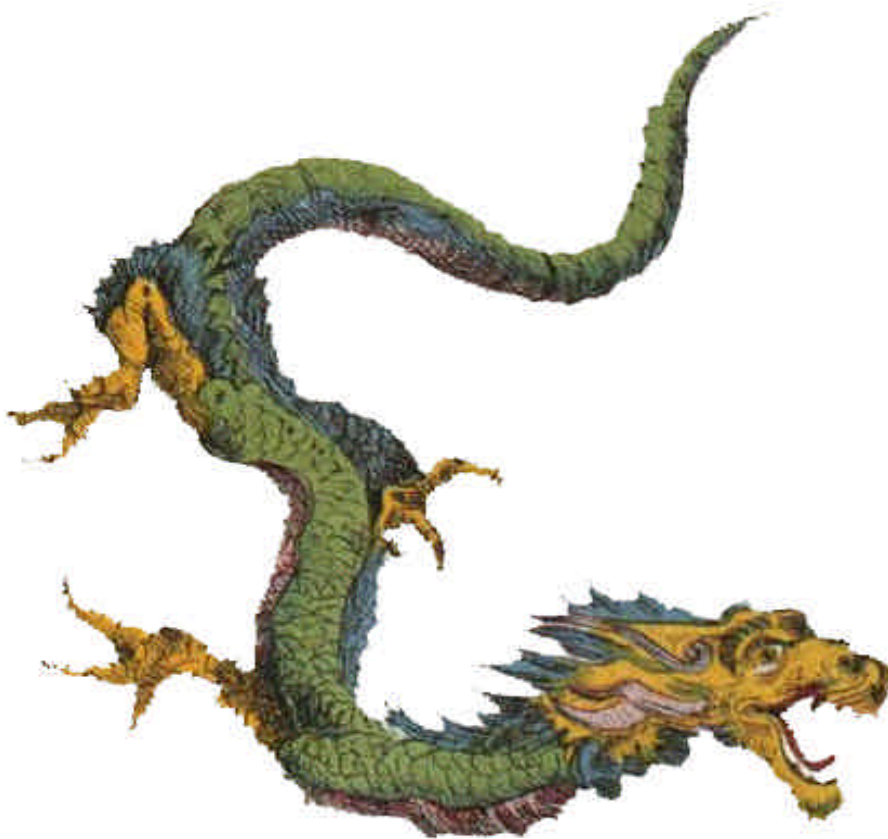




# Guanxi and Management

*Recommendations for western  
managers and companies entering  
the Chinese market*



University of Applied Sciences Solothurn Northwestern  
Switzerland  
International Management, June 2002

Ruprecht Simon  
Schmid Denise

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## Executive Summary

***“China was never ruled by laws but by man”  
William Keller, GM Roche, PRC***

This paper is written for business executives interested in doing business in China or with Chinese people in Asia. Occasion of this report was the China Insight Seminary 2002 of the University of Applied Science. Westerners aiming to do business in China need to understand the Chinese culture as a relationship oriented culture. They must be aware of the importance of “good” relationships, of Guanxi. Creating Guanxi is networking the Chinese way. In business Guanxi must be seen as a strategic management and leadership tool. Guanxi has no equivalent in the western society yet could be translated with: deep relationship supported by mutual trust and a reciprocity of services and favours. The paper identifies four key stakeholders with whom Guanxi is important. The employees, the suppliers, the customers and the government. Latter is the most important. Practically all interview partners approached in the course of the China Insight Seminary confirmed the special importance of good Guanxi with the authorities.

For companies being about to enter the Chinese market the authors identified four main options to establish the relationships needed:

- A network of relationships is build up from the scratch with little outside support (build up strategy).
- A local consultant or close friend with local ties gives access to the critical connections (Guanxi tapping strategy).
- Through a partnership with a local Chinese company the company can “outsource” the Guanxi aspect of the business to the Chinese partner (Partnership Strategy).
- By employing a Chinese either having the critical Guanxi already in place or having the potential to build it up (Employing Guanxi Strategy).

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## Recommendations

What are the implications of Guanxi for western companies planning to enter the Chinese market? Hereafter we present five Guanxi related recommendations.

1. Make sure that the expatriates you send to China have a good theoretical knowledge on the Chinese culture. This will help them to better and faster understand their new environment. It will make it easier for them to tolerate the differentness of the Chinese culture and to accept it finally. Make Guanxi a core topic of this preparatory process. At the same time assure awareness that the theory is actually not a condensate of reality but a construct - a construct able to help but never able to fully explain.
2. Give the management of the Chinese subsidiary the freedom and support it needs to successfully practice its Guanxi. Understand that the presence of the company owner or CEO might be requested under certain circumstances such as the ground-breaking ceremony for a new factory or the finalisation of a large sales contract.
3. The first astronaut of your company landing in China needs a "business guide". China is an in-group out-group society. Without a well connected "business guide" the first steps in China will be extremely difficult if not fully deemed to failure. Today there are several companies offering such services. For Swiss companies we recommend the Swisscentre in Shanghai. The Swisscentre is a non-profit organisation managed by Swiss people and partly funded by Swiss authorities. A contact like the Swisscentre will help you not only to find the right and trustworthy partners but it will also provide you with a "trust credit". As the friend of a friend you will have a better Guanxi start.

4. Building up Guanxi. We see four main ways for western managers and companies to build up Guanxi (figure 1): Guanxi build up strategy, Guanxi tapping strategy, Partnership strategy and the employing Guanxi strategy. A company should consider its Guanxi options and then pursue the strategy chosen. Hereafter we shortly describe the four main Guanxi options. In the section *basis to recommendations* the reader finds examples for the four options.

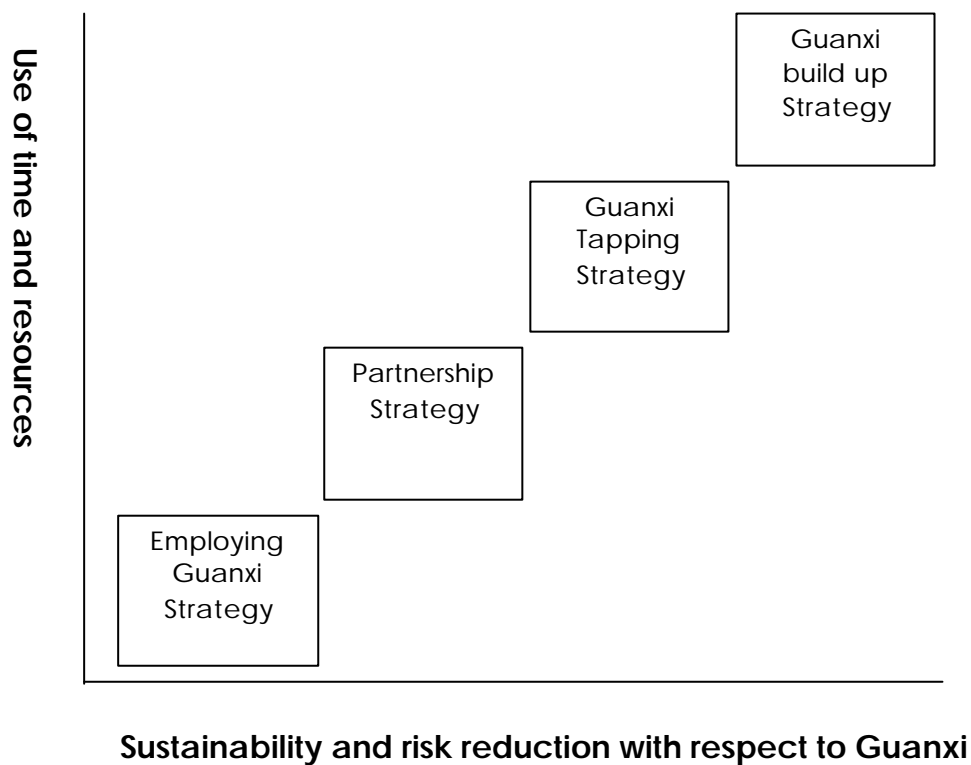


Figure 1: The four options for the creation of the right Guanxi

**Build up strategy**

You build up your Guanxi more or less from the scratch. That means you search for your partners on your own, you try to establish contacts and start to build up Guanxi. This option will be very time consuming. It is very much a try and error approach and will at least at first be a "flight in thick fog". As mentioned, this Guanxi strategy is not likely to be successful. Yet if it is, and good relations could be established, then we think it will be sustainable and of low risk with respect to Guanxi.

**Partnership strategy**

You can try to integrate existing Guanxi by forming a partnership with a company that has well established relationships to the critical stakeholders. This partnership could be a joint-venture with a (modern) state owned enterprise or with privately owned enterprise. A partnership with a western company – even if it is well established – is less likely to provide you with the relations you need. In businesses, where government or government close companies are your main customers, a partnership with a Chinese company can be the business enabler. Yet you need to assess the value of your partners relationships and compare it to the costs and risks of the partnership. Establishing a joint-venture is time consuming. A good Guanxi to your potential partner must first be established. This will take months and success is far from being granted. Nevertheless an established partnership - with a company operating according to market economy principles - is likely to be sustainable and of comparable low risk with respect to Guanxi.

**Guanxi tapping strategy**

Tap the Guanxi of your "business guide", consultant or of a western business partner. They are likely to have well established relationships. As mentioned, the friend of a friend will get a trust credit. As an SME you might enter China on the initiative of your MNE customer, in this case you should try to take advantage of the prestige and the network of this customer. Tapping the

Guanxi of others will help you to be considered as trustworthy faster and will speed up the establishment of relations. Yet these relations might always be linked to the relations your former facilitator has to your partner, which represents a risk.

### **Employing Guanxi strategy**

You can try to establish the critical relationships by employing (Chinese) people that either have the potential to build up the right Guanxi or already have the right Guanxi. To effectively use their relationships in favour of your company, you will need to give these people an adequate title and status within your company. The "employing your Guanxi" strategy is likely to establish Guanxi very fast. Yet the risk is relatively high. The Guanxi will not be attached to the expatriate but to a local employee. When this employee leaves the company the Guanxi is gone.

5. Be aware that your employees are integrated in their own Guanxi network. That means that they have their own obligations and interests. The interests of their network might conflict with those of your company. Be aware of this and take adequate action where necessary yet. The Guanxi of your employees might also be of great use for your companies interests.

In any case you will need to be patient in China - even if things around you move very fast. Be aware that in China "the long future has a long past". Although Chinese business people tend to act short term, their memory is very much long term. Establishing your own Guanxi network will in any case be a time intensive and slow process.

## Background

In China, Guanxi has a history of over 5,000 years. Traditionally China is a political society. The most important skill in China for nearly anybody, even today, is how and in which way you place yourself in the hierarchy. Guanxi gained importance through the instability under the communistic system particularly during the Cultural Revolution. During this period, the family was the only place where social and economical stability could be found.

“In China the primary qualities expected in a leader or executive is someone who is good at establishing and nurturing personal relationships, who practices benevolence toward his or her subordinates, who is dignified and aloof but sympathetic, and puts the interests of his or her employees or followers equal to or above his or her own.

The Chinese assume that *lingdao* (*leen-dah-oh*), leaders, and *lingli* (*leeng-lee*), managers, will automatically make good, benevolent decisions to avoid harming themselves and their families, thereby losing face. In their words, for cultural reasons rather than reasons based on managerial theories.

Furthermore, virtually all authority in China is bound up in individuals; not their offices or titles. The power these individuals exercise comes from the personal relations they have with those around them and the image of virtue and goodwill with which others view them”.  
(Boyé, Lafayette, De Mente, 1996.)

According to Boyé the primary quality that makes a leader in China is the ability to establish and maintain personal relationships - to external stakeholders as well as subordinates and superiors. This is in line with the importance our interview partners in China attached to Guanxi. Yet, what is Guanxi?

## What is Guanxi

Guanxi translated means “relationships”. As a system of interpersonal relationships it has long historical and cultural roots. Guanxi is understood and utilised by virtually every Chinese person to greater or lesser extend. The basic underpinnings of the Guanxi system are the twin understandings that, one, all things are relative and, two, that people are the deciders of all things. This



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worldview, opposed to the concept of the rule of law, is a fundamental distinction between how Chinese and westerners perceive the world. It is and appropriate starting place to understand Guanxi. China has never been a nation of laws. All of the Western philosophical understandings that define the relationships between individuals and the society are not present in Chinese society except in the form of shallow, recent transplants. The deeper current still predominates and perhaps always will. (compare<sup>1</sup>)

The fact that in the Chinese culture it is people that decide and not rules is absolutely critical. William Keller, General Manager of Roche China quoted the following Chinese saying. "Rules are made, rules are unmade, rules are man made." This makes decisions and regulations mainly depending on relations, not rules. Keller made clear that when there is a good relationship in place, for example with the government, then things can be discussed.

One can look at this aspect also from a different perspective and say that in the Chinese culture everything is a trade, a "Kuhhandel" as Swiss would call it. Everything is negotiable given that the right Guanxi is in place. Yet a trade is always a two side business. A favourable treatment you get today simply means that you will have to grant a favourable treatment to your partner the day he comes to you and asks for a favour. Guanxi is reciprocal.

"In contrast to the West's transaction-based business culture, the Chinese business society is relationship-based. In the Chinese business context, relationships are a form of social capital, owned by business people and associated with the companies they run. Whereas in the West a successful business person is spoken of as "wealthy", in the Chinese context he or she is described as well connected." (Chen, 2001) Relationships can therefore be seen as a main asset in the Chinese culture.

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<sup>1</sup> [www.gcis.com.cn/content/new/2000/business/2000\\_b\\_guanxi1.html](http://www.gcis.com.cn/content/new/2000/business/2000_b_guanxi1.html)

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## Forms of Guanxi

“Guanxi exists in various forms based on the closeness of the relationship between the parties involved. For simplicity’s sake, it could be said that the Chinese see relationships as existing on one of three levels, each describing the degree of social proximity.

The first type, *jiaren*, denotes the closest possible relationships in the Chinese context – relationships with extended family members. While blood relations certainly constitute the strongest bonds of obligation, the Chinese will consider highly trusted non-blood relatives as family members. If any person, Chinese or non-Chinese, is accepted as part of an extended family, he or she is considered *jiaren* and accorded the status of a true insider.” (Chen, 2001)

Many Chinese family businesses mainly base their business model on these close family relations. You might call this the “clan-company”, surely the trust and social proximity within a *jiaren* relationship enables a high flexibility and leaves many otherwise necessary control mechanism obsolete. A western business person will hardly reach such a high social proximity, yet he needs to be aware that his Chinese employees are bound into a tight relational framework and might have loyalty conflicts between their employer and possible family interests.

“The second type of Guanxi relationship occurs among *shuren* – non-family members with whom one shares a significant connection. Connections considered significant in the Chinese context include people from the same town or village, former classmates, members of the same clubs or societies, or friends of friends.

The third category involves strangers, or *shengren*. From a Chinese perspective, nothing is known about first-time visitors, hence, there is little basis for trusting them. This is not to say that the Chinese will immediately assume

the worst about strangers, but they are more likely to regard them with suspicion. A wait-and-see attitude is common when dealing with *shengren* and often is a source of impatience and frustration for outsiders who fall into this category." (Chen, 2001)

As a westerner manager you will start on the *shengren* level when entering the company. On the *shengren* level, there is no Guanxi, the relationship is not supported by trust. Yet through an appropriate leadership style you are likely to build up trust and with it a better relationship. The same applies for your external relations where time and the right behaviour will allow you to build a *shuren*, a Guanxi relationship. According to Chen, Guanxi can be exclusive, but it is not impenetrable. Also it is possible to be a *shengren* in one network and a *shuren* or *jiaren* in another. (2001).

## Basis to recommendation

### Guanxi target group

For a manager we see four critical groups with which Guanxi should be established. The government, the customers, key employees and suppliers.

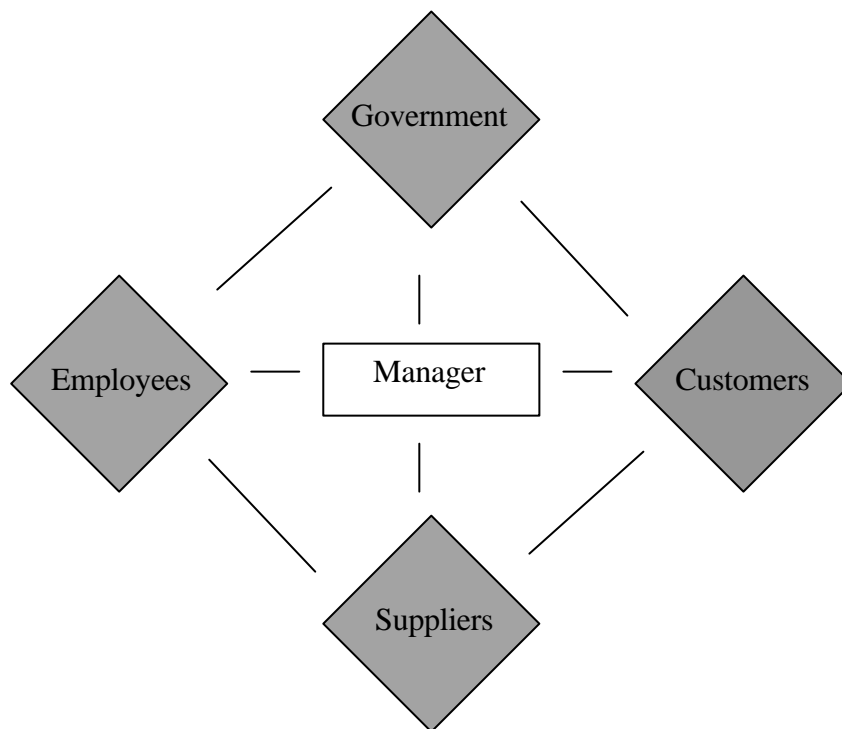


Figure 2: Key relationships for a manager in China

## Government

Based on the information we got, we think that the relations to the authorities are the most critical ones. As mentioned, the law and legal regulations play a secondary role in China. The good relations to officials will help you to get your business licence. The same relations will assure you a timely and efficient administration of your requests. For large company's such as Nestlé or Roche not only the relations to the local and provincial government are important but also those to the national government in Beijing. In fact, many multinationals have their China headquarter in Beijing. Affiliated to the government is the press. Hoffmann La Roche's excellent relationships to the government have an analogy in the relationships to the Chinese press. Roche is mentioned 2 to 2,5 more often positively than the closest competitor. Having good relations to the government will assure positive press coverage. It is interesting to know that in its support for the government, the Chinese press has two functions, that of a voice and that of an ear.

## Employees

Establishing good relationships with your key employees will help them to trust you and give you good reasons to trust them. According to Mr Trivelli of Nestlé China, company internal Guanxi is especially important in state owned enterprises. In SOEs the manager has a by far greater impact on the employees than in a privately owned enterprise. SOEs are not only an economic but also a social and to some extent a political entity (*danwei*). In any case, as mentioned it is important to understand that the company's employees are also bound into a relation-network. This might leave them with interest conflicts, as they have to serve two masters - their employer and their family clan.

## Customers

Creating trust is a key to success when marketing in China. A good Guanxi to customers is therefore, especially for investment goods and for long-term relations, critical. Within the marketing of investment goods, the socialising aspect of Guanxi prevails. Mr Leibundgut, GM of Sulzer Textiles and other investment goods marketers emphasised the importance of intensive social events in the sales process. This is especially important when dealing with state-owned companies.

## Suppliers

A good Guanxi with your key suppliers will make you sourcing more efficient. With a good Guanxi in place, your supplier will not attempt to simply get the most out of it and then run. But he will try to make this a sound, mutually profitable long-term relationship.

## Examples to Guanxi options

In our recommendations we illustrated that a company has four main options with respect to the creation of Guanxi. Hereafter we shortly bring one example per option.

### **Guanxi build up strategy: Hoffmann La Roche's**

Hoffmann La Roche is the number one foreign pharmaceutical company in China. The company enjoys excellent relations to the Shanghai and the national government. Mr William Keller, GM of Roche China is citizen of honour of Shanghai and one of the few holders of a Chinese green card. The excellent relations Roche enjoys with the Chinese government have many reasons. The key to these relations is a comparably long and successful past. In the perception of the Chinese government, the relation started in the early 80ies, when officials sent out letters to western multinationals. In these letters the companies were asked to help China developing. The request had a

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somewhat naïve connotation. Yet Roche sent – unlike many other multinationals three people to Beijing. Today, whenever there are official meetings between government representatives and Roche executives, this mission is referred to by the Chinese as the start of the friendship between the two parties. Roche has done other things that helped it to build up an outstanding relation to the government. Among those is the fact that Roche was the first company to invest in the – at that time completely agricultural – Pudong area. Today, Pudong is Shanghai's fastest developing area. Another "give" of Roche is the fact that William Keller will co-present Shanghai's candidature for the World Exposition 2020.

### **Guanxi tapping strategy: SMEs**

SME's typically have little resources to dedicate to any form of expansion. Yet getting into business in China is as mentioned relatively time consuming. The Glion Hotel Management School made its market entry to China together with a local - notably Swiss - consultant. The consultant not only led the negotiation with potential partners but also managed the registration process. The consultant's relation to officials and banks strongly facilitated Glion's landing in China. Also the Swiss décoltage company Lauener SA applied a Guanxi tapping strategy making use of the Swisscentre Shanghai for its market entry.

### **Partnership strategy: Nokia**

All of Nokia's China ventures are partnerships with Chinese companies. According to Mr Kouo, director of Nokia Beijing, this was a strategic decision. The decision is very much rooted in the Guanxi issue. In fact, Nokia has two main reasons for making its Chinese ventures partnerships and not wholly foreign owned enterprises, and administrative reason and a marketing reason. First, dealing with the authorities and officials is strongly facilitated through the Chinese partner. Second, in the Chinese telecommunication infrastructure

business, it is impossible to have a substantial stake if you are not considered as a Chinese company.

### **Employing Guanxi strategy: Ikea**

Ikea, the Swedish furniture marketer, sells the Swedish culture embodied in all kinds of household goods. Indeed the Swedish culture is the heart of Ikea's business model. Yet in a culture as un-western as the Chinese one, the difficulties of globally uniform business practices become obvious. Ikea's China strategy can be summed up in two words: Be authentic. This brings Ikea into a dilemma. Ikea lives and sells the Swedish culture. This involves all aspects of its business, starting with its leadership and management style, and ending with the design of its products. In between there are aspects such as the way Ikea deals with officials, Ikeas HR policy or its merchandising concept. All these are issues showed to be problematic in China. Engaging in something like Guanxi is not really corresponding to the western and especially the Swedish understanding of business. Yet, after having encountered serious problems with government officials, Ikea Beijing had to realise that they need Guanxi to continue business in China. To do so Ikea Beijing has recently employed a Chinese manager. This staff member is fully responsible for government relations. With this solution Ikea can improve its government relations efficiently without absorbing expatriates resources and spending too much thought on conflicting resources.

### **How to create Guanxi**

The typical way to start a relationship is a social event. Mostly this is a banquet, yet it could also be a Karaoke evening or another "eating and drinking event". These events might start with a highly formal welcoming and an exchange of compliments. This exchange of compliments is for western standards quite flowery, yet adequate in China. In the course of a meal several toasts are made. These toast explicitly serve to create friendship.



Cheers is "Gambei" and as the meal proceeds there will be a lot of "Gambei". "Gambei" can be made with whatever alcohol, beer, wine or *moa-tai*. See it this way – the more the better, the worse your liver the better your Guanxi. There is all kinds of food the guest has to eat or at least taste. Rejecting a dish is of no help for the creation of Guanxi, yet one is not obliged to find all foods especially tasty and to praise them. With an increasing number of toasts spoken and "Gambei" made, the event will become increasingly informal, yet your behaviour will still be observed.

On the long run, the party aspect decreases in importance. It mainly serves to build a first relational floor, a base of trust. After the "party phase" the Guanxi can start to operate. The relations can actually be used. Guanxi lives from the reciprocal gives and takes by the two parties engaged in this relationship. Yet no "takes" are possible if no "gives" were made. Equity is important. If this works well, the Guanxi will develop further, i.e. improve. At the same time the relation is not invulnerable. Wrong behaviour or non-compliance with expectations will deteriorate the Guanxi.

What the gives are very much depends on the circumstances, such as the business the company is in, the past of the relationship and the current situation.

In a sales negotiation, the give can simply be the "giving of face". One can do this for example through the accordance of a discount to a certain person. Face is also given by paying respect to somebody.

According to Mr Trivelli, in the relationship to employers, it is important to be present when your subordinates require one to be so. Also, one should be present when his subordinates are in a difficult situation, be of help for them and do them favours.

On the take side it is important to understand that all Guanxi debt is typically a debt the creditor has to claim actively. For Guanxi, one has to deliver, yet one also has to make his partner deliver. Or as Mr Roth, Swiss consul in Shanghai putted it: "If the master is going the dog has to follow, yet if the master is not coming, the dog will bite him".

## **Guanxi in business: experience of western managers**

In this section the reader finds examples on how western companies deal with Guanxi. The reader will find that practising Guanxi is indeed very much a give and take.

### **Schindler**

For Schindler Shuzou, one of the China subsidiaries of the Swiss based transportation systems company, key gives in its relationship to the authorities are:

- Speaking positively about the Shuzou city to potential investors
- Allow company visits to guests of the city authorities
- Make donations for various funds, (unemployment, etc.)

In turn, the good relation to the local party secretary helps to get access to political leaders in other areas of the country. This is important for the marketing of Schindler's product. Mr Haldemann, GM of Schindler Shuzou came up with another, unusual but illustrative example. Few years ago, Schindler Shuzou had the following legal case. A local competitor had copied a Schindler product, patented it and sued Schindler for patent violation. Haldemann seeing the troubles arising, went to the local party commissioner with which he notably had established a good Guanxi. Being informed on the problem the commissioner spoke to the judge. At the opening of the case the judge said to the suing party that he sees little chance for this case. The competitor immediately annulated the suit.

**Nestlé**

Nestlé's history in the PRC is especially interesting. The consumer goods giant has managed to build up excellent relation to the national government.

Nevertheless the Chinese Government had attached tough conditions to Nestlé's first factory licences. The production locations assigned heavily aggravated the building up of factory and business. However, Nestlé managed to comply with these locations and build up its business. This earned it respect with government officials and paved the way to excellent government relations. Mr Vappereau, head of strategic planning putted, its this way. "Stick to your commitment then you will also be able to ask for favours."

Nestlé's "give" is vast and has several dimensions. Nestlé provides education to farmers especially in the milk and coffee production, it provides a regular and real income for many farmers, it supports public health by introducing and promoting milk products and finally brings top food processing technology to China. These clear benefits for China's development strengthen the position of Nestlé with respect to the government. For Nestlé, unlike for other companies, the administration delivers fast. Mr Müller, GM of Nestlé China, putted it this way: "They want progress in harmony!" and made clear that if they have this harmony, things go fast. When government officials ask Müller on how his business is running, and he indicates them a specific problem, they will be quick to ask on how they can help. Behind these excellent government relation there is an investment of 1.3 billion CHF. According to Mr Vappereau, Guanxi enables efficiency and openness in government relation. In a correct form politicians appreciate feedback, therefore reciprocal communication must be ensured.

Mr Victor Trivelli is a Swiss expatriate and has been working for Nestlé in Beijing as Head of Operations for several years. He told us that he experienced that

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guanxi is important with subordinates. Especially in state-owned companies the good relationship with your employees is of great magnitude. Subordinates have great respect of leaders and respect them a lot. Managers decide on their salaries, social benefits, promotion and therefore have immense power. Subordinates in China speak hardly up. As a result, Mr Trivelli found it quiet difficult at the beginning to work with Chinese. Especially employees who worked for a state-owned enterprise before are a big challenge for western managers to work with. Mr Trivelli thinks that there will be a change in the importance of Guanxi in the future as more and more western and private-owned companies emerge. In addition, he pointed out that although personal relationship is very important in China, Guanxi does not stand above everything else. Chinese business people are also looking for their business and always look for profits. For western managers who do business in China or with Chinese, Mr Trivelli recommends to enjoy drinking, eating, talking and having fun with Chinese. Chinese love to eat and enjoy long lunch and dinners. In the Chinese culture, private life is talked about before coming to discuss business issues.

### **Titoni**

Mr Schlueb, Manager of Titoni pointed out that networking in China is very strong. He experienced that retailers do not buy the watches from the distributor responsible for the area but from his friend. This shows that relationship is stronger than geographical allocation. Mr Schlueb believes that Guanxi is the key to success in China.

### **Nokia**

Nokia's Director in Beijing, Mr Frank Kouo, told us that they formed a joint venture with a Chinese company because of the contacts to locals and authorities. As a solely Finish company, they could not sell their telco-infrastructure products to the local providers "Because law has not the same importance than in Europe, relationships are very important", explained Mr

Kouo. "In China, there is often no "written-down way" how to do things and what the fine will be. You can make your own judgments, you can steer, and you have to be flexible." At the same time, Mr Kouo also pointed out that in his opinion, Guanxi does not have the same importance than is used to have in the past.

## **Alternative to our recommendation and why we don't recommend it**

The obvious alternative to Guanxi is doing business the western way. Ikea in Beijing is an interesting example of having tried the western style of doing business in China.

Ikea's Swedish Store Manager in Beijing, Mr Lars Wingren, experiences the Chinese as a boss-oriented society. The manager tells his or her subordinates what to do, when to do it, and how to do it. Mr Wingren tries to bring the Swedish management style into the Ikea store in Beijing by telling them, for example, that they do not have to do a certain task straight away or do it by themselves but that they can also delegate it to somebody else. He also tries to promote his employees independency by telling them, for example, "you do not have to ask me, you have the knowledge of fr make mistakes as long as the same mistake is not done twice.

Ikea knew from the very beginning of their operation in China that Guanxi is very important. But, having such connections has never been part of Ikea's culture and they did not want to build up Guanxi. As a result of applying the Western way of doing business, Ikea faces more or less the same problems all over the world. Mr Wingren said that the government already knows that Ikea is a "strange" company. Ikea tries to impose its one standards. The fact that Ikea is about the only company paying royalties to the government for the music it plays in its store – notably on a voluntary basis – illustrates its strife for compliance with western standards.

Ikea tried to apply their way of doing business and to bring the Swedish culture to China but had to find out that they will not go far without at least a little bit Guanxi.

Mr Wingren had to learn how important it is to have connections and to have somebody in the management who knows the rules. As a result, Ikea Beijing employed a Chinese manager who takes care of the relationships. Mr Wingren never involved himself into Guanxi. He is even not involved in the discussions and told us that he does not want to adapt to the Chinese business culture. Despite the help of a Chinese manager, Ikea would get less fines if they would have a better Guanxi to the government. They know that they need Guanxi but they do not want to change the Ikea culture. Mr Wingren explained that the central government decides on everything but that the local governments are more difficult to deal with. A couple of weeks ago he received a letter from the local government to vote for them. He would have had to ask his staff to vote for this special person. He did not and later Ikea got a fine. The government knows that Ikea has financial power and that they pay every fine they receive. According to Mr Wingren's experience, a lot of western companies and investors have been threaten badly by the Chinese government. But, he believes, that Guanxi will change with the WTO. "They have to", says Mr Wingren.



## **Action plan in case of urgency**

What should you do if your most important customer wants you to have started your China operations yesterday. What should you do if you need to be present and fully operational in China within a short period of time? If you are really in a rush we suggest to absorb the Guanxi aspects of your China Business strategy by applying the "Guanxi Tapping Strategy". Choosing this strategy should assure a relatively smooth, quick and not too risky entry into the Chinese market at with respect to the need for relationships.

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