Ten Tips for Building "Guanxi" - the Art of Relationships - in China

Cultural familiarization, relationships, and accuracy in translation and interpreting are major concerns for businesses in China. Peter Bennett of London Translations and Jeremy Gordon, CEO of consultancy China Business Services, share their collective experience of trading in China to help develop “Guanxi”, the art of relationship-building.

(PRWEB) October 8, 2006 -- It helps to have contacts in the right places. If you trade with China, or would like to trade with China, underestimate guanxi at your peril. It works at all levels - from social engagements through business and into officialdom.

"Guanxi" is a Mandarin Chinese term that describes the complex, inter-dependent relationships that exist between two or more parties. "Guan" means "close together," and "Xi" means "relationship."

A guanxi relationship is always built on trust that has developed over time. It helps you keep loyal customers in the long run, maintain a profitable business, and compete successfully in a competitive marketplace. Almost all Chinese businesspeople consider guanxi to be one of their most important assets.

Guanxi is difficult to obtain, and requires sensitivity and skill when deployed. It is not something that can be developed overnight, and it will not allow instant access to powerful people or big contracts. However, by starting with small steps, being patient, and by building on established networks, foreign businesspeople can start to understand, and benefit from, this ancient Chinese system.

If you don’t speak Chinese, but recognise the need to maintain that personal touch, you will need an interpreter, which is why Peter Bennett’s company London Translations Limited is rolling-out LanguageBridge™ for business users. LanguageBridge™ is a new on-demand telephone interpreting service which connects you and your Chinese clients to a fully qualified Mandarin or Cantonese telephone interpreter within minutes. Making the effort to address a business partner in their own language will make all the difference to that relationship. As the LanguageBridge™ service does not require pre-booking and is available 24/7, users can respond quickly to a situation or opportunity – building more guanxi along the way.

While useful, guanxi is not a magic key to success in China. Relationships that lack real depth can fail with bad business deals, powerful people can move or be removed, and no amount of influence can produce long term results in the face of poor strategy, product or service delivery. Guanxi cannot guarantee success even for the most well-connected of people, as Jeremy Gordon discovered on a trip to the Great Wall. “Although we had made arrangements with senior government contacts for VIP access to this splendid site, a young lady on the designated entry gate had not been properly briefed. Despite the fact that several group members had guanxi at the very top of government, and the fact that that they were collectively worth several billion dollars, none was able to bypass the teenage gatekeeper. Even the offer of a deposit in the form of his gold Rolex from the Chairman of a major Hong Kong conglomerate did not help. The lesson leaned? When considering guanxi, remember that the power to make things happen, or not, may be found in the most unlikely places”.

There is no easy or quick way to build guanxi, but here are a few good places to start:

Ten Tips to start building your guanxi
1. Get a name: Get a good and meaningful Chinese name and have bilingual name cards printed. People will remember you, and will appreciate your respect of Chinese tradition.

2. Learn a few key phrases in Chinese: Even a little Chinese will go a long way in building a relationship. If nothing else learn how to shout “gan bei” when making a toast at a banquet.

3. Communicate directly: Whether you speak Chinese or not, make an effort to see and speak to your contacts. Use LanguageBridge™ where appropriate. There is no substitute for direct communication.

4. Give “face”: Business can be frustrating at times, but in China a pragmatic approach will win over a pugnacious one, especially if you can give, or save, “face”. If your counterpart is in a difficult spot, a little leeway may be rewarded later on. If however you cause someone to lose face, you will find little support when you need it.

5. Avoid conflict: Sometimes an indirect approach to problem issues can be the most effective. Avoid conflict over the negotiating table, and seek to build understanding and consensus over a drink instead.

6. Don’t be shy: Chinese life revolves around group activity, so don’t be afraid to join in. Whether it involves eating chicken feet, singing karaoke, or downing too much Chinese “bai jiu”, you can be sure that your Chinese associates will appreciate your openness.

7. Respect the culture: The Chinese are rightly proud of their culture, so take some time to read up on some history, and avoid raising culturally or politically sensitive issues.

8. Family: While you may not have much in common with the people on the other side of the table, other than the business in hand, families (and children) are a favorite subject. Sharing photos and stories from home will help build bridges.

9. Gifts: Chinese people will often bring gifts, especially ones that are hometown specialties. Be ready to reciprocate.

10. Be patient: China offers excellent long-term opportunities, and will reward those who go there with long-term commitment. One step at a time!

International business expansion into China and the Far East is made easier by the new collaboration between London Translations Limited and China Business Services. The two companies have built considerable expertise and knowledge of the Chinese economy and trading conditions and are sharing this expertise with a growing portfolio of international clients.

Web Links:

London Translations Limited: www.london-translations.co.uk
LanguageBridge™: www.london-translations.co.uk/speakchinese

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