

# SETTING UP AND OPERATING A BUSINESS IN CHINA

(Subject to Changes)

## Significance of the Workshop

- Maximizing Long Term Returns: It is important that the initial setup of the operations has to be correct since it will have a long term impact on the corporation. Although there is not a fixed rule in making such a judgment, this workshop will critically examine the decision making process.
- Cost Savings: Setting up operations in China can be complex, time consuming and frustrating; however, most of the application process is routine. Furthermore, as most Chinese laws and regulations are relatively new and subject to changes frequently, interpretation varies. Many US companies could save a significant amount of money and avoid unnecessary delays if they understand the mechanics and alternatives that are available.
- Unique Emphasis: The Workshop will not only deal with the mechanics, laws and regulations in setting up and operating a business in China, but will also address the intangible elements of such an engagement. Communication is more than language, and getting work done is more than following the mechanics.
- Practicality: All speakers are practitioners that have gone through the same process before. Many speakers have set up and operated a number of entities in various parts of China.
- Insightful: The format of the workshop is a combination of theory and practice. It will not just give an account of what has happened or is happening; it will give insight about what is believed will take place in this global economy.
- Solution Oriented: The Workshop does not purport to provide a solution to some of the challenges that a U.S. company is facing in today's uncertain economy that is changing at space ship pace; the Workshop will strive to offer a number of possible solutions from various angles.

## Important Information

- Registration and Contact Information
  - By Mail: Please complete the attached registration form and return it along with a check payable to U.S.-China Chamber of Commerce with the appropriate fee or credit card information to:  
*U.S.-China Chamber of Commerce  
Attention: Setting Up Operations Workshop  
55 West Monroe Street, Suite 630  
Chicago, IL 60603 USA*
  - By Fax: Complete the registration form with your credit card information and fax it to: (312) 368-9922.
  - By Phone: (312) 368-9911.
  - E-Mail: E-mail to [info@usccc.org](mailto:info@usccc.org) with information on the registration form.
  - Online: Access our web site at [www.usccc.org](http://www.usccc.org). Click "Event" "Setting Up and Operating a Business in China Workshop" and complete the registration form.
- Fees (\$ in US): \$545 for Non-Members; \$445 for Members of U.S.-China Chamber of Commerce
- Special Discount: A Cross-Cultural and Language Workshop is to be held on the next day of this Workshop. *An additional discount of \$100 will be taken if both Workshops are attended.*
- Registration Deadline: Enrollment is limited to 100 participants. Early enrollment is encouraged. Please register on or before Friday, April 25, 2008.
- Location: Union League Club of Chicago, 65 W. Jackson Blvd., Chicago, IL, Phone 312-427-7800
- Accommodations: The Union League Club of Chicago has made a limited number of rooms available for Workshop participants at a special rate of \$125 per night. Please contact The Union League Club of Chicago at 1-312-427-7800 or 1-800-443-0578 for further information. Please make sure to mention that you are attending the U.S.-China Chamber of Commerce Workshop.

## About Us

- If you are unable to attend the conference and wish to purchase Workshop CD, please contact U.S.-China Chamber of Commerce or visit [www.usccc.org](http://www.usccc.org).
- Dinner on Tuesday, April 29 is not included. However, subject to responses, a ten course traditional Chinese dinner at a popular restaurant in Chinatown, Chicago will be served at \$55.00 per person. Transportation to and from the restaurant will be arranged. Please contact USCCC for further information.

# SETTING UP AND OPERATING A BUSINESS IN CHINA

Tuesday, April 29, 2008

- 7:00 a.m. – 8:00 a.m.**      **Registration Begins and Continental Breakfast**
- 8:00 a.m. – 8:45 a.m.**      **Getting into China: Options and Strategies**
- *Outsourcing; market expansion*
  - *Rep Office; JV; Greenfield; Acquisitions*
- Panel Discussion: Siva Yam, CPA, CFA, President, US-China Chamber of Commerce; Andy Rice, Senior V.P. – International, The Jordan Company**
- 8:45 a.m. – 9:30 a.m.**      **Recent Changes in Chinese Government Policies and Regulations Impacting Foreign Operations**
- *Corporate governance in China*
  - *New laws impacting foreign investors: JVs; mergers and acquisitions; bankruptcy; and dividend withholding*
- Brian Richards, Partner, Katten Muchin Rosenman LLP**
- 9:30 a.m. – 10:15 a.m.**      **Affecting the Bottom Line: Recent Changes in Taxes, Employment, Export Incentives, Corporate Tax**
- *VAT rebates on exported manufactured goods; exchange rates; new employment laws; tax holidays*
- Deloitte & Touche (TBA)**
- 10:15 a.m. – 10:30 a.m.**      **Coffee Break**
- 10:30 a.m. – 11:15 a.m.**      **The Mechanics of Setting Up Operations in China**
- *The application process; strategies; nuts and bolts; check list and forms*
- Panel Discussion: Siva Yam, CPA, CFA, President, US-China Chamber of Commerce; Jinning Li, Representative, TEDA Chicago and Dallas Office**
- 11:15 a.m. – 12:00 a.m.**      **Look into the Future: China Versus Other Emerging Markets**
- *Is China still the future?*
- Panel Discussion: Andy Rice, Senior V.P. – International, The Jordan Company; Glenn Spungen, V.P. Sales & Operations, PEER Bearing Company**
- 12:15 p.m. – 1:00 p.m.**      **Networking Lunch**
- 1:00 p.m. – 1:45 p.m.**      **Capitalizing and Financing the Operations**
- *Find the right capital structure: match assets and liabilities; minimize foreign exchange risk*
  - *Identify sources of capital: Is private equity available?*
- HSBC (TBA)**
- 1:45 p.m. – 2:30 p.m.**      **Do It Right at the Beginning: Protect IPR and Build Human Resources**
- *Protect IPR, avoid preemptive trademark and patent registrations*
  - *Find the right human capital; costs and benefits of using expatriates*
- Panel Discussion: TBA**
- 2:30 p.m. – 2:45 p.m.**      **Coffee Break**
- 2:45 p.m. – 3:30 p.m.**      **Managing an Operation Successfully. Case studies**
- *Control expenses; retain employees; manage public relations*
- Panel Discussion: Sandra Conley, Director, Wahl Clipper Ningbo Ltd.; Glenn Spungen, V.P. Sales & Operations, PEER Bearing Company**
- 3:30 p.m. – 4:15 p.m.**      **What Do You Expect in Setting Up a Manufacturing WOFE in China? Case Studies.**
- *Facts and fiction in setting up a WOFE in China*
  - *The role of guanxi*
- Panel Discussion: Frank Mehwald, President, Atlantic Tool & Die Co., Inc.; James Herring, President and Chief Executive Officer, Circuit Services, Inc.**
- 4:45 p.m. – 5:30 p.m.**      **Lessons Learned in Operating Internationally. Case Studies**
- *An evolutionary view: outsourcing-JV-Greenfield-acquisition*
- James Scott, President (Retired), Elkay Manufacturing Company; TBA**
- 5:30 p.m.**      **Adjourns**

## CROSS-CULTURAL AND LANGUAGE TRAINING WORKSHOP

Wednesday, April 30, 2008  
8:30 a.m. – 5:15 p.m.

### Registration and Contact Information

- By Mail: Please complete the attached registration form and return it along with a check payable to U.S.-China Chamber of Commerce with the appropriate fee or credit card information to:  
U.S.-China Chamber of Commerce  
Attention: Cross-Cultural Workshop  
55 West Monroe Street, Suite 630  
Chicago, IL 60603 USA
- By Fax: Complete registration form with your credit card information and fax it to: (312) 368-9922.
- By Phone: (312) 368-9911.
- By E-Mail: E-mail registration form information to [info@usccc.org](mailto:info@usccc.org).
- Online: Access our web site at [www.usccc.org](http://www.usccc.org). Click on "Upcoming Events"... "Cross-Cultural Training" and complete the registration form.

### Instructors

Siva Yam, CPA, CFA, President, US-China Chamber of Commerce  
Dr. Rick Mao, Dean, Elgin Community College  
Andy Rice, Senior Vice President-International, The Jordan Company  
Edward Wajda, Senior Vice President, Global Medical, Oshkosh Specialty Vehicles  
John Clarke, Director, Liaison Office, U.S.-China Chamber of Commerce

### Fees (\$ in US)

\$495	Non-Members
\$395	Members of U.S.-China Chamber of Commerce

### Registration Deadline

Enrollment is limited to between 20 and 30 participants in order to maximize the learning experience. Please register on or before Friday, April 25. If you are unable to attend but are interested in future cross-cultural training workshops, please fill out the registration form appropriately and return to our office.

### Air Travel

USCCC Cross-Cultural Training Program will be held in Downtown Chicago, IL. Chicago has two major regional airports, O'Hare and Midway, both of which are easily accessible from downtown Chicago.

### Location

The Union League Club of Chicago · 65 West Jackson Blvd., Chicago, IL 60604 · Phone: 312-427-7800

### Accommodations

The Union League Club of Chicago has agreed to make a limited number of rooms available for workshop participants at a rate of \$125 per night. Please contact The Union League Club of Chicago at 312-427-7800 or 1-800-443-0578 for further information. Please be sure to mention that you are attending the U.S.-China Chamber of Commerce Cross-Cultural Training Workshop.

### Food

Breakfast; Coffee Break; and A Chinese lunch in Chinatown is included in the registration fees.

### Substitutions

If you register for the program and are unable to attend, you are welcome to send a substitute at any time, and if so, please inform our office.

*"My Chinese hosts said that we were the most knowledgeable Americans they had ever encountered!"  
Jason Marler, Past Participant*

## CROSS-CULTURAL AND LANGUAGE TRAINING WORKSHOP

Wednesday, April 30, 2008

- 8:30 a.m. – 9:00 a.m.**      **Cultural and Economic Evolution: An Historical Perspective**  
Since China opened its door in late 70s/early 80s, it has undergone dramatic changes, not just economically, but culturally and socially. The country is at the crossroads: the East meets the West; the old clashes with the new. While the country's tradition and religions continue to play a critical part in shaping the business practice, the advent of internet and mobile phone have fundamentally changed the lives of the its people. An understanding of China's history with an emphasis on its business development will help to place cultural issues in perspective.
- 9:00 a.m. – 9:30 a.m.**      **The Structure of the People's Republic of China**  
As China is pursuing a market economy with the Chinese characteristics, government continues to play a critical part in the economy. An understanding of the structure of the government will give participants an edge in dealing with complex situations in China.
- 9:30 a.m. – 10:00 a.m.**      **The Lay of the Land: Demographics and Geography**  
China is a vast land with a diversity of peoples, resources, and languages. An old Chinese say: "Every village is unique, and are its people." We will look at China's demographic makeup, including population, income levels, and consumption statistics. This session will also introduce China's various regions, including provincial organization, language differences, infrastructure, and terrain.
- 10:00 a.m. – 10:15 a.m.**      **Coffee Break**
- 10:15 a.m. – 10:45 a.m.**      **Understanding the Chinese Cultural and Religious Spectrum from Confucianism to Buddhism**  
From ancient times to the present, a number of philosophical traditions have influenced the cultural scene—Confucianism, Buddhism, Daoism, and more recently Marxism. As religion has been decriminalized, Buddhist temples have flourished everywhere in China. Along with these more philosophical traditions and religions, the Chinese are heavily influenced by the folk religions, which have translated into dos and don'ts in business practice.
- 10:45 a.m. – 11:30 a.m.**      **An Introduction to the Chinese language and *Putonghua***  
  
Participants will be introduced to *pinyin* Romanization, learn standard pronunciation and the basic language structure of modern Mandarin. Alternative Romanization systems will also be introduced.
- 11:30 a.m. – 12:15 p.m.**      **Learning to Read Chinese**  
A discussion of the history of written Chinese, as well as the basic elements of reading and writing. Basic characters will be introduced to assist in reading commonly seen signage in China. Skills necessary to use dictionaries will also be taught.

## CROSS-CULTURAL AND LANGUAGE TRAINING WORKSHOP

Wednesday, April 30, 2008

- 12:15 p.m. – 2:00 p.m.**      **Chinese Lunch in Chinatown**
- 2:00 p.m. – 2:45 p.m.**      **Gan Bei! Xie Xie! Building General Conversation Skills**  
Situational dialogues, conversation starters, greetings, farewells, forms of address, names.
- 2:45 p.m. – 3:15 p.m.**      **Relationships and Face: Understanding and Building Relationships, Guanxi and Mianzi**  
Two of the most frequently discussed concepts in dealing with China are “relationships” and “face.” This section will look at the complexity of relationships in China and how to “save face” for all parties involved in an encounter.
- 3:15 p.m. – 3:45 p.m.**      **The Ins and Outs of Managing Relationships in China: Gift-Giving, Protocol, and Speaking English that the Chinese Will Understand**  
Managing business relationships such as those with clients and employees is no easy affair. The section will look at Chinese customs, arranging meetings, different perceptions of time, and negotiations. As many business travelers rely on English to communicate during their business dealings in China, this section will explain how to speak English that the Chinese will understand. In addition, we will look at social situations commonly encountered in China, how best to handle difficult questions.
- 3:45 p.m. – 4:00 p.m.**      **Coffee Break**
- 4:00 p.m. – 4:30 p.m.**      **Internationalization; Internet; Mobile Phone; Electronic Gadgets: What Do They Mean to the Chinese Consumers and Culture**  
China has emerged as the world's largest users of internet and mobile phone. While some of the world's luxury consumer goods have aggressively pursued Chinese consumers, Chinese consumer products companies have also successfully defended their territory. The impacts of the electronic era will be examined, and an analysis of foreign versus Chinese domestic brands will be discussed.
- 4:30 p.m. – 5:00 p.m.**      **The Uses and Abuses of Guanxi in Doing Business in China – Tips and Examples in Managing Business, Negotiating, and Closing Deals in China with an Emphasis on Sourcing**  
There is so much misunderstanding in doing business in China, and this session will discuss how to build relationships and manage employees, customers and suppliers. Various examples will be used for discussion.
- 5:00 p.m. – 5:15 p.m.**      **Rewards and Risks in Pursuing an International Career**  
An open discussion
- 5:15 p.m.**                      **Adjourns**

**SETTING UP AND OPERATING A BUSINESS IN CHINA  
CROSS-CULTURAL AND LANGUAGE TRAINING**

**Registration Form**

Check One                       Mr.                       Ms.                       Dr.

Name (First, Middle, Last) \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State/Province \_\_\_\_\_

Postal Code \_\_\_\_\_ Country \_\_\_\_\_

Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_

E-mail Address \_\_\_\_\_

Type of Business /Organization \_\_\_\_\_

Additional Participant(s)

Name (First, Middle, Last) \_\_\_\_\_

Title \_\_\_\_\_

Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_

E-mail Address \_\_\_\_\_

Name (First, Middle, Last) \_\_\_\_\_

Title \_\_\_\_\_

Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_

E-mail Address \_\_\_\_\_

(Please photocopy form for additional registrants)

**Registration Fee Worksheet**

(1) For Setting Up and Operating a Business in China Workshop

Member \$445 x \_\_\_\_\_

Non-Member \$545 x \_\_\_\_\_

(2) For Cross-Cultural and Language Training Workshop

Member \$395 x \_\_\_\_\_

Non-Member \$495 x \_\_\_\_\_ \$ \_\_\_\_\_

(3) If both (1) and (2) are attended, deduct \$100 x \_\_\_\_\_ (\_\_\_\_\_)

Total Fees \$ \_\_\_\_\_

Check enclosed for \_\_\_\_\_

Credit Card:     Visa             Mastercard             American Express             Discover

Name as It Appears on Credit Card \_\_\_\_\_

Credit Card Number \_\_\_\_\_

Expiration Date \_\_\_\_\_