



China Sales Newsletter

Information for American Co's seeking to sell in China

China, land of opportunity

China is too filled with opportunities to neglect but that doesn't mean it's an easy play. SME-size U.S. companies seeking to sell in China need especially take heed.

With zero or limited China experience, U.S. SME's can fall easy prey to a steady stream of overly eager customers, unscrupulous "partners" and hungry Chinese competitors. It's the classic problem "don't know what you don't know". Rather than blame the Chinese, let's just blame it on widely different cultural and business norms. You see, many things the Chinese do and even consider good



business raise eyebrows back in America. Rarely in China are things as they seem. And, that's exactly why we're here to help. As an American-owned and managed company, China Sage Consultants is unconditionally committed to ensuring your business success while protecting your interests in China. We know the China game, your game and how to play to win at selling and business in China. We can build sales better than most and help position your business for long-term success in China.

First question to ask: Are you really ready for China?

Before entering China, confirm your business, especially your upper management team, is ready for the challenge. Half-baked business ideas and uncommitted efforts do not work while a plan aligned with on-the-ground reality only might. Success in China requires a serious commitment of resources including time, attention and money. Your product offering and support system have to be fully ready as well. If you lack any of these or a good plan to compensate for shortcomings, it is best to leave China for another day. At China Sage Consultants, we know when a business is ready for China and when one is not. Talk with us to learn just how ready you are.

A new way for the American co's to sell & build business in China

For years now, large multinationals (MNC's) have been entering China with big bangs and big bucks. They often throw tremendous time and money at China before finally achieving profitability after 5, maybe 10 years. And the less fortunate? They leave altogether (e.g. [Best Buy](#)) or bleed red while drifting in an ongoing state of befuddlement. Contrarily, SME's lack the abundant resources of large MNC's and need a smarter nimbler way to approach China. Sales outsourcing.. [\[see page 2, New Way\]](#)



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Service Provider



China Street Dog Blog



[china insights](#)
[too practical to ignore](#)

Top selling to-do's for China

- It's never as easy as "1.3 billion" so be selective in who you want to sell to.
- Ensure your value proposition is actually "valued" by potential Chinese customers.
- Adjust expectations and ensure your attitude supports a long haul.
- Ensure your plan works in spite of the "legal system" or lack thereof.
- Seek the advice of those who have gone before you, seek out experts.
- Know your strategic intent: In for long haul or just an opportunistic sell?
- Relationships do matter so make sure you find the right ones.
- Always show respect for China and the Chinese (fake it if you must).
- Don't be oversold and don't let your guard down.
- Team up with or hire the right people to support you.



CHINA SALES INCUBATOR

American SMEs' best weapon for selling in China



Sales outsourcing in China that actually works!

Would it not be nice to have your own sales office in China, experienced sales team and all. However, you believe the cost and management hassles, not to mention risk, will preclude that from ever happening. Now you do have an option. Our China Sales Incubator program provides a sales office, full-time salesperson(s) and expert management



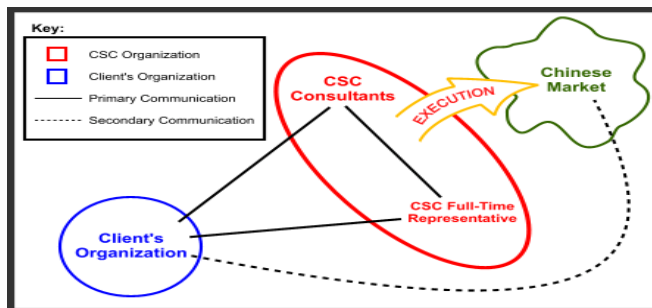
team in China for less than the cost of a single experienced

salesperson stateside, and far less than if you setup in China alone. China Sales Incubator is a fast, "pay-as-you-go" and minimal risk option. China Sales Incubator is working for others and can work for you too. Contact China Sage Consultants today to learn more since time is not on your side.

China Sales Incubator Program Features

- Dedicated salesperson(s) we hire specifically to fit your
- Our management oversight and strategic guidance ensures constant alignment to mutually agreed upon objectives
- A fast setup and equally fast ramp up to sales effort and closed sales
- Ongoing mutual engagement affords you more control over your business than other options
- We provide a strategic view over your business and solutions to selling, local manufacturing and logistics issues to name a few
- Scalability allows adjustment to meet your changing business needs
- A reduced cost, lower risk and higher results option than going alone
- Rollover planning to help you become independent in China long-term

China Sales Incubator Management Concept



[New Way from page 1] ... is one way that can work. With

sales outsourcing, a China-based preferably U.S.-owned and managed partner provides all the infrastructure, people and China experience needed for the SME to execute a real sales effort in China. As for the SME, it remains engaged providing product plus key technical and decision support. Run correctly, outsourced sales efforts move fast and grow sales quickly, fees are minimal and typical China risks eliminated. Importantly, the SME and Chinese customers can feel the SME has a real office in China. Sales outsourcing works and should be considered by all China-gazing SME's as a viable option for starting out in China, but make sure you choose a good partner!



Best Candidate or “good English” in China

Experience tells us the best choice for that new

Chinese employee is often not the one who speaks the best English. Regardless, here's a mistake we see time and again, one that's tough to overcome. It happens like this. When filling positions in their China operations, American managers inevitably interview a slew of candidates. After many uncomfortable hours of communicating in “grade school” English, the hiring manager meets that one English-fluent candidate and thinks “ah, this is the person we need”!

Subconsciously comfortable with good English, the American manager promotes hiring the “one” to colleagues and other company decision makers. The company ultimately hires the “one” based mainly on the manager’s input or in reality, “good English”.

If lucky, the company just hired a capable, committed and honest employee. But often that is not the case. Many good English speakers lack other job critical attributes with integrity being the most important. We frequently advise our clients not to place “excellent” or even “good” English at the top of their job profile. Instead, we say focus on technical skills, work experience and especially character attributes. Companies should enlist experts to help understand China-critical character attributes they should be looking for, attributes such as honesty, loyalty, western orientation, open-mindedness, straight-talker, etc. They are also smart to have those same experts assist with their screening and selection process too since things in China are generally not what they seem.

(For more on this topic, visit [China Street Dog blog](#)).

Best to Claim Your Stake in China Now

Without a doubt, China is currently the world's most dynamic and opportunity filled market. So if sales at home are down and economic chaos is holding your business back, why not consider China? Not only is domestic consumerism on the rise, but the government is investing the equivalent of one trillion+ U.S.D in infrastructure and strategic projects designed to help stabilize and promote long-term economic development. Products and technologies that support the Chinese Government’s objectives are in high demand and your product could be one of them. So don't let uncertainty control your business. Instead, leave the doomsayers behind and grab a strategic stake in China today.

Does Your Product Fit in China?

Do not make sales assumptions for China based on western business norms as this is a sure road to failure. Instead, carefully assess how your offering will fit in China’s market. For example, the Chinese are very price-sensitive and price will always be an issue though, high-value higher-priced offerings can find a place in China. This is especially true for certain B2B engineered products. To sell successfully in China, you will need to ensure the following are true.

- Your product and/or service offer real performance advantages valued by Chinese buyers that clearly offset any price premium.
- There are no closely comparable Chinese alternatives, since if there are, they are bound to be 50% or more lower in price and the first choice of most buyers.
- For other than a one-shot deal, your product cannot be easily duplicated by Chinese competitors. Products with high proprietary content and/or bundled specialized services have the greatest chance for sustainable sales success.

(For more on this topic, visit [China Street Dog blog](#)).



A Whitewater Analogy

Been whitewater rafting?

It's not as easy as it seems. Yes, water is water, a boat a boat; but, once floating you quickly realize there's a lot to manage and fast, lest you end up in the water (To be sure, if you're not a “river expert”, you will end up in the water). “Boulders”, “holes”, “eddies” and “heavy water” will have you “wrapped”, hypothermic or drowned in no time at all. Without actual river experience, the best preparation and common sense won't get you very far. This is why we have “river guides”.

Rafting is a good analogy for business in China as China is filled with obstacles requiring expert guidance to navigate. With a good guide you might make it but without one, “hold your breath going in”.

At China Sage Consultants, we've proven it's far more effective for us to learn your business (raft) then help you navigate China (the river), than for you to learn China and navigate alone. And like a guided whitewater trip, the raft, guide and riders (you) must all work together to reach the destination. In China, your success is our success, since after all, we're all in the same boat!



More about China Sage Consultants

China Sage Consultants first started in California in the spring of 2003. By April 2005 we had made our Shanghai-based "China WFOE" operational to ensure an effective execution capability in China.



Our core focus is helping U.S. SME's sell and buildup their businesses in China. Highlights of our business:

- **Target Clients** - Small to mid-size U.S. companies desiring to grow sales and build sustainable businesses in China
- **Target Products** - B2B engineered-type (technical) products
- **Core Business** - Outsourced sales and business development programs through China Sales Incubator
- **Competency** - Finding and managing the right people to achieve sales and business development objectives in China
- **Business Consulting Services** - sourcing, project management and key personnel recruiting support

CSC always works hard to promote an understanding between all relevant Chinese parties and our U.S. Clients. We have an open and friendly company culture focused on providing good client service and the continuing development of our team members.

Founder's Message: Why we do what we do?

Though filled with opportunity, China can be tough and even unfair to well-intentioned smaller U.S. companies. As an American working in China for nearly 15 years, I have watched U.S. companies lose time, money, valuable intellectual property and market share back home due to the aggressive sometimes even unscrupulous actions of Chinese companies. Given the opportunity, many a Chinese company will eat not only your lunch but your breakfast and dinner too.

Wanting to "fight back", I established China Sage Consultants in 2003 intent on helping U.S. companies to safely sell and buildup their businesses in China. Today we are doing just that, helping ensure a level playing field for our U.S.-client companies so they can succeed at business in China. And yes, we do try to make a little money along the way.

Looking back, we were the first to promote the concept of a "China Sales Incubator" to help U.S. companies sell to China. Until recently, most other China-focused consulting companies were "sourcing consultants" helping U.S. companies buy products from China. Unlike them, we have been through the ringer on behalf of our clients and can say with confidence "when it comes to selling products and helping build up businesses in China, we know what we are doing". So in closing remember, your exports help America maintain its prosperity and we are here to help you.

Chris Wingo
Managing Director and Proud Native Californian



Contact Information

China Sage Consultants (Shanghai) Co., Ltd.

829 Central Yan'An Road, West TOWER - 10C, Shanghai, China
200040

China Phone/中国电话: +86(21) 6247-3561

U.S.A Phone/美国电话: +1(714) 656-3488

赛麒商务咨询（上海）有限公司
中国上海市延安广场
延安中路829号西楼10C 200040

inquire@ChinaSageConsultants.com
www.ChinaSageConsultants.com



SUPPLEMENTAL SECTION

SALES EXPLORER PROGRAM



Like the idea of China Sales Incubator but still too many questions to commit?

You could choose to pay for formal market research to the tune of \$15,000 to \$35,000 and three-month's time to validate the opportunity for your product in China.

Of course, you'd still have to digest the research and decide what to do in China. When trying to figure things out, it's amazing how time and money fly by quickly. Here at China Sage Consultants, we believe in a different approach.

We know the best source of market information comes from actively selling in the market. This means face-to-face selling to prospective customers, meetings with industry players, presentations to government institutes, and so on. That's why our sales incubator program works so well, it quickly puts an experienced salesperson in the market selling on your behalf. However, sales incubators do require a commitment and, though minimal, carry some risk. Conservative types may not like this.

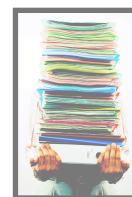
If you're feeling conservative or together we cannot establish an 80% or better confidence level your product "fits" in China, then maybe a limited "exploratory sales effort" is your answer. With our new Sales Explorer program, we'll use our existing sales resources to test sell your product in China. We'll meet with prospective buyers, talk to industry players, meet government officials and do whatever else we can to validate your opportunity in China. And, unlike pure market research, we'll do it while actually selling your product.

After a run time of 3 to 4 months, you and we will have a quality understanding of your product's opportunity in China, how to approach the market and with good fortune maybe even a potential sale or two. So when you want more than a nicely bound collection of facts and figures, consider our China Sales Explorer program. For much less than the cost of market research, we'll give you a real view into China that will help you plan your smartest next step, possibly a step into your own China Sales Incubator.

Program Details

- Learn the market while interacting in the market with real players
- Our salespeople gather market information while test selling your product; our consulting staff supervise and support the effort
- Our initial product and market assessment point our sales effort at the most sensible opportunities
- Program run time is 3 to 6 months
- You'll only pay a minimal fixed fee plus commission on any sales
- Realtime feedback from real customers provides more actionable information than full-blown market research
- Your cost is probably less than cost of a single "business class" trip to China
- At end of program you'll have enough information to validate your opportunity and decide upon next steps
- A great qualifier for our China Sales Incubator program

It's really your decision!



or

