

**Precise communication, daily monitoring and relationship building are critical factors:**

- 1) Communications *(Skype and frequent on-site travel)*
- 2) Transparency *(Avoid Demo Show factories who stage their production processes)*
- 3) Cycle-time reduction *(Milestone Schedule Planning System)*

**Daily Asian Operations that require frequent follow-up from overseas importer:**

- Sourcing and Order Management
- Quality Assurance Planning
- Shipping

**Training and supervision:**

- Organization Behavior: *(Rapid Changes)*

Asia offices face many challenges: training, supervision, and heavy travel requirements.

Example: Training and supervision demands have reached critical levels in China. Rapid economic growth, labor shortages, absentee supervision due to heavy travel requirements have all created higher demands for training and supervision. These conditions are quickly overlooked as the root cause to major reoccurring problems.

- Language Communications: *(18 popular dialects in Mainland China)*

Provincial dialects create communication barriers: values, attitudes, and language.

Local dialects will continue to dominate as the preferred form of communication in China because the provincial dialects are the source of self-identity and pride.

English, the international business language globally, helps smooth communications. .

Example: Cantonese is the primary spoken language in Hong Kong instead of English or Putonghua (Mandarin.).

Simplified Chinese Characters used in Mainland China are different from Hong Kong/Taiwan Chinese Characters.

**Solution:** Hire trusted local staff to verify communications are understood by workers with translated documentation.

- Business Cultures: *(Pay Programs)*

**Employee Pay Programs:** Fixed Pay vs. Variable Pay Programs.

Piece-Rate Pay Plans may create independent mind-sets from organization and accountability.

Example: Variable Pay Plans often excludes sick-pay benefits.

Variable Pay Programs work best for highly supervised factory worker, while informal remuneration schemes can bias decision making by office staff.

**Agency business model risk to importer:** Commission fees based on percentage of FOB price may create conflicts of interest when negotiating with manufacturers.

Example: Sourcing quality products at lower cost takes more time to identify and negotiate price, more manpower and travel expense to monitor in-process quality control which pays agent less than higher FOB.

Higher FOB with least possible manpower and travel expense to monitor production quality is most profitable for agent.

**Major benefits of daily monitoring include:**

- Flatter organization for efficiency and cost savings.
- Improve communications to find optimal solutions faster.
- Reduce regional risks with on-site management to monitor realities on the ground.

**Major factors changing the way we do business:**

Time is critically valuable in a global market aspiring mass customization.

Pull (vs. Push) communications techniques secure accurate information.

Customer focus on the "Market Clock" vs. an organization's "Internal Clock".

**Solution:**

Link your organization directly with manufacturer workshops to improve:

- 1) Communications
- 2) Transparency
- 3) Cycle-time Reduction
- 4) Profits
- 5) Relationships