

SMALL BUSINESS ADVISER

Some guidance on business in China

By **JOHN TANG**

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As the world economy globalizes, more domestic businesses are expanding overseas to stay competitive.

Over the years, many of the Fortune 500 companies have already taken advantage of the valuable opportunities in China and, in the process, have paved the way for small and mid-sized companies to follow suit.

However, the legal and business environments in China are very different from those here in the U.S., making the selection of a capable adviser vital to success of any venture.

Selecting an adviser requires a careful consideration of the following five factors:

Trust

Whether established by personal knowledge, accomplishments, and/or reputation, it is important to work with a trustworthy adviser.

This adviser should be someone who understands your business needs and China's market conditions sufficiently to guide your investment through various stages of its development.

The adviser should not only have a concrete grasp of the content, but also have the ability to effectively communicate his or her recommendations.

Cost

For many companies, investing in China is a major step that requires substantial time and a significant financial commitment.

Consulting an adviser will be an additional cost, but compared to the expensive international legal proceedings that could result from uninformed business dealings, it is a relatively small and prudent investment.

To better utilize company funds, it is a good idea to compare different advisers and select the adviser that is the best fit in terms of expertise and budget.

Commitment



Like any new venture, there will be a learning curve, especially in a market as complex as China.

When selecting an adviser, it is important to ensure that the adviser will be able to dedicate his or her time to work closely with your company in every aspect of the transaction.

As you become more familiar with the process of doing business in China, you can rely on your adviser for support in higher level transactions and deal closings.

Experience

Theory and practice are very different things.

Although having a solid foundation of knowledge is essential, it is equally important to have an adviser who has hands-on experience with doing business in China. It is important for an adviser to have a good understanding of the language and business culture in China, which can prevent misunderstandings that may lead to disastrous conclusions.

An adviser with this level of expertise will not only be more efficient at answering general inquiries, but also have established connections and methodologies that they can pass on to you, providing your company with an advantage over competition.

Understanding

For an advisor to provide the most relevant and useful guidance, he or she must be knowledgeable about your business and industry or have the ability to quickly get up to speed.

An adviser based in Northeast Ohio will be more cognizant of regional trends while also providing the added benefits of quick access and face-to-face meetings.

Selecting a good adviser is an essential first step to doing business in China.

Your adviser should be able to guide you through the vague and often confusing laws, regulations and practices, so you can focus on growing your core business.

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