



## **“The Chinese Contract” – a fictive but nevertheless true story**

A mid-sized company decided to further develop its internationalization strategy and to assess the Chinese market. Its high-tech products have caught the attention of Chinese importers, its marketing efforts led to various contacts, of which one seemed very promising: the company was invited to China for a company presentation and to discuss a possible sales contract.

Knowing about difficulties and unpredictability when entering a developing market, the CEO of the company took ownership and structured the trip and its preparation:

- 1 week travel duration
- Outbound travel over the week-end to be prepared on Monday
- Return travel over the week-end allowing him to be back in office on Monday
- Travel with his assistant, who had to prepare the company presentation and an outline on the company's terms & conditions
- Wrap-up discussion every evening after the discussions with the Chinese company and writing of the debriefing memo before flying back

The CEO and his assistant arrived at the Chinese company's headquarter on time and were received by the Chinese CEO and his delegation. Respectful of the unfamiliar, the introduction went well and an agenda for the coming days has been agreed:

- Monday: introduction by the Chinese company
- Tuesday: presentations of the foreign company
- Wednesday: Q&A session and next steps

### **Monday**

- Extensive presentation by the Chinese company including numbers, company strategy and the importance of the company for the Chinese economy
- At the evening wrap-up the CEO revisited his impressions and thoroughly reviewed his presentations for Tuesday

### **Tuesday**

- Brilliant presentation by the foreign company's CEO on company profile, products, internationalization strategy, potential of China market and transparency of business contracts
- At the evening wrap-up session the CEO expressed his satisfaction and was not expecting too many questions for Wednesday's Q&A session



### Wednesday

- Q&A session began but the Chinese company's CEO was not asking questions as opposed to his delegation members who in fact asked a lot of questions. The foreign company's CEO was visibly surprised by the number of questions reflecting also his lack of judgment given the clarity of his presentations on Tuesday. It was agreed to continue on Thursday.
- At the evening wrap-up session the CEO expressed again his lack of judgment but was convinced that everything was on track and that Thursday will bring him closer to a deal

### Thursday

- Before the beginning of the meeting a Chinese delegation member approached the foreign company's CEO and informed the CEO that the CEO of the Chinese company is regrettably not able to join the discussion as he was called to an urgent meeting with the mayor of the city and identified himself as a new leader of the Chinese delegation. He also added that his CEO had no time for a briefing and that he would most thankful if the CEO of the foreign company could summarize what has been discussed so far

And now, Thursday becomes Tuesday and Friday becomes Wednesday! The CEO of the foreign company has to fly back on Saturday as he had had important meetings on Monday back home.

What happened? If you are interested, iMeans is more than happy to discuss...