować" (dać łapówkę) to pay one's dues – zapłacić należne updated – uaktualniony breed – rasa in keeping with -w zgodzie z seedy – podejrzany back scratching – robienie sobie wzajemnych przysług to conduct – prowadzić willing – chętny all-important – arcyważny to break into the loop – tu: dostać się do kręgu tougher – cięższy, trudniejszy by all accounts – naprawdę, rzeczywiście to hit it big – odnieść sukces haulage firm – firma przewozowa is based in – ma siedzibę w back and forth - tam i z powrotem to oversee – nadzorować (to be) top dog – wieść prym to rub shoulders with - stykać się z

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as alive and <u>kicking</u> as it ever was. "It never fails to make me laugh when I read or hear that times are changing in China. I visit two or three times a year and nothing has changed, it's the same story today as it was when

I first began. Starting up a firm is never easy anywhere but China is a unique place and you need to understand the rules before making an <u>attempt</u>. If you don't play by the rules then you're <u>on a hiding</u> to nothing."

There is a lot of truth in Keene's sentiments. Like McCarthy, many

have attempted to make a name for themselves in China but simply ended up <u>shooting themselves in the foot</u> through their ignorance of the nation's social and business etiquette.

However, it's not too difficult to see why investors and would-be businessmen are willing to put their necks on the line and pour money into the country. Many financial experts predict that by the year 2025 China will hold the proud title of the world's largest economy and people are <u>queuing up</u> to get their bit of the action.

One person who believes that China's mentality towards building up a list of contacts is changing is Yang Yuanging, the chairman of major computer manufacturer Lenovo. He states that the main reason for this fresh approach to dealings in business is the increasing number of Chinese who are gaining the opportunity to move abroad and as a result, take on board new ideas from different cultures which they can then use in their homeland. "More and more Chinese who studied or worked overseas understand how to build these networks." Good news for those in the west then, who will be looking forward to seeing China adopting a system more familiar to their own.

But whether China will completely <u>eradicate</u> its old ways remains to be seen. It's certainly not something which will happen right away and it depends on whether those <u>pulling the strings</u> and involved at the top

Many financial experts predict that by the year 2025 China will hold the proud title of the world's largest economy and people are queuing up to get their bit of the action. of the pile actually want things to change. <u>Old habits</u> <u>die hard</u> and one could quite easily come to the conclusion that there are too many people <u>wielding</u> such influence who are quite happy with the way things operate at the moment, thank you very much.

"I don't see any reason to change

things. It worked for me and it has worked for countless others in the past," states Keene, who is quite <u>content</u> to let things continue as they were before. "What people have to remember is that it's not like Britain or France or Holland. It's China. The people and the country have different traditions and different methods of doing things. If you are aware of this and are willing to accept this, then you will <u>get along</u> just fine."

kicking – ożywiony, pełen zapału attempt – próba (to be) on a hiding to nothing – (być) na straconej pozycji to shoot oneself in the foot – niechcący sobie zaszkodzić to put one's neck on the line – nadstawiać karku, ryzykować to queue up – ustawiać się w kolejkę fresh approach – świeże podejście dealings – stosunki, kontakty overseas – za granicą to eradicate – wyplenić to pull the strings – pociągać za sznurki at the top of the pile – na samej górze, na szczycie old habits die hard – trudno wykorzenić stare nawyki to wield – dzierżyć, władać content – zadowolony

to get along – radzić sobie