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Dealing with asymmetry in US-China business relations

By Diemmi Pham, special to WRAL Tech Wire

(Editor's note: Grace W. Ueng, a director of the Harvard Club of Research Triangle, led a discussion recently at Quintiles on North Carolina-China business relations.)

RESEARCH TRIANGLE PARK, N.C. – Business, education, and government leaders came together at Quintiles headquarters on Oct. 4 to expound their knowledge and experience of the North Carolina-China landscape.

The event, organized by the Harvard Club of Research Triangle, featured Grace Ueng, founder and CEO of Savvy Marketing Group, as the moderator for three distinguished panelists, Tom Wollman, Senior Vice President of Global Central Laboratories and Cardiac Safety at Quintiles; Michael Chen, founder of New Mind Education; and N.C. Secretary of Commerce Keith Crisco.

There was a breadth of topics and perspectives offered from the panelists and audience which all centered on how to work through the differences between the two nations; different government types, regulatory policies, socioeconomic landscape, and cultures. The panelists discussed long-term policies and relationships with China, immigration, education, and business dynamics.

The most striking take-away, however, was the similarities, not differences, which both U.S. and Chinese companies' experience.

"We see it (jobs) coming back in all forms. The next wave of Chinese companies is looking to start businesses in the U.S., and North Carolina has become a premier choice because of our stable environment. We are close to the market they want to serve," stated Secretary Crisco.

"NC businesses that once moved manufacturing overseas are now shipping parts back to North Carolina for the completion of the manufacturing process; a single furniture company alone has already added 500 jobs back to North Carolina," continued Crisco.

In discussing Quintiles' efforts to set-up an office in China, Wollman shed insight on the business challenges they faced. He said these are much of the same challenges we know many companies face, dealing with a longer regulatory timeline, market entry on a local level, and probably most difficult, recruiting and keeping talent, but the payoff is worth it.

"As a company you will get exposure to a huge population," shared Wollman. "It allows for creativity in pricing strategy for the different markets."

One of the largest resources for finding talent is within the education system, but there is difficulty in bridging the two, however.

"Right now, close to 400 million Chinese students are learning English compared to less than 200,000 American students learning Chinese," said Chen.

For the first time in 10 years, China has surpassed India for the number one spot in volume of students sent to study abroad in America. According to a recent report presented to the UNC Board of Governors entitled *The Dragon and the Dogwood: A Way Forward for the University of North Carolina and China*, only 3.6 percent of UNC students who study abroad choose programs in China.

Language is a huge barrier and a huge asset in bridging this gap. Although difficult, when both countries are able to communicate with each other, they are able to form lasting relationships. Bilingual students become valuable assets because they are so rare.

Regardless of the sector these leaders are in, the message was the same: there are many challenges and struggles that they all must face when trying to work with another country. Whether it's pricing in business, preparation of human capital in education or policies in government, navigating a different landscape is not easy.

Lenovo was a Chinese company cited for significant job creation in North Carolina. Tao Gu, Vice President and General Manager of Workstation Business Unit at Lenovo was in the audience and made this comment during the discussion.

"Actually the same problem you found in China, I found here, the same problem in the U.S. too. I thought exactly the same thing you did when I got here when Lenovo opened up an office in U.S. I will tell everybody in this room that China is not special," he said.

"When you're experiencing a different culture, country or different market, you find differences. Like me in the States, I have to deal with different pricing system in the U.S. and China, I recruit different staff, [acclimate to] different policies, different process, so exactly the same thing. It's not scary, embrace the changes. It's globalization in our world."

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