

# Preface

I wish I had written this book myself years ago. I have always felt I would have needed something like this when I first started pursuing my business career in China in the late 1980s.

Looking at the towering skyscrapers of Beijing and Shanghai, it is difficult to imagine that the Chinese economic miracle is only some three decades old. Back in the early days of Chinese business, there was little guidance to be had — my colleagues and I learned from our own mistakes, or if lucky, from the problems others faced, as we went along. Some 10 years ago, an initial trickle of business books rapidly grew into a flood. I have read many of the countless titles that have since appeared on the market. Few of them are excellent, and most tend to fall into two categories: academic treatises of the Chinese business environment, or entertaining, often literary, accounts of the exploits of individual businessmen as they navigate the exotic shoals of the Chinese market. Until now, I have hardly found a practical handbook written by active business people with on-the-ground management experience.

So why does this book fill a need? Why do we need a handbook for doing business in China? As a result of my work with the European Chamber of Commerce here, I have come to realize that the lessons that I and other early entrants learned are still relevant today. Although the Chinese market has matured rapidly as the result of growth and global integration, there are still plenty of pitfalls, and companies entering China in the early 21st century tend to make some of the very same mistakes that we all did in the 1980s and 1990s. Based on their own experience, and that of other seasoned “China hands”, Johan Björkstén and Anders Hägglund

provide hands-on, practical advice that can help managers avoid repeating the most common errors. Their reference checklists may be useful not only to new arrivals, but also to anyone managing a business here.

The authors acknowledge that “China is different”; this may sound like a platitude, but is still important to keep in mind. Even after 20 years doing business in China, the truisms like “China is different” are the insights that most of us “know”, but hardly constantly practice. China is more like a large and diverse continent than a country; its business culture and history sometimes differently interprets business concepts and systems that seem superficially similar or even identical to Western ideas; and in many areas, China has unique traditions that influence every aspect of enterprise, from legal issues to the elusive but often mission-critical feel for “the way things are done around here”.

Yet, this assertion of “uniqueness”, in my opinion, can also be a serious stumbling block for expatriate managers who fail to trust their own instincts and sometimes allow respect for “cultural differences” to overshadow common sense. It is therefore refreshing to see that, even as they highlight the differences, the authors avoid the mistake of overemphasizing cultural factors, of making China seem more “mysterious” than it actually is. Instead, they provide an unusually down-to-earth and operational perspective on the Chinese marketplace.

China is rapidly developing into an economic and political world power, the largest economic comeback story the world has ever seen. I believe it is essential for economic success as well as for international relations that all of us, together with our Chinese partners, create a smooth, constructive, and successful local experience for international business here. This book is a valuable contribution to this ongoing effort.

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