



Setting Up in China

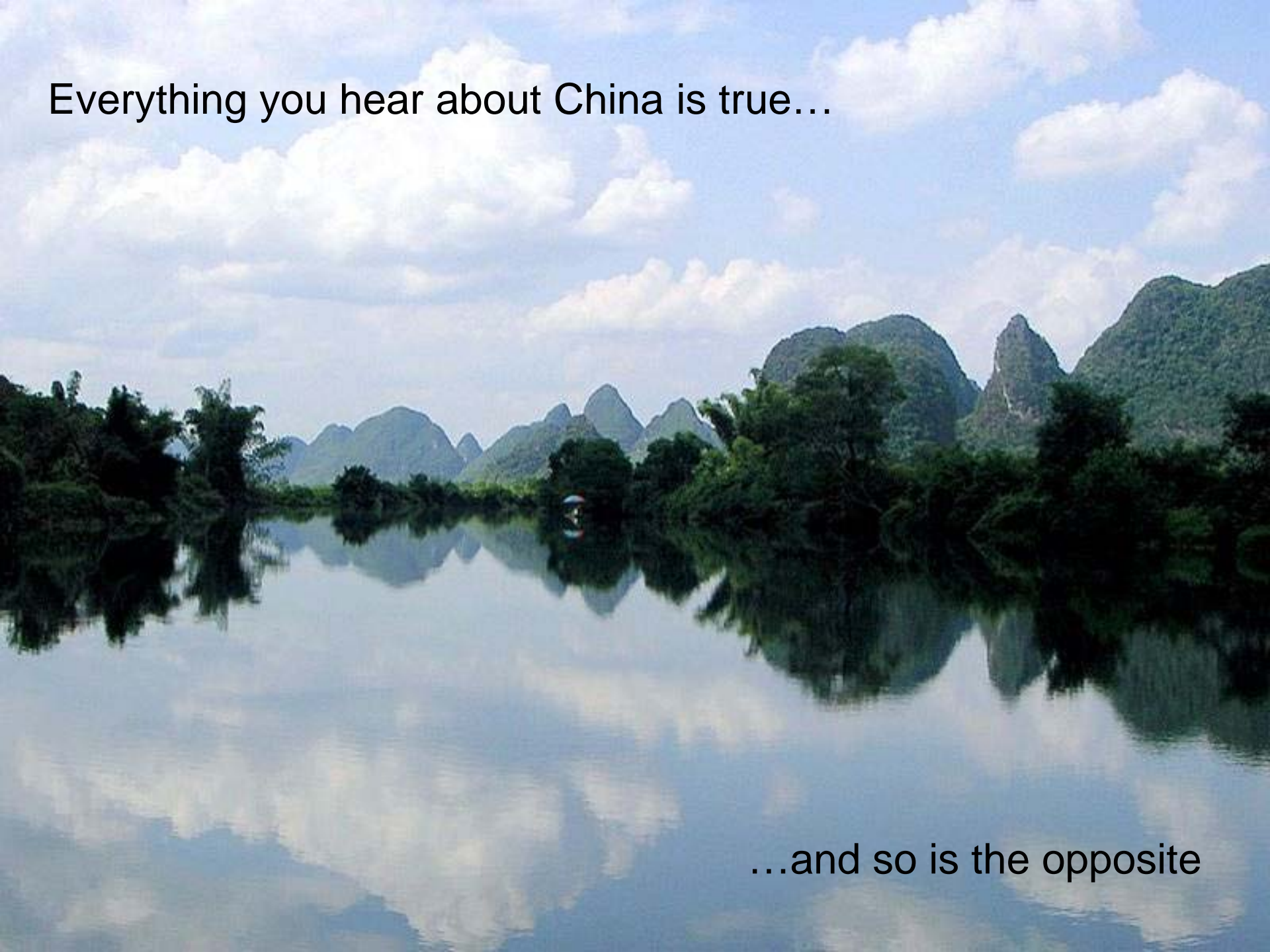
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Everything you hear about China is true...



...and so is the opposite

Types of advice available

Understanding the market

Planning market entry

On the ground guidance



The UK's Network in China



- CBBC Offices
- Shenyang
- Beijing
- Qingdao
- Nanjing
- Shanghai
- Hangzhou
- Wuhan
- Chengdu
- Shenzhen
- Guangzhou
- Chongqing

British Embassy
Beijing

British Consulates-General
Shanghai
Guangzhou
Chongqing

Market information

Understanding if there is a market for your product/service and where it lies

Understanding best channels for accessing the market

Investigating who your competitors/customers are

Arranging visits/meetings with potential distributors/customers

Clarifying regulatory issues

Distributor search

Assistance for investors

Advice and information
on the most suitable
type of presence



Representative office?

Your own factory or
company?

Joint venture?



Location search -
identification of
investment zones

Information on the
industry/market
and regulatory
environment

Partner search



Overseas Market Introduction Service

- UKTI service available globally
- Delivered in China by CBBC
- Over 200 orders delivered 2009/2010
- Bespoke service tailored to customer needs



Finding the Right Agent/Distributor

- Background
 - Size of agency
 - History of agency
 - No. of sales people, length of service, qualifications
 - Other agencies held and success record
 - Banking and trade references
- Distribution
 - Geographical coverage
 - Types of outlets covered and frequency of calling
 - Transportation
 - Warehousing



Finding the Right Agent/Distributor

- Are they right for your product?
 - Knowledge of local market conditions
 - Marketing competence
 - English language skills throughout the organisation
 - Agent's interest in and enthusiasm for new products - and yours in particular.
 - After-sales service levels
 - Required skills of sales people



Making the relationship work

To ensure your products receive attention

- Visiting as regularly as is practical at senior level
 - Shows commitment & interest
- Working closely with the agents to show how they can profit
- Helping to prepare marketing and sales plans
- Providing regular training for the sales staff and after-sales training for the technical staff in the UK.
- Linking performance to incentives and agreeing milestone targets.



Due Diligence

- Self help - documents you can request
 - Business license, shareholder agreement, operating & registered addresses, operational bank a/c address, passport of legal/chief representative, web/email, copies of English/Chinese business cards
- CBBC AIC check
 - Company name, registered address, registration number, legal representative, registered capital, date of registration, type of enterprise, business scope, shareholders, renewal status
- Professional Service Providers
 - In depth financial due diligence - various providers



Keys to successful market research for China

- Plan ahead
- Allow sufficient resource (time and money)
- Prepare a clear, focused brief
- Communicate/engage with support / delivery team (ITAs, CBBC advisers and researchers)
- Preparation of company profile & sales pitch in Chinese

An investment - not a cost!

