



# DEALING WITH THE DRAGON

With a population of over one billion people, Asia is Australia's most significant trading partner. But the region's business culture can often seem bewildering to first-time players. Here is a guide to eastern business etiquette.

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**T**he area of South-East Asia, China and Japan combined has a population of over one billion people. The ten countries that make up South-East Asia (including Malaysia, Indonesia, Singapore and Thailand) have a total trade value of over \$930 million. Add to this China's current economic boom and that's a lot of money for Australian business to play with.

With a plethora of religions, from Muslim Malaysia to Buddhist Thailand, and governments that include monarchies, republics and communists, it's hard to know how to behave from one border to the next when doing business.

Generally speaking, Asian business is more subtle and less aggressive than its western counterpart, and is based on trust. Unlike the western bottom-line business model, many business deals will take numerous meetings before they are sealed. Even in a meeting where you think everything has been agreed upon, you may often later find a fax or email asking for more changes.

While business in Asia is accessible, and there is lots of it, relationships take a long time to develop. The first meeting is usually about getting to know you. Confrontation, frustration and 'seal-the-deal' tactics are not appreciated. Humility is very important. If you want your associates to know your credentials, ask someone else to tell them. It may take three meetings before you start discussing the logistics of doing business together. Be prepared for anything from one to ten more meetings before the deal is closed.

Melinda Lawrence, the founder of Australian toiletry and handbag company Uchi, worked in Hong Kong for 18 months as a product manager for Pacific Décor before setting up her own business in Sydney. She now deals directly with manufacturers in China, visiting the region quarterly to develop new products.

"Setting up meetings in Asia is easy," she says. "Closing deals will depend to some degree on whether you are dealing with an ex-pat or a local. It's hard to get a really clear picture with the locals; you can feel like you are being strung along, as the local Chinese don't like to say 'no'.

"There is a common myth that doing business in Asia is difficult. It's not. It is simply about communication, finding the right people, building and maintaining relationships and understanding each other's differences. The Asian community is far more professional in business—in my experience, [people] are punctual and their attention to detail is rarely seen in Australia. On the whole they work a lot harder."

Australian ex-pat Dana Urmanos is the public relations and marketing manager for the Cafe Deco Group, which owns six restaurant properties in Hong Kong, as well as Cafe Sydney in Australia. She grew up in Hong Kong and, although she has worked in both Australia and England, she found herself drawn back to the Hong Kong way of life.

"When you provide an explanation to people who have English as their second language, don't assume that they will understand everything you say," Urmanos advises. "If you ask them at the end whether they understand, they will answer 'yes' to save face and will go away and do the work and provide you with their version of what they think is acceptable. Don't get annoyed and say, 'But I thought you understood'. Instead, before they go off and do the job, ask them to tell you what they think they should do."

Lawrence agrees. "I find it best to have procedures in place which make it very clear that every 'T' is crossed and 'I' dotted. Every component in one of our products is documented and final sampling actually signed off and then sent back; things like this leave little room for error. Research your suppliers well and have a risk management strategy in place before things go wrong. In other words, establish who is responsible for what."

Australian Debbie Biber has worked in Hong Kong for 17 years, first as a regional creative director in public relations for Hill & Knowlton, then running her own events and sponsorship business, Blue Moon. She now heads up the Australian Chamber of Commerce in Hong Kong, where over 500,000 international ex-pats do business with the 6 million locals. For her, the biggest mistake Australian businesspeople make is often the easiest one to avoid: not researching the local market.

"It seems basic but you would be surprised how few people do this," Biber says. "It's important to know and understand the market you intend to do business in. Read the local papers—they are online so you can do plenty of research from home before your trip. Understand key local issues by exploring the government websites. Being aware of local happenings, events, politics and culture not only helps with small talk but can prevent any foot-in-mouth or unintended offence. It's a different society—not better, not worse, just different—so don't compare or you'll start on the back foot; rather adapt to their way [of doing things]."

Yenn Wong is a prominent Asian entrepreneur. The owner of the Philippe Starck-designed JIA boutique hotel in Hong Kong, her family business, PC Asia, owns a construction company in Bangkok, an online

# GENERAL DOs AND DON'Ts

Sometimes just one tip can save you a lot of embarrassment.

## JAPAN

Status and hierarchy are big in Japan. If you're invited to dine with Japanese hosts, don't pour your own drink. The host will serve the guests according to status from the most important to the least important. Seating is decided by rank; the most important sits furthest from the door. Hierarchy rules in Japan can get confusing, so it's best to ask for assistance from your interpreter or your office.

## THAILAND

Don't be confrontational. When negotiating, if your Thai counterpart is focussing on small, insignificant details as problems, it may indicate that there is a bigger problem that needs your attention. Your Thai counterpart doesn't want you to lose face, so will not address the 'big issue' directly. To identify the problem, try to stand back and ask questions about details, all the time avoiding the specific topic but being careful to place all the pieces together.

Be patient: the pace of business is often slower than in western countries and it's best not to push things. A cool head and a pleasant disposition are normally rewarded with a positive response.

If you want to treat your business associates to dinner, don't book a Thai restaurant. Instead, take your associates somewhere new. An international restaurant in a five-star hotel or one with a rooftop terrace or wine cellar—anything but local Thai cuisine. If you are being hosted, don't offer to pay, just accept graciously.

## CHINA

The Chinese love to feed their guests, so be prepared for 13-course banquets. Eat moderately and slowly; to finish first is considered rude as it suggests the host has not provided you with enough. Always leave a little on your plate and try everything, even just one bite.

## HONG KONG

Be aware of age hierarchy. If your Hong Kong clients are Chinese, your chief representative should be someone 50 or older, as this is the age range that commands genuine respect in this culture.

## SINGAPORE

Age matters in Singapore. The older the better and the more revered. If someone enters a room who is more than a generation older than you, it is important to stand. Similarly, always introduce the most senior in rank first.

## MALAYSIA

When shaking hands in Malaysia, make your hand limp. A strong handshake is not recommended and the shake takes considerably longer than in western society—ten seconds versus the western three. Use both hands if required. Never say 'no'; it's considered rude. Rather nod your head and hope your lack of enthusiasm shows how you really feel.

gambling business in China and a data management company in her home base of Singapore.

"While women in business have come a long way in Asia, in some countries you'll find there is still a tendency to grant preference and privilege to doing business with men, as this may be the 'comfort zone' of the culture," says Wong. "This is changing rapidly, particularly in the more developed Asian countries; in business there is now a far greater level of equality and respect for women."

She cautions against buying into western stereotypes, particularly of Asian women. "If you are doing business with an Asian woman, do not mistake reservation or discretion as weakness. They may sometimes appear demure, but there is a great deal of strength and savvy [in] Asian businesswomen. In general, Asians are more conservative than Australians in their business encounters and may not be as forthcoming. If you feel you need clarification on a matter, it is OK to politely ask. Hierarchy is still a significant issue in Asia, so start on a formal level and look out for signs of relaxing during the meeting. Take your cue from your Asian counterparts and listen and observe to determine the communication style that might work best."

Wong is a respected businesswoman with a family name behind her. Australians entering Asia for business may not have the same standing, but it is possible to counter this with some assiduous networking.

"If you're relocating, join your local chamber of commerce; it's a great

networking platform to immediately gain business," says Biber. "Get involved in the community, join a committee and network, network, network. Remember with networking that you are doing it to learn; if you're only giving and not learning then you're choosing the wrong people to help you with your business."

Urmanos agrees. "Choose your networking functions with care—if the key topic doesn't interest you or is not in your field, then people will wonder why you are there. Don't spread yourself too thin when networking; there is something on every night—sometimes up to four events—but it is better to spend more time in one place than just making an appearance. Sometimes going to the same type of functions more often gets you further. For example, I go to both AustCham [the China-Australia Chamber of Commerce] and BritCham [British Chamber of Commerce] functions, which means I see familiar faces, which results in getting further with a conversation than just, 'Who are you, which company are you from and what could you do for me?'"

Your old university could be more useful than you think, adds Biber. "There are tens of thousands of Asian graduates from Australian universities, which makes for a powerful alumni network. If you're a graduate ex-pat this can be a fantastic networking tool. There are Australian alumni networks in China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Singapore, Thailand, Taiwan—all the major Asian countries." ■

## ASSISTANCE FROM AUSTRADE

The Australian Trade Commission (Austrade) has more than 8,000 women CEOs and export executives on its database. As one third of Australia's small to medium-sized businesses are now run by women (Australian Bureau of Statistics, June 2001), this figure is expected to grow, and the government has put in place a number of export programmes to help ensure the number of businesses that are exporting doubles by June 2006. The programmes are particular geared towards helping women in business.

Julia Selby, the executive general manager of Australian operations and Pacific markets at Austrade, says: "Our initial advice includes explaining what exporting involves, assisting companies to determine whether or not they are ready to export, assisting companies in prioritising and understanding markets and providing information on financial assistance available to exporters.

"For companies further along the export path, our global network can assist in identifying key market contacts and arranging relevant appointments; using their government status to open doors for Australian businesses; providing detailed market research for specific products and services; providing details of potential business partners or local market representatives; arranging interpreters and translation of documents; organising for product launches and seminars and promoting a company's products or services through international exhibitions and overseas trade missions. In short, Austrade's export advisers will do whatever they possibly can to ensure that an exporter succeeds in making an international business sale."

The Women in Export Programme aims to ensure women in business are aware of, and have access to, the full range of Austrade's services to assist them in becoming successful and sustainable exporters.

The New Exporter Development Programme provides eligible businesses with practical assistance to develop into a successful exporting company. An export adviser and Austrade's international network will help to assess your company's export capability and readiness, identify target markets and provide advice on international business issues.

To prepare you for your selected market, Austrade will advise you on international marketing strategies and on your marketing plan; provide feedback on promotional material; inform you of economic conditions and commercial practices in your target markets and evaluate the suitability of your product or service for target markets.

After determining which market appears to hold the most prospects for your product, service or patented technology, Austrade will provide eligible businesses with up to 20 hours of free services in that market. The in-market services will be tailored to the needs of the individual business. This might include detailed research into the best market-entry strategy, identifying a potential partner, representation on your behalf to the local regulatory authorities or making appointments for you during a market visit. A service proposal will be created, outlining what services will be provided and mapping timelines. There is also continuing assistance from your export adviser, including coaching and advice on the practical aspects of exporting.

The Export Market Development Grants (EMDG) scheme is the Australian government's principal financial assistance programme for aspiring and current exporters. Administered by Austrade, the purpose of the scheme is to encourage small and medium-sized Australian businesses to develop export markets. EMDG reimburses up to 50 percent of the expenses incurred on eligible export promotional activities, less the first \$15,000.

For more information on how Austrade can help you expand your businesses globally, go to [www.austrade.gov.au](http://www.austrade.gov.au)



You can never underestimate the power and status of business card exchanges. The obsession with business cards in Asia may seem ridiculous to the average Australian, but it is serious etiquette in these regions. If there is only one thing you learn, let it be to take the time prior to your trip to have your details translated into the local language of the country you are visiting. Keep one side of the card in English and the other translated. Choose a high-quality paper and typeface; the more expensive a card looks the better.

When handing your business card to a colleague, hold it with both hands with the writing facing the receiver. Similarly, when accepting a business card, do so with both hands. It's important to read it and treat it with respect, so never write on someone's card. Do not place it in your back pocket; this is considered rude. Instead, place it on the table in front of you during the meeting, to be taken with you when you leave.

## CONTACTS

International Enterprise Singapore  
[www.iesingapore.gov.sg](http://www.iesingapore.gov.sg)

Business.gov.sg (the Singapore government website)  
[www.business.gov.sg](http://www.business.gov.sg)

Hong Kong Australian Chamber of Commerce  
[www.austcham.com.hk](http://www.austcham.com.hk)

Hong Kong Association of Business and Professional Women  
[www.hkabpw.org](http://www.hkabpw.org)

Hong Kong Women Professionals and Entrepreneurs Association  
[www.hkwpea.org](http://www.hkwpea.org)

University alumni groups

The Australian government runs a website with the contact details of international alumni groups:  
[www.studyinaustralia.gov.au/Sia/en/Afteryourstudies/alumni.htm](http://www.studyinaustralia.gov.au/Sia/en/Afteryourstudies/alumni.htm)