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UNIPART CONFERENCE HEARS HOW CHANGE BRINGS OPPORTUNITIES IN CHINA

Changes in China will bring increased opportunities for UK businesses according to a director of China's largest independent business school.

Neil Selby, who is Director of Executive Education at Cheung Kong Graduate School of Business (CKGSB), was in Oxford to address business leaders at a conference held by Unipart, the manufacturing, logistics and consultancy group.



Selby, an expert in China who was formerly at Oxford University, said that many businesses in the West have renewed their interest in establishing relationships in China because of the predictions of massive growth.

"If China grows by more than seven percent each year and the US by 2.5%, by 2019 it will be the world's largest economy," he said. "It will provide massive opportunities for companies in almost every sector, and will develop a very large middle class, which will grow by 200 million. There is no country in the world where that kind of change will be happening."

"Some UK companies think it is too late to get into China as so many Western companies have already done very well there. Given the growth that is coming, China will still be a very important market for Western companies to enter for at least the next ten years.

Selby told the audience that UK businesses need to focus on two key areas when considering entering the Chinese market.

"First, Western businesses need to understand that the Chinese business operates in a different way. In Chinese organisations you have very hierarchical organisations, led by highly market responsive situational leadership. In the West, companies try to

encourage a close personal relationship between the leader and the rest of the organisation and a more strategic approach,” he said.

“Secondly, the Chinese are by nature quite cautious and careful. They see the Western culture, which is much less risk averse, as ‘ready, fire, aim.’ They will look at things from a collective point of view rather than an individual point of view.

“You have bear in mind that the Chinese culture concentrates on personal trust, rather than Western formal trust which comes from our system of law. A Chinese business person will need to have an idea of who you are before he or she can do business with you. You will find that developing those relationships takes time and patience.”

Earlier in the day, Unipart Group Chairman and Chief Executive John Neill explained the importance of China to the Oxford-based company’s plans for growth.

“We already have a number of sites in China, as well as in other emerging economies,” said Neill. “At the beginning of the financial crisis, we set an agenda for growth that was both ambitious and challenging. To achieve our ambitions, we’ve further developed our international business in some of the fastest growing countries on the globe.

“We are already working with Western companies in China by helping them to manage their supply chains and ensuring they can get the right parts, to the right customers very quickly. Our consultants have also worked in Chinese operations enabling them to improve continuously through the implementation of The Unipart Way.”

Selby wowed the audience by recommending that they build on ‘*three U’s*’ -- unrivalled manufacturing expertise, unrivalled logistics expertise and unrivalled consultancy expertise.-- that epitomise the expertise Unipart can bring to China: “Unipart has worked for over a decade building relationships in China,” he said. “The company is now in the unique position to help Western companies to succeed in China and to help Chinese companies develop opportunities in the West.”

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Editors’ Notes:

About The Unipart Group

The Unipart Group employs around 10,000 personnel worldwide and has an annual turnover of more than £1billion. It is a leading UK manufacturer, full service logistics provider and consultant in operational excellence.

Operating across a range of market sectors, including automotive, manufacturing, mobile telecoms, rail, retail and technology, Unipart offers a breadth of services from third party logistics to expert consultancy.

All Unipart sites operate according to the Group’s proprietary version of Lean known as The Unipart Way. This is a philosophy of working underpinned by tools and techniques that inspires efficiency, flexibility and outstanding customer service in any process.

The company, which is based in Oxford in the UK, has a growing number of international sites supporting a wide range of blue chip clients. For more information visit: www.unipart.com.