## Establishing the Company in China – Case study



### About us:

- Exotrade Itd Rijeka Shanghai Exotrade Consulting Co., Ltd.
- Trading, logistics, consultancy
- Exclusive representative for several European brands
- Area manager for Asia region
- Promotion of Croatia in China
- "In Vino Veritas" (about the Chinese market)
- Market research in China since 2016.



#### WHAT

Every organization on the planet knows WHAT they do. These are products they sell or the services they offer.

#### HOW

Some organizations know HOW they do it. These are the things that make them special or set them apart from their competition.

#### WHY

Very few organizations know WHY they do what they do. WHY is not about making money. That's a result. WHY is a purpose, cause or belief. It's the very reason your organization exists.



#### Why?

- China is one of the fastest growing markets in the world
- Market is opened to new technologies and high-quality products
- Innumerable profitable opportunities, way more than on the Croatian market

What can Exotrade provide?

- SWOT analysis
- Introduction of your products and services to the Chinese market

#### How?

What can Exotrade provide?

- <u>WOFE</u> as the best solution for keeping ownership and decision-making process under control of the investor
- Goals

- Legal services
- Expanding the network of contacts from relevant industry (networking)
- Business plan preparation
- Preparation of business analysis
- Preparation of marketing plan Marketing in China

#### What?

What can Exotrade provide?

- What to place to the Chinese market?
- What to expect of the market?
- What are you looking for/what are your goals?

- *Product placement services for different brands*
- Development of electronic and smart devices; technical improvements, organizing mass production with constant quality control and IP protection in line with the Chinese laws
- Introducing smart solutions (Smart city, Smart parasols, Smart devices...)
- Support to foreign entrepreneurs, during the process of oppening a company both in China and Croatia
- Support in preparation of all the necessary documentation for withdrawing funds from BRI initiative
- Matching projects in need of financing with investors trough BRI

# What do you know about China?

- What comes after you succesfuly answered the questions WHY, HOW and WHAT?!?
- The first advise to doing business successfully in China, is to forget all you thought you knew about China and start all over from the beginning!
- Do your "homework" and start studying the people and the culture you are planning to cooperate with.
- Modify your expectations and the ways of doing business
- Accept the change as a constant which is a key to doing business successfully

# Key factors for doing business in China







**Entrepreneurial Environment** Time, costs, procedures

Location – Why did we chose Shanghai Big enough and small enough Local Partners Why are they important

#### **Business climate in China – Growth Opportunity**



- China as a centre of the world production
- Free trade zones
- Fares and expos as a business opportunity
- Continuous growth of e-commerce
- Innovative solutions for the quality control (platforms, blockchain data protection...)
- Innovative solutions for the legal services worldwide
- Initiative "Belt and Road" BRI

**Belt Road** Initiative (BRI) 8 16+1 Inititiative



BELT & ROAD INITIATIVE – BRI AND 16+1 MECHANISM ARE KEY FOR THE COOPERATION BETWEEN CROATIAN AND CHINESE COMPANIES EXOTRADE PARTICIPATED AT THE LAST 16+1 SUMMIT IN DUBROVNIK CONTACTS TAKEN AT THE DUBROVNIK SUMMIT LAUNCHED OUR NEW PROJECTS BOTH IN CROATIA AND CHINA

# What we have learned?

- Start small and have well set goals
- Forget all you thought you know
- Ask for a help during the process of establishing your business in China
- Have good legal support during this process
- Use already established mechanisms

#### Without whom we wouldn't succseed?!

"If you want to go fast, go alone. If you want to go far, go together." —African Proverb.

- Croatian Chamber of Commerce in Shanghai
- ✓ Law offices both in Shanghai and Zagreb
- ✓ Partners for quality control in China
- Pool of partners for the design and development of electronic and smart solutions
- Pool of partners in logistics both in China and Croatia, sea freight, airfreight, silk road rail freight...

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