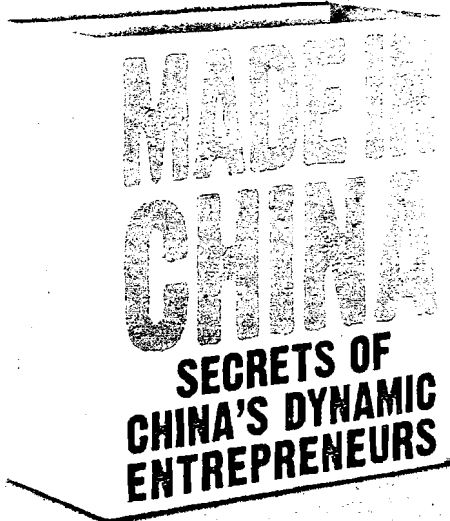


Missing out on the inside track



WINTER NIE & KATHERINE XIN
WITH LILY ZHANG

Made in China: Secrets of China's Dynamic Entrepreneurs
by Winter Nie & Katherine Xin with Lily Zhang; John Wiley & Sons; US\$24.95

has been previously written. Indeed, it is only after three repetitive case studies and one chapter of historical background that the book begins to shed new light on China's private businesses.

Nie and Xin's groundwork involved interviewing 20 heads of privately owned enterprises about how they built successful operations. What the authors found probably will not surprise anyone who knows entrepreneurs in other countries. Chinese entrepreneurs take risks; they are willing to "break away from the traditional system" of Chinese business; they are diligent and hard working; and they "cultivate and effectively use *guanxi*," mostly with government officials.

There are many English-language books on how foreign companies can enter the China market, but few that explain how Chinese companies do it. Winter Nie and Katherine Xin, professors at the International Institute for Management Development (IMD), set out to fill that gap. Unfortunately, their work falls short of its goal.

Nie and Xin start out with famous business case studies: Danone's fight with its joint venture partner Wahaha, and Jack Ma's Taobao crushing eBay in China. But these are stories that have been told before and the authors add little to what

There is some insight into characteristics peculiar to Chinese entrepreneurs, but the reader must sift through the predictable in order to find it. One characteristic that stands out is a willingness to take existing ideas from a foreign market and adapt them to suit the China market.

In developing Taobao, for example, Ma realized that Chinese want to build relationships through business. That led to the site's instant message function, which allowed parties to chat with each other before buying an item. The feature was so popular eBay eventually copied it.

Thin on detail

At the end of the book, Nie and Xin suggest foreign companies cooperate with privately owned Chinese enterprises, saying that these firms will give foreigners the inside track on the local market. But the authors do not really discuss the problems that can arise in joint ventures due to communications or cultural differences. For example, no attempt is made to revisit the Danone-Wahaha case study and connect the lessons learned from that dispute to the conclusions of their study.

For better direction, readers should turn to Juan Antonio Fernandez and Laurie Underwood's *China Entrepreneur* (see "Related Reading" below). It gives readers the knowledge on collaboration that *Made in China* lacks.

Nie and Xin also fail to make their book matter during these times of economic crisis. They describe how Liu Qiongying built up Aiming Leather Goods, identifying the risks she took to establish herself in the export market. But there is precious little detail on how Liu or another business owner dealt with downturns.

After all, a key factor for foreign companies in picking a business partner is whether the Chinese side holds up during the bad times, too.

JOHN GUISE

▶ RELATED READING



China Entrepreneur: Voices of Experience from 40 Business Pioneers by Juan Antonio Fernandez and Laurie Underwood; John Wiley & Sons; US\$24.95



One Billion Customers: Lessons from the Front Lines of Doing Business in China by James McGregor; Free Press; US\$15.00



China's Rise: Challenges in Opportunities by C. Fred Bergstein, Charles Freeman, Nicholas R. Lardy and Derek J. Mitchell; Peterson Institute; US\$26.95

The authors, known for their interview series with Chinese CEOs, talk to foreign and local entrepreneurs about how to build a China-based business from scratch.

The classic China business text. It still contains useful knowledge and take-aways about the dos and don'ts of collaborating with Chinese firms.

For those who want the big picture. This book looks at the key economic and political challenges China faces, and discusses where business people fit in.

