

DOING BUSINESS IN CHINA 2.0

For people with a strong entrepreneurial spirit, China has a lot to offer. Especially in the fields of international trade, economy and infrastructure, the country has undoubtedly become one of the most advanced countries in the world.

Western companies and entrepreneurs moving their production line to China's inland cities are creating promising prospects for the future. As a prospective importer, you want to make the right contacts right away and not get lost in the gigantic array of business opportunities in the Chinese market.

Nowadays, the Chinese government makes it quite attractive for Western companies to do business in China's inland. Inland regions have lower tax rates for foreign companies than coastal regions.

In 2021, it takes a little more than a well-stuffed wallet for a Western entrepreneur to successfully import products from a country like China. It is important that the entire purchasing process continues to run smoothly.

Optimising the entire import process and continuously monitoring the non-European supply chain have become essential components of running a successful business. This gives Western companies and entrepreneurs the guarantee that the quality of imported products remains high and consistent.

Why optimise the supply chain process outside Europe?

Optimising the supply chain process outside the EU can contribute to the success and growth of a (start-up) company in several ways. As Director of Quality Control (QC) China and Coolen China, I have been involved in all kinds of supply chain-related matters in China and other countries outside Europe for more than eighteen years.

From my personal experience, I know that the - sometimes quite confusing - Chinese business culture can be an obstacle, especially for inexperienced importers. This often makes it very difficult for most start-ups from Europe to build a solid network of reliable business relationships in China.

The consequences of COVID-19 for Western entrepreneurs

The COVID-19 pandemic has also had a significant impact on the Chinese supply chain. For example, the global shortage of sea containers has driven transportation costs from China to a record high over the past year.

The ongoing COVID-19 measures and lockdowns also create little prospect for entrepreneurs who want to travel



Ties Coolen in Shanghai, November 2019

independently to their suppliers in China, for example. Entrepreneurs who still want to build a successful business in China in 2021 will need a watertight business plan.

The importance of quality inspections

For optimal product quality outside Europe, it is important that entrepreneurs can intervene in the entire production process without being present at the manufacturer itself.

Professional quality inspections can help companies to achieve this, as these inspections can prevent and solve a wide variety of problems in the supply chain in a timely manner. This way, the quality of the products remains constant and possible production errors are reduced to a minimum.

Purchasing and outsourcing processes

Coolen China focuses mainly on purchasing and outsourcing processes for large, small and medium-sized companies. For example, we research suitable suppliers for our customers and map the quality and pricing of products.

In practice, we can take an active role on behalf of our clients throughout the entire purchasing process in China. We coordinate most of the work from 's-Hertogenbosch in the Netherlands. The executive function is performed from our head office in Shanghai. Together with partners in Ningbo, Yiwu, Nanjing and Shenzhen, we are in direct contact with suppliers in China.



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