

sim (selective international management)

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2012/2/17

Expert opinion – Business representation in China

While the globalization has in the last decades been reversed from a concept to a fact, not only Multinational Corporations (MNCs) have their business extended to different markets, but also Small and Medium Enterprises (SMEs) have been impacted and often can't allow themselves to remain purely local.

With China counting more than 1.3 billion inhabitants and positioning itself as the world's second largest economy, dealing in or with China has become a major concern for many companies whatever their size is.

Extending its business to China is often considered as a costly move with many risks of not being successful and see its investment generating low or no profits.

Therefore, a business representation might be suggested as a first phase when entering the Chinese market. While the costs and risks remain much lower than directly registering a new company in China, the foreign entity might directly absorb great benefits from being present on the Chinese market.

What differs a business representation from simple distribution services is the fact that while a distributor might act on his own and apply his strategy to sell your products/services, your corporate values, and business strategy decided at the highest level of your company will always be respected through your business representation. This difference is very significant as a business is not only perceived through its products and services but also through the unified image and pricing its company projects.

Business representation hence plays a key role for your successful business in a foreign country as it combines several functions:

the function of a sales agent, who will conduct a deep research on the best distribution channels adapted to your business and strategy. His/her goal will be to find new customers on the foreign market you enter. The function of a direct interface between you and your customers to represent your products/services in your best interests.

Furthermore, a business representative will act in the function of a brand ambassador and increase your brand's awareness in the new market among the customers. He/she will implement efficient marketing strategies to inform the adequate communities about your products/services specificities.

To be fully efficient and beneficial to the company, it goes without saying that the business representatives are to be chosen carefully, respectful of your corporate values and acting as trusted and transparent partners. The more professional they are, the more benefits your company will earn.

To summarize, business representation is a smart & powerful solution to explore and enter new key emerging markets such as China, while sparing the costs and minimizing the risks in a first phase of your business expansion. It further allows you more flexibility since it is easier to adjust your strategy and even your products/services to the country's specific environment before registering and running a new entity in the foreign country.

Interested to be represented in China, don't hesitate to [contact us](#) for more details on our business representation services.

sim (selective international management) has built a strong platform in China and has already showed great results of business representation and management services for foreign entities coming to China. Find out more about us on our website: www.sim.biz

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