



Slow boat to China not an option

Business Weekly
23 July 2009

China is the most dynamic market in the world right now. And, according to many international commentators, it is the country likely to be amongst the first to emerge from the global downturn that has blighted the rest of the global economy, opening up unprecedented opportunities for firms in the East of England region, especially in high growth areas of biotechnology, telecommunications and medical devices. Quite simply, there has never been a better time to develop a market entry strategy to tap into this dynamic business environment, and ambitious British companies need to square up to the challenge of crafting a coherent tactical plan now. But a slow response to this chance risks missing the boat, as Chinese companies themselves are raising their game to exploit the voracious domestic demand apparent across many industry sectors.

Ting Zhang, Founder & CEO of Cambridge-based China Business Solutions, who has observed these trends first hand, recently led a team that has completed a significant research project that uncovered huge potential for small and medium sized biotech, ICT and meditech enterprises in the East of England to increase their engagement with the Chinese mainland. “China is at an exciting point in its technological development, with new demands and needs from Chinese companies combining to give foreign firms the chance to make significant inroads in specialist sectors. But it is important for firms to understand that China has changed, and is now very clear on where technology partnership can add value”, she said, emphasising that considerable investment in innovation, research and development has been taking place in China over recent years, changing the way that British firms need to approach potential cooperation. “Engagement needs to be based on a partnership of equals, with both sides bringing together their own technology capabilities and product specialisations,” she stressed, “with careful partner selection being one of the most important steps in the strategy. But, when carried out correctly, the rewards can be well worth the effort!”.

Many of the region’s companies have advanced products of exactly the kind that China is looking for, but there still remain obstacles to success, not least of which is the selection of the right partner. “In the work we do, we find the most important element in making a partnership succeed is to ensure the right ingredients are there from the start, and we can use our long experience of China’s business scene and our extensive professional network to review the market, highlight the best contact points, and assess the suitability of potential partners, value added resellers, and distributors, to find the one that most accurately matches the British company’s strengths”, she said. And nor is it only in partner selection that challenges arise, as sectors such as medical device manufacturing, biotechnology research and telecommunications having their own regulatory controls, compliance requirements and operating licenses, all of which can be a minefield for the unprepared. “But that is exactly where we can help”, says Ting, “because we have up-to-date understanding of the latest sector developments, enabling us to pinpoint both the processes and the costs associated with any required registration. For example, China’s State Food and Drug



Administration regulations for medical device manufacturing firms involves multiple stages, including testing, translation and certification, but we can relieve the burden of all of that by handholding firms through each stage of the SFDA's requirements."

By being flexible and responsive to local business needs, China Business Solutions has built an enviable reputation as the region's leading independent specialist in China market entry strategy and business intelligence services, and is currently enjoying a strong pipeline of firms who need exactly this kind of combination. Ting explains, "Our aim has always been to deliver the highest quality service to our clients, and that has allowed us to build long-term relationships with them over many years, where we now understand their business strategy and operational needs in considerable detail, enabling us to be pro-active about opportunities that we encounter in China, which can be a real advantage in such a fast moving environment. Whilst this is a very Chinese style of working, it also fits well with expectations and attitudes of the region's high tech firms as well, which really makes for some great working relationships".

With China clearly having shrugged off the effects of the export slowdown by refocusing on its own voracious domestic demand, and with the Beijing government determined to promote the success of innovation-led firms across the country, the East of England region can steal a march on the rest of the UK. By offering highly valued technology solutions with business attitudes already warm to Chinese collaboration, opportunities for ambitious enterprises abound. And with firms such as China Business Solutions there to guide companies through every step in the process, the future does look very bright indeed.

China Business Solutions is a leading specialist advisory on China business development and collaborations based in Cambridge, England. Tel: +44 (0)1223-421968 www.chinabusinesssolutions.com