

Building China-based Enterprise Value



SHANGHAI

ZHUHAI

HONG KONG

TAIPEI

CLEVELAND

China Remains the Fastest Growing Large Economy

- China's GDP growth has slowed from 10%+ five years ago to 6% to 7%
- China's growth is greater than U.S., Japan and Germany – COMBINED!

Billions USD (Current)	2016 GDP (Current USD) ¹	2017 EST GDP Growth ²	2017 EST Growth (Current USD)
China	\$ 11,232	6.8%	760
"The Big 3" Economies			
United States	\$ 18,624	2.2%	406
Germany	\$ 3,479	2.1%	71
Japan	\$ 4,937	1.5%	75
"The Big 3" Total GDP Growth			552
Difference			208

- Morgan Stanley (10/12/16) raised China 2016 GDP growth forecast to 6.7%

China “*Experience Gap*”

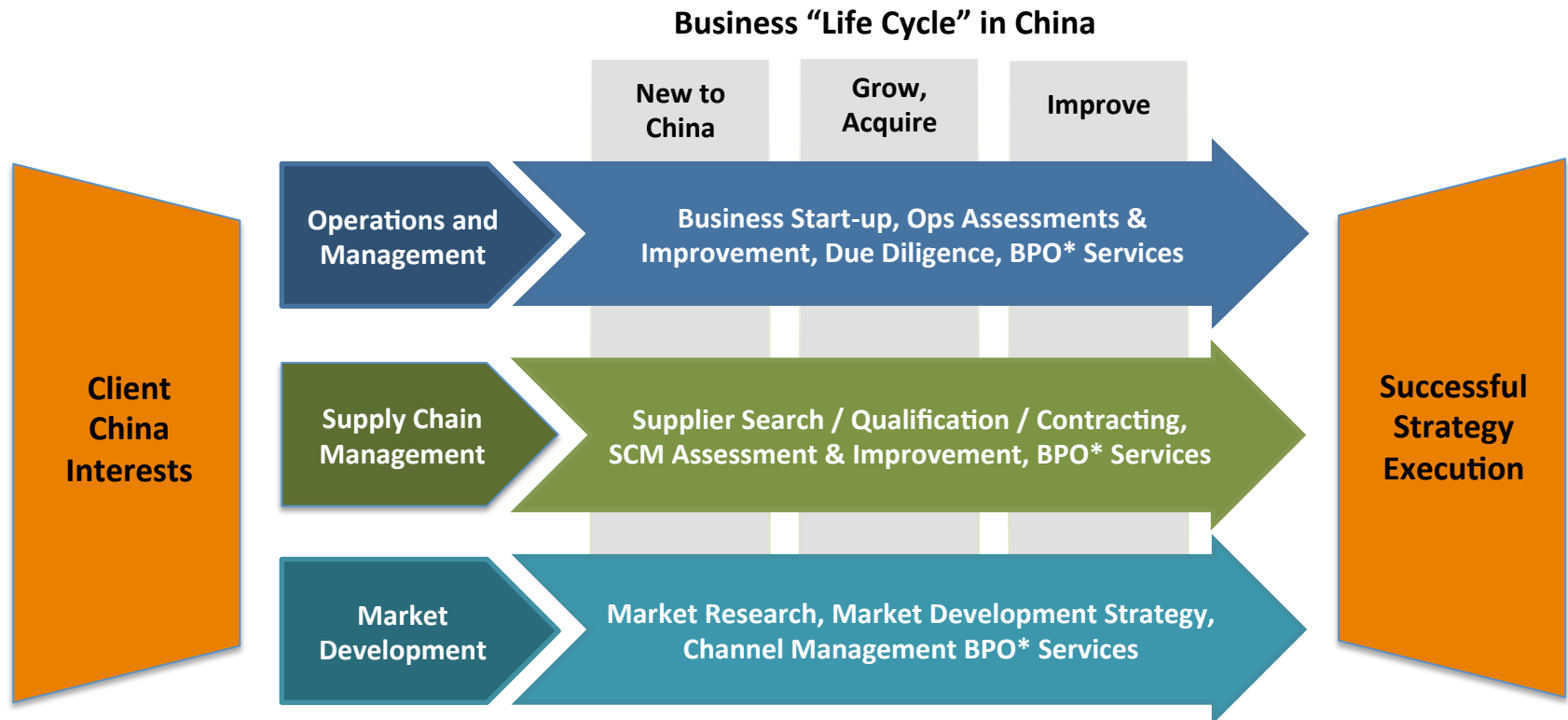
- The #1 cause of underperformance, difficulties and even failure of Western companies doing business in China
 - Western business practices evolved over generations and centuries
 - China has only been engaged in Western-like business for 1 generation
- The “*Experience Gap*” has commercial, institutional, geographic and individual dimensions that interrelate
 - Commercial – Common Western business paradigms are not embedded
 - Geographic – China is a collection of regional markets, not one national market
 - Institutional – Public and private institutions are immature by Western standards
 - Individual – “*Lost Generation*”
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- Failure to understand and adjust is an invitation for unwanted and unnecessary challenges
- CCA helps clients navigate the China “*Experience Gap*”

Important China Issues to Manage

- Controversial issues are not unmanageable:
 - Workforce experience “sophistication”
 - Management and operating system development/maturity
 - Intellectual property rights and protection
 - FCPA and anti-corruption issues
 - Contract enforcement
 - Increasing China labor rates and costs
 - Currency regulations and complexity
 - Repatriation of earnings
 - Cultural and communication differences

China Centric Value Delivery

Experience • Value-based Solutions • Execution



* BPO: Business Process Outsourcing

China and U.S. Teams

**U.S. Office
Cleveland, Ohio
(7 People)**

**China Offices
(22 People)**

Project and Business Process
Outsourcing (BPO) Centers in Shanghai
and Zhuhai

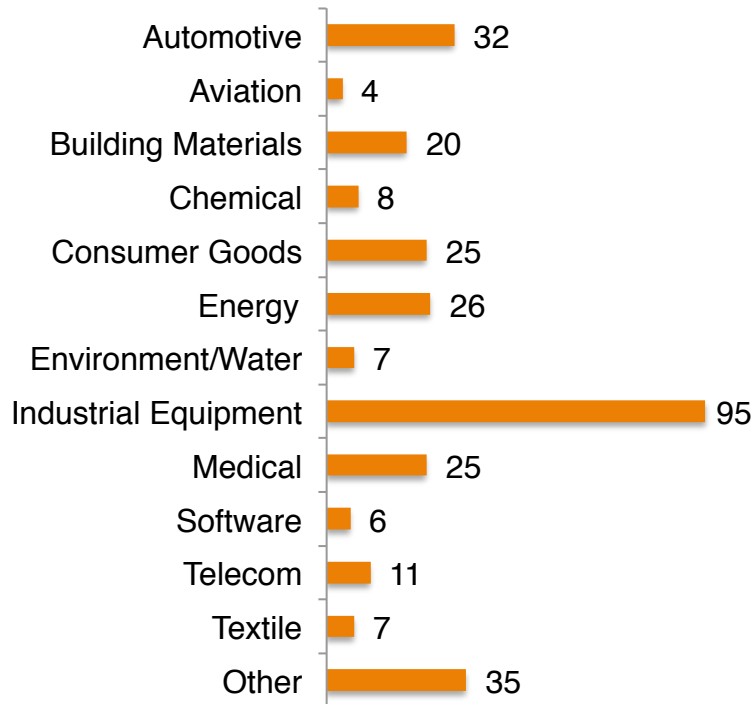


CCA China Operating Experience

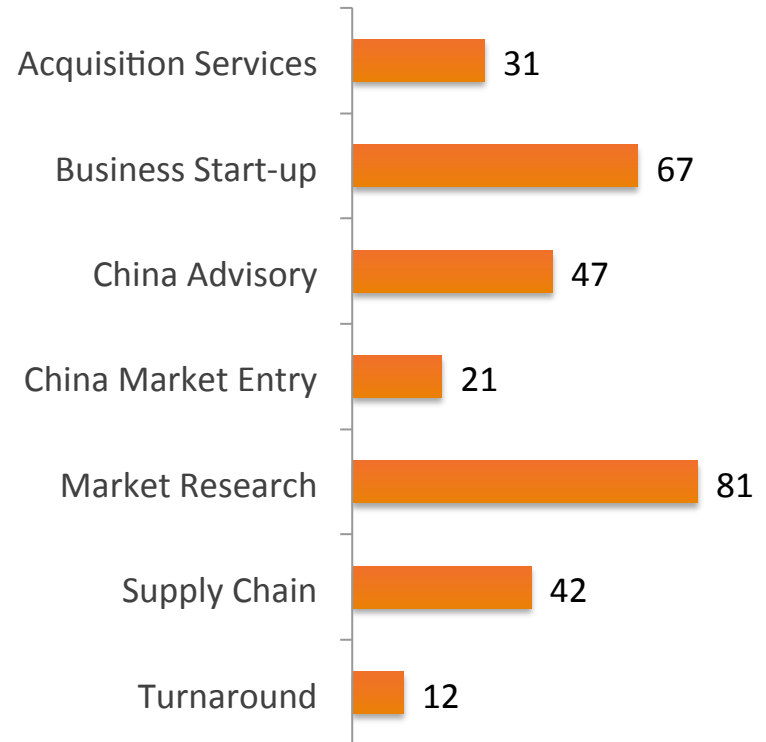
- China and U.S.-based management
 - Offices in Shanghai, Zhuhai, Cleveland, Hong Kong and Taipei
 - 29 professionals, 22 in China
 - China management experience with Eaton, Cisco, Gemplus, IBM, Lucent, Marconi, Nordson, Nortel, Reliance Electric, RELTEC (KKR)
 - China-based functional experience: General Management, Engineering, Manufacturing, Quality, Supply Chain Management, HR, Finance, and IT
- 200+ companies in 300+ engagements since 2003 founding
- Broad industry project management experience

Project Experience

PROJECT INDUSTRY



PROJECT TYPE



Private Equity Clients



PFINGSTEN

MAY
RIVER
CAPITAL



ANGELENO
GROUP



3 | RIVERS CAPITAL



EDGEWATER
CAPITAL PARTNERS



KCP

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