

DR. ANGELIKA SODIAN



IN THE YEAR OF THE TIGER

WHY IT IS NOT TOO LATE TO LEARN
FROM CHINA

Content

From one second to the next	7
Underestimated: the copy office	11
Overestimated: the invincible	13
Correctly assessed: where do we really stand?	17
China's visions	21
China's leaps	29
China's joy	35
China's success	45
So totally different	52
Rethinking: from sinovation to eurovation	55
Reshaping: From sinogility to eurogility	63
New thinking: a Sinoeuro venture	67
From one day to the next	71
Angelika Sodian	74
Further offers	76
Imprint	78

From one second to the next

It's a Thursday in February 2015 and the Chinese New Year is just around the corner.

I'm sitting beside my Chinese business partner, whom I know as Leslie – because like all Westerners, it's easier for me to call her by her nickname than use her proper Chinese one. We're in our office in the Pudong quarter of Shanghai and I can see she is trying to find a way to begin a difficult conversation. *“Er ... Angelika, maybe we should have a chat. Would you like to go for a coffee, perhaps? There's something I'd like to run past you.”*

I'd met Leslie 15 years earlier, when we were both working for the Austrian/Canadian automotive supplier Magna Steyr. Since then we had worked together in a range of businesses before ending up running a consultancy to help European enterprises break into the Chinese market.

Leslie would never have said: *“We really have to talk now. It's about something very important.”* But I had lived in China long enough to know that whatever was on her mind, it was urgent. So off we went to Starbucks on the ground floor of our building *“for a coffee.”* Like most Chinese people Leslie doesn't actually like coffee, but Starbucks was *“in”* and coffee was becoming really trendy.

With cups in hand we found a table and then she dropped a bombshell. *“I've had a sensational offer from a Chinese start-up in the electromobility sector and I would like to accept it.”* Looking me straight in the eye, she added: *“I've given it a lot of thought.”*

After a brief pause while I recovered from the surprise I asked when might the job start? *“This coming Monday,”* she said. Just four days away.

Immediately a thousand things started to fly through my mind. We were fully committed to clients at the time and I would never be able to manage all the business on my own. I would need to find additional people – and quickly.

Meanwhile, Leslie continued to enthuse about her exciting new opportunity. *“I’ve got a really good feeling about it. This company has real potential. And Angelika, let’s be honest, over the last few years we’ve been working more in the past and the present than we have in the future. This offer is an ideal way into that future, to really learn about how Chinese companies are going global.”*

Then she looked hard at me. *“Maybe it’s not just an opportunity for me ... but perhaps for you too?”*

Over the last 15 years I have worked continuously either for European companies doing business in China or for Chinese companies doing business in different European countries. I spent the last four of those 15 years as a senior executive in a Chinese global start-up.

During this time, I shared information with European managers, giving them my insights in return for their views of what was happening in China. Their interest in this country has grown strongly year-by-year, most particularly over the last three, and the need for knowledge about and expertise in the Chinese economy has grown exponentially alongside the country’s global success.

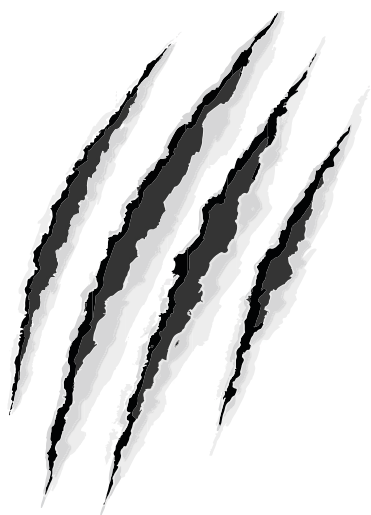
I am frequently asked to identify the differences between Europe and China and to give my views on China's strengths. That is partly because until recently I was a regular speaker at conferences as the spokesperson for an expanding Chinese start-up, NIO.

One thing had become apparent to me from all the questions I have been asked: Few Europeans can accurately assess China's economic power and fewer still truly understand why it has experienced such a boom.

When discussing this topic people usually divide into two camps. In the first are the Europeans who still underestimate China. They persist in seeing it as a country that has simply nothing to do with the present day.

In the other, a growing camp, are people who blindly overestimate China's potential. Their view of China is just as irrational as that of the first group.

It's easy to see if you belong in either, as in the following two chapters I have compiled a selection of the questions typically received from both sides.



Underestimated: the copy office

“China? Can they do anything other than copy?”

Many Europeans still see China as an extended workbench of Western nations. They readily concede that the Chinese are experts in mass production but remain dubious about their quality standards. They do not see the Chinese as having either high demands or any specific capabilities.

“What does it matter to us Europeans that digitalisation is more advanced in everyday life in China than elsewhere?”

A question such as this illustrates all too clearly what I consider a double dose of ignorance. Firstly, anyone asking this question obviously does not rate China as a power – as if globalisation wasn’t really an important issue. Even though the world economy is currently cooling down and protectionist tendencies are coming to the fore, even if they wanted to Europe’s markets are unlikely to be able to isolate themselves from the rest of the world.

Secondly, the question also seems to assume that no country where even the masses are fully familiar with a crucial key to the future can ever hope to enjoy a competitive edge. But is that really true?

“The Chinese can do everything we can? I’ll believe that when I see it happening in my sector.”

You’ll find this narrow-minded attitude in particular in those industrial sectors in which China has not yet made its mark in the European market. Pride in their own performance in the past seems to cloud the view of both the present and the future.

“Their success is largely down to short term opportunism? They don’t plan ahead so much as make on the spot decisions, going this way today and that way tomorrow. How can that be sustainable in the long-term?”

Europeans are suspicious of the Chinese way of developing companies. The fact that it is different to theirs in a number of ways leads them to believe that this success simply cannot endure. This conclusion is understandable from the planning culture perspective of Western organisation – but once again, is it right?

“People tell amazing stories about projects that the Chinese get up and running in an incredibly short time – but are any of them actually true?”

Chinese companies are currently also making a name for themselves in key international projects. That has caused quite a stir but also resulted in amazement. European entrepreneurs frequently assert that China’s success stories are either exaggerated or, if true, must be the result of unfair business practices.

In my early years in China these were the main kinds of questions I was asked by Europeans, all demonstrating an implicit contempt towards China. But in recent years the pendulum has begun to swing strongly from the negative to the positive.

Overestimated: the invincible

The following observation illustrates how the mood has changed. When I moved to China 12 years ago I worked in human resources for the large Austrian/Canadian automotive supplier Magna Steyr. We found it very difficult back then to find experts who wanted to work in China. We had to offer high expatriate allowances to suitable candidates, not least because everybody assumed that working there would be very arduous.

Today, however, there's a rich choice of candidates because so many professionals want to go to China. Over the last two years I have been inundated with applications via LinkedIn. Working for Chinese start-ups has become "*cool*" among well educated, well trained experts. These flexpats, as they are known, go to China for the learning experience as well as the fun. They see their time in the Middle Kingdom as a valuable addition to their professional CV.

No doubt that has something to do with the perception that China's enterprises have experienced a major turnaround in their fortunes. In some industries China has already proved that it can gain ground extremely quickly. In the electromobility sector, for example, it developed an entire ecosystem – with all the necessary players and resources – in under five years and it is now the undisputed world leader in the sector. Today 40 percent of all electric cars in the world are to be found on China's roads.

It is because of these successes that I am being approached by an ever-growing number of representatives from the auto industry. The same is true in the areas of robotics and artificial intelligence. The breath-taking speed with which Chinese entrepreneurs seize their opportunities inspires equal measures of amazement and despondency amongst their European counterparts.

Accordingly, there are those in Europe who catch their breath when the subject is raised. You can see this reaction in questions such as:

- *“When you see the massive amount of subsidies the Chinese State gives its industries do we Europeans actually have a chance?”*
- *“There are just so many Chinese: if they all get going, then we haven’t got a chance, have we?”*
- *“How can we hope to keep pace with all these future technologies when here in Europe we have to deal with thousands of regulations, while the Chinese don’t bother in the slightest with social partnership, environmental concessions, data protection and the like?”*
- *“Isn’t China so far ahead already that we will never be able to catch up?”*

You can hear the regrettable resignation in those questions.

But whether the majority of Europeans underestimate or overestimate the Chinese is pretty much irrelevant at this stage. Neither reflects the reality and Europe is merely putting itself into an ever-worsening situation by adopting either approach. Whether Europeans ignore the challenge because they are arrogant or so despondent that they freeze in the face of it, the outcome is the same: stagnation.

And if Europe stands still while the rest of the world, and particularly China, moves forward, the gap will necessarily widen and grow ever bigger.

So where does Europe really stand in comparison to China?

Angelika Sodian

Angelika Sodian has observed it happen time and time again: mistaken preconceptions result in misunderstandings, leading to frustration and ultimately even failure in intercultural collaboration.

With a Doctorate in Business Administration, the author and keynote speaker recognises the importance of bringing a realistic yet positive attitude to the development of European companies. Now she has made it her mission in life to share her own personal experiences and insights of doing business with the Middle Kingdom.

Few others have the depth of relevant experience needed to truly comprehend the cultural differences between China and the West when it comes to driving businesses. Angelika spent many years in top management in the automotive sector, working with both Chinese and European companies and in both regions. Having founded her own company and assisted other entrepreneurs create theirs, she now helps European executives and entrepreneurs identify their routes to market through engaging lectures, training sessions and workshops.

When not involved in this fulfilling pursuit, the native Austrian loves immersing herself in different cultures by travelling with her husband. She enjoys visiting locations with enchanting sea views and the occasional glass of fine wine.

To learn more about Angelika please visit:
www.angelikasodian.com



Further offers

Congratulations! You have read this book and looked the Chinese tiger in the eye. Now build on this learning and steer your company into a sustainable future.

Why not share your exciting new understanding with your entire management team? Angelika can help you do this through in-company keynote addresses, executive workshops and training sessions. She can help you define a strategic positioning for your company concept that will drive it dynamically in new directions and strengthen its intercultural capabilities. With her insights and experience, nothing will interfere with your successful transformation.

To learn more about Angelika and how her experience can help yours, please visit: **www.angelikasodian.com**

Imprint

Published 2020

1st edition

Copyright Dr. Angelika Sodian

www.angelikasodian.com

All rights reserved, in particular the right of reproduction and dissemination as well as translation. No part of this publication may be reproduced or stored, processed, copied or disseminated using an electronic system in any form (by photocopying, microfilm or any other procedure) without explicit written permission of the author.

SINOILITY is a registered trademark of Dr. Angelika Sodian.

Cover design: extract.design

Photo: André Bakker

Typesetting and layout: extract.design

Publisher: Angelika Sodian

Printing: Druckerei Uhl, Radolfzell

Printed in Germany

Produced by: Gorus Media GmbH

ISBN: 978-3-947572-44-1

Gorus Certified Publication is a seal of quality for books which are published by the authors themselves. For you as a reader, it guarantees the quality of the concept, design and the text itself. For this purpose, this book was examined in detail by a jury of experienced book professionals and evaluated in accordance with the quality criteria developed by the Gorus Group over decades of successful work in the German-language non-fiction market. Only books which satisfy these criteria are awarded this seal of approval. Further information: www.certified-publication.de