

Contents

<i>List of tables</i>	vii
<i>List of figures</i>	viii
<i>List of boxes</i>	ix
<i>Abbreviations</i>	x
<i>Acknowledgements</i>	xi
<i>Preface</i>	xiii

PART 1

Traditions and Chinese culture	1
---------------------------------------	---

1 Chinese history: Outline and implications	3
2 Chinese language: Structure and implications	26
3 Ancient philosophical systems and their implications	37
4 Military classics of ancient China and their implications	60

PART 2

Dynamics of the business landscape	89
---	----

5 China's socialist market economy	91
6 Chinese business structure	101
7 Science and technology: Capabilities and management systems	119

PART 3

Competitive advantage and strategies	137
---	-----

8 Chinese competitiveness	139
9 A strategic framework for doing business in China	159
10 Managing marketing effectiveness in China	175

vi	<i>Contents</i>	
	<i>Epilogue</i>	184
	<i>Notes</i>	186
	<i>References</i>	189
	<i>Index</i>	199

Tables

3.1	Confucian five cardinal relationships and corresponding virtues	41
5.1	Industrial output value by ownership (%)	96
6.1	Number and turnover of industrial enterprises of different sizes and ownership types (2005)	101
6.2	State-owned and -controlled enterprise groups (1997–2005)	105
6.3	Ten industrial sectors of state-owned and state-controlled enterprises	106
6.4	Inward FDI in China by form in 2006	114
6.5	Cumulative FDI in China by form up to 2006	114
6.6	Inward FDI in China, 1995–2006	115
6.7	Industrial output of FIEs as a percentage of national industrial output	115
6.8	China's inward FDI by industry in 2006	116
7.1	R&D personnel and expenditure in China's LMEs (1995–2005)	131
7.2	A comparative view of R&D expenditure and its ratio to GDP	131
7.3	Main economic indicators of China's high-tech industry	133
7.4	China's national high-tech development zones	134
8.1	Comparative growth rates of major countries and regions (2003–2006)	140
8.2	China's export structure (1987–2006)	141
8.3	China's outward foreign direct investment (2003–2006)	147

Figures

P.1	A framework of business interaction in China	xv
2.1	Pictographs	27
2.2	Simple ideograms	28
2.3	Compound ideograms	28
2.4	A pair of chopsticks	35
2.5	Forming character '田'	36
3.1	Rationality of <i>guanxi</i> application	50
3.2	Role of <i>guanxi</i> – a comparative view	51
4.1	Sun Bin's approach to strategy in horse racing	66
6.1	Management structure of state-owned enterprises	103
7.1	Patent applications filed and granted, 1995–2005	127
7.2	Types of patents granted to Chinese, 2005	127
7.3	Types of patents granted to foreigners, 2005	128
7.4	R&D expenditure by source of funds, 2005	129
7.5	R&D expenditure by sector of performance, 2005	129
7.6	Domestic invention patent applications by sector, 2002–2005	130
7.7	Domestic invention patents granted by sector, 2002–2005	130
7.8	Structure of China's R&D expenditure, 2005	132
8.1	Strategic path of Haier's international expansion	152
8.2	Paths of Japanese international expansion	153
9.1	A strategic planning framework in China	161
10.1	Marketing in action in multinationals	175
E.1	Structure of the Chinese business environment	184

Boxes

3.1	Role of <i>guanxi</i> in China	50
3.2	'Doing nothing' to win	56
3.3	Some important Chinese cultural attributes	59
4.1	Winning without conflict	69
7.1	The role of overseas graduates in China's S&T development	122
9.1	Adapting to win	166
9.2	Know your Chinese customer	167
9.3	Organisation of China's FDI operations	173
10.1	Success of premium brands in value categories	181