

Creating an Effective Business Meeting
- A Communication Problem-solving
Case of the Chinese Enterprise Summit

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Date: 2007-12-19

ABSTRACT

The paper is divided into eight different chapters. The introduction part lists the research questions and some important factors for a successful event. The second chapter presents the basic information of the Chinese Enterprise Summit (shorted as CES) in terms of the event programme, the organization and the follow-up evaluation. The subsequent chapter identifies and analyzes the problems of the CES. In the fourth section some cultural models are used to explain the disparities between Chinese and Dutch cultures in the CES case. Important barriers to communication are illustrated with examples in the fifth section. The sixth chapter introduces a similar case study so as to find helpful advices and solutions. Chapter seven summarizes the answers to the research questions. Recommendations then conclude the entire paper.

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1. INTRODUCTION

The Chinese Enterprise Summit was initiated by the Hague Municipal Government, the Hague Chamber of Commerce (shorted as KVK), West-Holland Foreign Investment Agency (shorted as WFIA) and The Sun-Sun Group BV (shorted as SSG) in 2006 to build an effective communication platform for both Dutch and Chinese companies. The event focused on pre-arranged face-to-face meetings between Dutch and Chinese enterprise participants. In May 2006, 53 Chinese companies and 31 Dutch enterprises attended the full programme of the first CES event. The main objective of the CES is to encourage more Dutch and Chinese business cooperation. But according to the assessment of the first CES, just seven companies declared to keep contact with the counter-partners they met during the meetings, and only two of them confirmed to reach initial oral agreements on the future projects. One year after, the second Chinese Enterprise Summit was held in The Hague again and the summit this time attracted approximately 107 Chinese attendants (86 companies) and 53 Dutch participants (38 companies). Eight weeks after the second CES, the result given by the CES organizers was upsetting one more time. Only six business pairs declared having promising results. It is discovered that the success rate of business match-makings was below ten percent for the consecutive two years.

As a specialized communication student and one staff within the CES working team for two years, I want to study the reasons for the unsuccessful matching-making results and recommend solutions to the next Chinese Enterprise Summit. It is also meaningful to help to create the CES as a valuable communication bridge between the Netherlands and China.

To start the research, I firstly establish a central question as follows:

Which factors resulted in the low success of further cooperation between Chinese and Dutch enterprises after the CES (2006 & 2007) business meetings?

A few sub-questions were developed subsequently and used to start further research from distinctive angles:

- 1) What kind of theories can be applied for explaining the CES problem?

- 2) How did the two CES (2006 & 2007) proceed? How did the CES organizing committee organize the event? And how did the organizing team make the evaluation after the first CES failed?
- 3) What are the profiles of both Chinese and Dutch participating businesses?
- 4) How did the CES participants comment the event?
- 5) How did the CES working staffs comment the event?
- 6) How do Dutch participants perceive doing business in China and dealing with Chinese businessmen? And vice versa. Do the two perspectives conflict with each other? And how did the disparity impact the cross-cultural communication in the CES case?
- 7) What are the reasons for the breaking-off of the initial contacts during the CES business-matching?
- 8) Are there any new cultural factors, emerging recently along with globalization and facile global communication, which impede the business communication?
- 9) Are there any communication barriers existing in the CES case? If so, what are they and how does each barrier affect the communication? How to rank each barrier in accordance with the extent to influence?
- 10) In the business-matching, what are the factors leading to success result?
- 11) Is it possible to find useful advices from other similar cases?

Before finding answers to the research questions, it is necessary to define principles of what a successful event should be. Such principles may also be applied as the judging criteria of the CES organization. An event normally has five steps: planning, financing, promotion, implementation and evaluation. A successful event need perform well in all five steps. (Shone, & Parry) Table-1 lists some necessary factors for a successful event.

Event Process	Major Factors to Success
Planning	(1) Define event objectives.
	(2) Clearly identify event participants and know their demands.
	(3) Analyze internal and external environments.
	(4) Carefully arrange programmes and services to meet the demands of all participants.
	(5) Start planning early.
	(6) Choose a decent and respectful venue.
Financing	(7) See to event budget.
	(8) Ensure sufficient financial supports, i.e. sponsoring, admission.
Promotion	(9) Prepare a skillful written press release providing all information.
	(10) Early contact appropriate media.
	(11) Find enough effective channels to promote the event.
Implementation	(12) Carefully execute event planning.

	(13) Confirm major events and activities.
	(14) Confirm speakers and hosts.
	(15) Send invitations in time.
Evaluation	(16) Get participants' feedback in time.
	(17) Evaluate to which extent the planned activities or services meet the requirements of participants.
	(18) Evaluate the strengths and weaknesses of the event by analyzing the feedback of its participants.
	(19) Give recommendations for the next event if possible.

Table 1: Factors to a successful event

After clarifying the principals of a successful event, I start to conduct various research to find possible answers to the prior research questions; for example, having interviews with the responsible person for the CES organizing committee and the communication specialists, doing desk research and analyzing the feedback of the CES participants by a questionnaire. Research findings are organized and served as a basis to analyze the CES problem.

2. THE CHINESE ENTERPRISE SUMMIT (CES) EVENT

CES is a business-matching event between Chinese and Dutch companies, initiated by The Hague Municipal Government, The Hague Chamber of Commerce (KVK) and the West-Holland Foreign Investment Agency (WFIA) to provide an open communication platform for Dutch and Chinese businesses and to promote the Netherlands, especially the Zuid-Holland Province, as a flexible and warm-welcoming region for investment. This chapter aims at presenting the general information of CES in 2006 & 2007.

2.1 BACKGROUND

Nowadays, China is a vital driving force within the global economy and has good business relationship with the Netherlands. The 2006 statistics of the Chinese Ministry of Commerce shows that China is currently the Netherlands' second largest trading partner in Asia and the Netherlands ranks the fourth in the European Union in terms of investment in China (Fu, 2007, p.28). Keeping pace with the fast growth and the globalization of the Chinese economy, large Dutch companies are still dominant investors in China. However, small- and medium-sized Dutch companies are also trying to expand their businesses in the global market. It is small- and medium-sized companies that form at least 60 percent of all Dutch companies and provide around 80 percent of the jobs possibilities in the Netherlands, according to the data from the Dutch Chamber of Commerce in August 2007. In the meantime, Chinese companies are also looking outside their domestic market in search of further development or penetration in other markets. But chances are limited. To facilitate this changing business environment, the Hague Municipal Government cooperating with the Hague Chamber of Commerce, WFIA and The Sun-Sun Group BV, initiated a business-matching platform known as the Chinese Enterprise Summit. Its main objectives are quoted from the CES promotion leaflet for sponsors in March 2006 as follows:

- to establish an effective communication platform for entrepreneurs both from China and the Netherlands;
- to provide a high profile platform to encourage leading Chinese enterprises to

highlight their international corporate images in the Netherlands;

- ✎ and to promote the Netherlands as the gateway of the European Union for foreign investments and start-up businesses.

Unlike most trade fairs between Chinese and European companies, CES aims at guiding Chinese companies to present company images together with their products and services in the way that most European business people can recognize and accept. According to Maja Sun, the CES project manager, "the summit is different from other trade fairs as it aims at presenting Chinese companies in a 'European way', in facilitating the communication between Chinese and Dutch business groups and enhancing the future business cooperation."

2.2 CES 2006

The first CES, with 3-day programme, was held in May 2006. On the second day, about 50 medium-sized Chinese companies and 30 Dutch enterprises attended the pre-arranged business-matching. The event was highly expected beforehand. The CES project manager said, "we are fully confident to have at least one-fifth of the total attendants who will be satisfied with our event-holding arrangement and who will find their ideally matched business partners." The final result, however, did not match the expectation. Eight weeks later, the CES 2006 evaluation report revealed that only seven companies declared to keep further contact with the counter-businesses they had met.

In this section, the proceeding of the first CES is going to be reviewed in terms of the programme arrangement, the event organization and implementation process. This review will serve as a basis for the evaluation that includes the assessment from the CES organizing team and some possible reasons causing the low success rate of business pairings.

2.2.1 PROGRAMME

From 21 May to 23 May 2006, CES 2006 provided an array of programmes in three days. (see Table-2) The activities on Day 1 and Day 3 could help Chinese businessmen to understand the Netherlands by introducing some Dutch leading industries and successful business models. On the second day, the face-to-face business-matching between Dutch and Chinese entrepreneurs occurred in the World Forum Convention Centre (WFCC), encouraging further business cooperation of both sides.

Date	Venue	Activities
Monday, 21 May 2006	The Port of Rotterdam	Presentation (Introduction of the port, its business mode, advantages and disadvantages) A 30-minute boat trip
	The Hague Chamber of Commerce	Seminar – “the Netherlands – doorstep of Europe” (investing in the Netherlands)
Tuesday, 22 May 2006	World Forum Convention Centre (WFCC)	Opening Conference Business-matching
Wednesday, 23 May 2006	Flora Flower Auction Centre	Visit the flower auction centre and study its modern logistics system
	Holland International Distribution Council (HIDC)	Presentation (Introduction of HIDC and its main functions)

Table-2: Programme of CES 2006

After the Chinese Ambassador to the Kingdom of the Netherlands and the vice mayor of the Hague City addressed their opening speeches (see picture-3), the business-matching began. 23 Chinese enterprises each met 3 pre-arranged Dutch companies in the specially built meeting places, while the other 30 Chinese companies met random Dutch companies and held business conversations in the conference hall. During the business-matching, 15 assisting workers were walking around the whole meeting place and helping participants to solve various problems, such as Chinese English translation. In the meantime, the working staffs were also responsible for collecting the feedback of all participants by distributing a questionnaire designed by the organizing committee. According to the final analysis of such questionnaire, more than half of the Dutch participants answered the questionnaire, but fewer Chinese participants¹ completed the questionnaire after the match-making. Some Chinese participants would not like to take the questionnaire as they considered that it was meaningless to give personal opinions without mentioning their names. Then, the CES

¹ 6 companies, less than 8 percent

organizers sent staffs to the hotel where Chinese participants accommodated, to collect feedback through face-to-face interviews.



Podium (from left to right):

Frits Huffnagel -- Deputy mayor of The Hague City;

Xue Han Qin -- Chinese Ambassador to the Kingdom of the Netherland;

Zhang Qi Sheng -- Deputy Director of Chinese Council of SMEs Development and Restructuring.

Picture-3: Opening Ceremony of the CES 2006 Business-Matching

2.1.2 ORGANIZATION

It is helpful to understand the different phases during the CES 2006 preparation by analyzing the event organization process. The idea to hold an annual business event that may enhance the communication between Dutch and Chinese enterprises was firstly introduced in the late January 2006. Both the Hague Municipal government and WFIA appreciated this idea and sponsored 20,000 euros as the start capital. From the end of January to the mid May 2006, the first CES had less than 4 months to prepare. Table-4 lists its major tasks and activities.

Time	Task	Details
21/Jan/06 ~ 31/Jan/06	Programme designing	<ol style="list-style-type: none"> 1. Chinese participants are likely to accept 3-day programme arrangement of CES. Most Chinese have limited knowledge about the Netherlands and consider European countries as a whole. Thus, it is quite popular for Chinese business travelers to spend 3 days in Holland of a 10 days trip in Europe. 2. A conference with the attendance of high-ranking Dutch officials is interesting to Chinese businesspersons, because they usually think the more supports are given by the local government, the higher quality of the event will be. Besides, it is important to arrange picture shooting time during the match-making. 3. Sightseeing programme is appealing. 4. For Dutch participants, the best selling point can be to meet as many as Chinese businessmen in a match-making programme. 5. A follow-up visit is interesting for Chinese businessmen, since they would like to value the competence of a company by directly visiting it.

25/Jan/06 ~ 15/Feb/06	Deciding business partner in China (travel agency, membership business associations)	<ol style="list-style-type: none"> 1. It is a possible option to attain enough Chinese participants who apply the attendance by cooperating with some membership business associations. In this case, the Association of the World Excellent Chinese in Beijing became the party that was responsible for arranging Chinese applicants for the CES 2006. 2. Some travel agencies dealing with various international trip arrangements have relationship with their business clients. The Beijing Century International Travel Agency was the appointed travel agency of the CES 2006.
01/Feb/06 ~ 15/Mar/06	Finding sponsorship	Finding sponsorship is a good way to finance the event. The sponsors of the CES 2006 were Ernst & Young and City of The Hague.
16/Feb/06 ~ 10/Apr/06	Event promotion in China	The Association of the World Excellent Chinese and the Beijing Century International Travel Agency informed their members and clients of the CES information by telephone calls, internal publicity and personal contacts. All Chinese participants of the CES 2006 were the members and clients of these two organizations.
10/Apr/06 ~ 15/Apr/06	Selection of Chinese participating enterprises	<ol style="list-style-type: none"> 1. The Association of the World Excellent Chinese and the Beijing Century International Travel Agency got 65 Chinese applicants in total. 2. The CES organizing committee called all applicants to check their qualification. As a result, the CES organizers rejected 18 companies that provided dishonest information.
15/Apr/06	Final list of Chinese participants	<ol style="list-style-type: none"> 1. The CES organizers carefully arranged the profiles of all Chinese participants. The arranged information was used as the documents for Chinese participants' visa application and the basic source to invite Dutch enterprises to attend the business-matching. 2. 70% of the participating companies that were permit to attend the CES 2006 belonged to the manufacturing sector. The rest 30% were trading companies and service providers.
15/Apr/06 ~ 05/May/06	Visa application & travel arrangement	WFIA, the organization to send official invitations, guaranteed that all Chinese participants had no immigration intentions. All visa application was approved by the Dutch Embassy in Beijing.
01/Mar/06 ~ 05/May/06	Conference hall arrangement & confirmation of the detail activities	<ol style="list-style-type: none"> 1. WFCC was chosen as the ideal place for the business-matching and the opening conference. 2. Confirm the attendance of the Chinese ambassador and the deputy mayor of The Hague. 3. Confirm the arrangement in the Port of Rotterdam and the Flora Flower Action Centre.
20/Apr/06 ~ 10/May/06	Event promotion in the Netherlands	KVK published an internal publicity to all membership enterprises. The memo introduced the CES background, objectives and included the detail information of all Chinese participating companies. Mr. Jan ter Haar from the Hague Chamber of Commerce was the contact person.

05/May/06 ~ 10/May/06	Inviting Media	Invite 2 important Chinese media in Brussels: CCTV (the Chinese Central Television), the Chinese Economic Daily, and Elsevier - a Dutch magazine. But the Chinese media did not write any report as they came too late for the business-matching. Elsevier mentioned the CES 2006 in an article concerning the Chinese investors.
10/May/06 ~ 20/May/06	Recruiting assistant workers	15 assistant workers were responsible for translation, security keeping and reception.
18/May/06	Getting the final list of Dutch participants	The profiles of all Dutch participating companies were arranged by matchmaking requirements, such as the industries to which they belong, company size, etc.

Table-4: Important tasks during the preparation of the CES 2006

2.1.3 EVALUATION

CES 2006 did not achieve expected results. Only two pairs successfully matched through the business-matching and seven companies could continue further contact with their counter-partners. The success rate of match-making was too little to accept. This section is to study how the CES organizers evaluated the event and how they explained the unsatisfactory situation.

The organizing team invited the officials of the Dutch government sectors and some senior specialists in event-holding to attend two follow-up meetings afterwards. The aim of these meetings was to find possible causes resulting in the setback. Success factors of a event (refer to 1.0 introduction) were utilized as the assessing criteria.² The CES organizing team firstly present their feedback regarding event planning, preparation, financial situation and execution in practice, whereas the event-holding specialists particularly assessed the event promotion works. Moreover, the feedback of participants was also analyzed based on the findings of questionnaires and follow-up interviews. Eventually three major lines of reasoning were concluded as: (1) short preparation time; (2) limited promotion channels; (3) weak qualification of the Chinese participating. Some explanations are elaborated in the following paragraphs.

² Refer to the table-1: major successful event need to perform a successful event. P. 4-5

Firstly, it is unlikely to perfect every step of the event organization for a team of three people within three and a half months, especially of a highly expected event like CES. For example, the partner travel agency delayed the Dutch visas for Chinese participants and arranged the hotel in poor condition, which upset some Chinese attendants.

Secondly, the event-holding professionals pointed out that relying too much on the channel of KVK limited the effectiveness of promotion. The attendants profiles show that many participating Dutch companies came from Zuid-Holland province in which major members of the Hague Chamber of Commerce locate. Instead, CES should publish its information through more channels and intermediaries for larger public attention, thereby attaining more Dutch applicants from the entire country.

Thirdly, participants' feedback reveal that Chinese participating companies had weak qualifications. Maja Sun concluded her findings (refer to appendix I) from the follow-up interviews with some Chinese participants. More than half of the Chinese attending companies might not enter the Dutch market in short time, though they had intentions to do so. Over 80 percent of the total Chinese participants went abroad for the first time and could hardly familiarize in the way of European business communication. Moreover, some Dutch business owners who lacked experience in dealing with Chinese businessmen wished to explore Chinese market with the assistant of Dutch government. When facing Chinese counter-partners who knew less about the Netherlands and even spoke bad English, those Dutch participants felt difficulty in communication.

2.3 CES 2007

From 22 to 24 May 2007, the second Chinese Enterprise Summit was held in the Hague, which had more participants, more professional speeches and larger media attention than the previous one. The CES initiative parties were still confident, although CES 2006 received negative feedback. "I'm glad to see the presence of the Chinese Enterprise Summit. It will have splendid future and surely be the most exciting and efficient platform for the communication between Dutch and Chinese enterprises. " said by Ed van der Feer, the vice-president of WFIA, when CES 2007 just commenced.

Compared with the previous event, CES 2007 doubled its preparation time and changed the strategy. In order to obtain adequate Chinese applicants, the CES organizers cooperated with some Chinese provincial governments that could influence Chinese enterprises greatly. A schedule was planned in advance, which generally outlined preparation procedures. According to the schedule, the most important task - application for Chinese companies should be ended before 15 March 2007. Then KVK could have time to find enough Dutch participants for the business matching. Moreover, the CES organizers invited major media two months before for the public exposure. After taking these measure, the CES organizers expected some real results this time. On one hand, the event preparation time was long enough for a detailed plan that can maximally meet participants' needs by various specified activities or services. On the other hand, the Chinese provincial governments promised to bring Chinese enterprises to participant. Therefore, the CES organizers defined the event objective: to match 15 (at least) business pairs and 5 (at least) Chinese government's projects cooperation.

Approximately 107 Chinese attendants (86 companies) and 53 Dutch participants (38 companies) took part in the business-matching of CES 2007. Six business pairs declared promising results, either developing projects in China together with business partners or signing agreements on international trade. In the following content, a review of CES 2007 will be examined in detail under the same structure that was used to analyze the proceeding of the first CES - programme arrangement, event organization and implementation.

2.3.1 PROGRAMME

Seven activities in 3 days were arranged for all participants. The business-matching where Dutch and Chinese participants directly met each other, on 23 May still played a dominant role during the event. Table-5 shows the detail programme of the CES 2007.

Activities	Target groups	Functions
No. 1: "Netherlands, the gateway to Europe" – Seminar of Introduction to the Dutch Investment Environment	Chinese participants who wanted to know the information of Holland or who had intention to invest in the Netherlands.	- Promote the Netherlands as a good place to invest. - Provide general information about Holland.
No. 2: "Challenging China Opportunity" – Opening Conference of the Chinese Enterprise Summit 2007	All participants	- Inspire participants with examples and business practices addressed by all speakers. - Make participants acquaintance with each other on the first day.
No. 3: Business-matching & Economic Cooperation	All participants	- Meet pre-arranged business counter-partners. - Exchange company information (products and services etc).
No. 4: Welcome Diner after match-making	All participants	- Improve relationship between Chinese and Dutch counter-partners in relax ambience.
No. 5: Tianjin City ³ Investment Environment Presentation	Dutch participants who were interested in investing in Tianjin City or who wanted to do projects offered by the Chinese Tianjin Government	- Promote Tianjin City. - Release the projects offered by the Tianjin government.
No. 6: "Legal Consultancy" – Seminar of Practical Legal Issues Regarding Investment in the Netherlands	Chinese participants who wanted to know the information of Holland or who had intention to invest in the Netherlands	- Promote the Netherlands as a good place to invest. - Provide practical information of investment issues.
No. 7: Follow-up visits & Workshops	Chinese participants who were invited by Dutch counter-partners during the business-matching	-Provide chances for further communication.

Table-5: Programme of CES 2007

The activities No.1, 3, 6 & 7 were the same as those of the CES 2006. Seminars No. 1 & 6 were informative programmes that introduced the Dutch investment information to Chinese participants. The opening conference (programme No.2) adopted a hot issue of the trade relation between China and Europe as the subject – challenging China's opportunity. Seven

³ Tianjin City, directly administrated by the Chinese Central Government, is the third largest metropolitans in China. It is also the most important harbour and industry centre in the Northern Chinese area. In 2004, the Chinese Central Government gave the city several beneficial policies, pushing the city onto the peak of the country's fast growing wave.

speakers were invited to address their personal experiences and stories when doing business in the Netherlands or in China. The programme No. 5 – Tianjin Investment Promotion was particularly arranged to promote the information of Tianjin City. The welcome dinner (programme No.4) was established for the first time as an extra occasion, creating more opportunities for Dutch and Chinese participants to communicate.

2.3.2 ORGANIZATION

CES 2007 started its preparation four months after the previous one. Learning from the past experiences, the project team had changed some strategies during the event organization.

1) Cooperating with Chinese provincial governments

Chinese provincial governments control the most complete database of local Chinese enterprises. One of governments' tasks is to encourage certain quantity of companies in their provinces to do business with foreigners, such as attending international conferences and obtaining foreign investments. In January 2007, the CES organizers sent a delegation to China, persuading the governments of Tianjin City and Jiangxi Province to participate in CES 2007. As a result, the Chinese provinces agreed to pass CES information through internal memos to Chinese companies that are under their administration.

2) Not working with travel agencies any more

The CES organizing committee decided not to cooperate with any travel agencies again. All Chinese participants could arrange their business trips flexibly, only if they attended all CES activities from 22 to 24 May 2007.

3) Advancing the application deadline for Chinese companies

A complete set of Chinese participating company's information was essential to the CES promotion in the Netherlands. Dutch potential participants tended to meet Chinese companies in close industries. According to Jan ter Haar, the director of international trade department of KVK, it is normal for Dutch businesses to be invited for a business event two month in advance so that they have enough time to arrange working schedules. Therefore, 15 March 2007 was

the original application deadline for Chinese companies. But most Chinese enterprise applicants were unable to confirm whether to participate before the original deadline because they had to attend the Chinese National Congress meeting in Beijing in March. The application deadline was then prolonged to 10 April.

4) Raising the application standard

According to the evaluation of CES 2006, the insufficient quality of Chinese participants resulted partly in the poor consequence. The CES 2007 organizing team arranged stricter rules to select applicants, in terms of company size, business intentions, etc.

5) Enhancing promotion in the Netherlands

KVK was not the only channel to publish CES information this year. Some Dutch business clubs were also received CES information packages plus Chinese companies' profiles, such as Lion Club, Dutch Commercial Clubs and the Yellow Dragon Club.

2.3.3 EVALUATION

CES 2007 gained even worse result compared with the previous one: 5 successful pairs out of 120 companies. Before starting the second CES, the event organizers had carried out an evaluation in terms of the different phases of CES 2006 – planning, financing, promotion and implantation. This evaluation concluded that the setback of the first CES was attributed to the certain flaws that occurred in the process of planning and promotion. To avoid the same mistakes, the CES organizers had extended the preparation time, managed a good planning and diversified the promotion channels. Why didn't CES 2007 yet reach the expectation? The evaluation of CES 2007 was subsequently conducted afterwards to find related answers, adopting the same criteria⁴ that were used in CES 2006.

The evaluation sources consists of the participants' feedback, the advices of event-holding professionals and the internal analyses from the CES organizers. Participants' feedback was

⁴ Refer to Table-1: major successful event need to perform a successful event. P4-5

collected by a questionnaire, follow-up telephone interviews and online communication tools – emails and some popular online chatting programs⁵. The questionnaire was printed and attached in the event guide book. All participants were asked to return their completed questionnaires into a transparent box at reception. Considering Chinese participants dislike to answer a questionnaire, the organizers arranged personal interviews in the hotel and particular telephone interviews to collect feedback.

Another three mistakes were concluded as: (1) not enough Chinese companies could make final decisions whether to attend the CES 2007 before 15 March. The deadline was then prolonged to 10 April. (2) most Dutch participants missed the welcome dinner. (3) translators were inadequate. According to the event organizers, CES 2007 performed sufficiently in planning, financing, and promotion, whereas the planning of the CES 2007 could not be carefully executed in the practice.

As the level of Chinese participating companies was increased, a new problem occurred. Many Chinese participants are members of the Chinese Communist Party (CCP) and must attend annual party meetings in Beijing from the end of February every year. They can only decide whether the company can attend CES 2007 after they finish party meetings. If the CES project team stick to the original application deadline – 15 March, more than half of the current Chinese participants would not appear.

The welcome dinner was a new activity of CES 2007, satisfying the habits of Chinese participants – discussing business on a diner table. But many Dutch companies went to the business-matching in the morning or in the early afternoon, it was unlikely for Dutch participants to wait half a day for the business meal in the evening. Consequently, Dutch participants who could not attend the welcome dinner missed a good opportunity to enhance the relationship with Chinese participants.

⁵ Online chatting programs are popularly used in Chinese business contact. MSN Messenger, QQ and YAHOO Messenger are the three most commonly used programs.

3. THE CES PROBLEM

Through the analysis of the last two chapters, it has been concluded that both CES had enough participants. Attending prearranged business-matching, both Chinese and Dutch participants could already know the basic information of counter-partners beforehand and bear clear intentions. In the following text, CES participants' feedback is summarized in an excel sheet (see appendix II) after combining the results of two questionnaires and over one hundred follow-up interviews, as a basic source to study the CES problem.

Through the research, three main reasons that led to good business cooperation were discovered by summarizing 48 respondents' answers. Those answers are:

- 1). Communication was pleasant. (54.2%)
- 2). The company has interesting products and production ability. (25%)
- 3). Communicating without translation was possible. (16.7%)

However, more participants gave negative results and complaints. 190 respondents answered the question: "Do you think the meeting of CES business-matching runs well?" 24.7% of the respondents said the business meeting was good enough or every good, while 28.9% of the respondents considered the meeting no use and 46.3% thought the meeting had certain use.

86 respondents from the Dutch side addressed the factors leading to ineffective results with Chinese counter-partners. The feedback is concluded as follows.

- 1). Chinese people don't speak good English. (27.9%)
- 2). Chinese businessmen delivered too much vague information. (16.3%)
- 3). Some companies were not qualified for further business cooperation. (15.1%)
- 4). Translators did not help much. (12.8%)
- 5). The products or projects they provided did not interest me sufficiently. (10.5%)
- 6). Chinese businessmen were reluctant to talk about the product price. (8.1%)
- 7). Chinese counter-partners often avoided eye contact. (3.5%)

- 8). Chinese officials behaved too much arrogant. (2.3%)
- 9). The company brochure they provided was not interesting to read. (2.3%)
- 10). It was annoying of Chinese businessmen to ask me drink much during the dinner. (1.2%)

On the Chinese side, 104 respondents gave their opinions to the factors leading to ineffective results with Dutch counter-partners. The answers are listed in the following.

- 1). Translators took too much time during the meeting. (27.9%)
- 2). Dutch counter-businessmen asked very detail questions at the first meeting, some of which were identified as business secrets. (18.3%)
- 3). Dutch people behaved too directly and wanted to start main points every quickly. (15.4%)
- 4). There were not enough chances to have more talks with Dutch counter-partners during the dinner. (13.5%)
- 5). Dutch participants did not show enough respects. (10.6%)
- 6). Dutch people ended the meeting too soon and the meeting was too short. (8.7%)
- 7). Dutch businessmen dislike drinking wine. (3.8%)
- 8). Dutch counter-partners had too less knowledge about China. (1.9%)

In addition, the comments from CES organizers could also help to expound problems from a different angle. Maja Sun figured out that it was tough to deal with Chinese applicants who could hardly do things according to the plan. Many Chinese applicants had weak senses of time and shifted idea frequently. It was hardly to guarantee a done deal until the last minute. Likewise, Jan ter Haar also complained about receiving the profiles of Chinese companies so late that KVK had inadequate time to pass the CES information to their members. Table-6 summarizes the feedback of both Chinese and Dutch participants.

Chinese Participants' Feelings	Dutch Participants' Feelings	
<ul style="list-style-type: none"> - It was uncomfortable to talk in English. - Translation took too much time. 	<ul style="list-style-type: none"> - Chinese spoke bad English. - Translators did not help much. 	Language problems
<ul style="list-style-type: none"> - Dutch businessmen were too rush during the first meeting. - Dutch people ended the meeting too soon. - Dutch businessmen asked very detail questions, some of which were identified as business secrets. 	<ul style="list-style-type: none"> - Chinese was not willing to give the real product price immediately. - Chinese businessmen delivered too much vague information. 	Disparity objectives of the first meeting & differentiation in business etiquettes
<ul style="list-style-type: none"> - Dutch counter-partners had too limited knowledge about China. - Dutch neglected the importance of business dinners. - Dutch businessmen dislike drinking wine. 	<ul style="list-style-type: none"> - Chinese officials behaved too arrogant. Chinese counter-partners often avoided eye contact. - A business meal was good for relationship, however it need be arranged in advanced. 	Different perspectives of cultural affairs
	<ul style="list-style-type: none"> - The company was not qualified enough for further business cooperation. - The products or projects they provided did not interest me sufficiently. 	Different business requirements

Table-6: Summary of the feedback of Dutch and Chinese participants

To sum up, most Dutch and Chinese participants did not satisfy with the communication during match-making. A problem can be identified as the Dutch Chinese cultural disparities caused continuous confrontations that occurred during the match-making, which led to unsatisfactory result of CES. Participants complained about ineffective business meetings regarding four aspects: language problems, distinct objectives of the first meeting and differentiations in business etiquettes, different perspectives of cultural affairs and business requirements. Then, the next task is to find why this problem could generate.

4. RELATED CULTURAL INFLUENCES

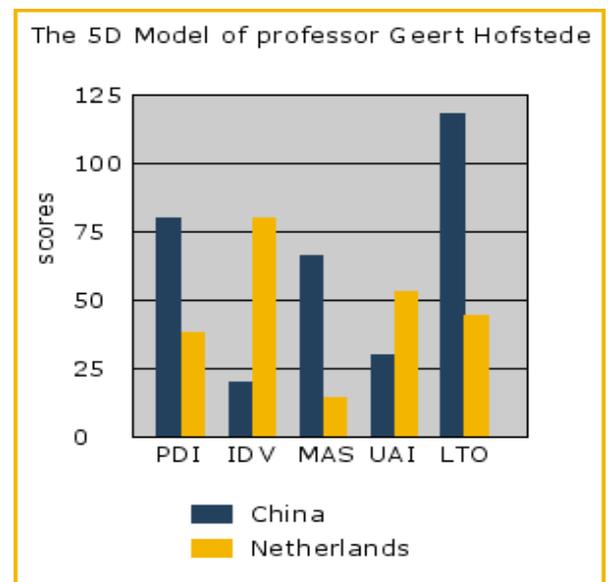
Effective communication among people from different cultures is rather challenging. Cultures influence people ways of thinking, seeing, hearing, and interpreting the world. Conflicts, compromises and comprehensions always happen in communication processes, when people come from cultures with large differences. In this section, differences between Chinese and Dutch participants will be analyzed by Hofstede cultural dimensions theory and some business etiquettes theories.

4.1 HOFSTEDE CULTURAL DIMENSION THEORY

Hofstede cultural dimensions theory is a commonly used model to identify fundamental different ways of people from various countries perceiving and interpreting their worlds. Hofstede made large-scale research and concluded a scoring system to compare cultural differences of more than 74 countries in the world from five aspects: Power Distance Index (PDI), Individualism (IDV), Masculinity (MAS), Uncertainty Avoidance Index (UAI) and Long-term Orientation (LTO).

	China Score	Dutch Score
Power Distance Index (PDI)	80	38
Individualism (IDV)	20	80
Masculinity (MAS)	66	14
Uncertainty Avoidance Index (UAI)	30	53
Long-term Orientation (LTO)	118	44

Table-7: Comparison of Hofstede Cultural Dimension Scores of Dutch and Chinese (Source: Hofstede, 2001, URL: <http://www.geert-hofstede.com>)



(Graphic right side: The y-axis contains the number of score from 0 to 125. The x-axis lists the five fundamental elements for comparison.)

China scores higher in PDI than the Netherlands. In China, people with high-ranking positions are likely to show their arrogance in front of subordinates and keep certain distance away from the public. For instance, Chinese leaders from big enterprises and government officials are used to accepting much respect and special treatments in many occasions. Some Chinese participants of CES 2007 tended to show their high-ranking status. For example, some officials were reluctant to seat at the same table with their subordinates during the dinner party and were less likely to initiate conversations with others. Comparably speaking, low power distance has been shown among Dutch people. H. Kool, the deputy mayor of the Hague, seated around the same table with his assistants and talked to subordinates in a friendly tone.

The Netherlands ranks the fourth highest score in IDV⁶. "The high Individualism (IDV) ranking for the Netherlands is indicative of a society with more individualistic attitudes and relatively loose bonds with others. The populace is more self-reliant and looks out for themselves and their close family members", quoted from Hofstede's analysis. China score very low in the category of individualism (at 20), which shows the Chinese society focuses on collectivism culture. Many CES Chinese participants highly expected Dutch participants could attend the dinner party. In the perspective of Chinese, dinner is a casual occasion to build close interpersonal relationship. However, some Dutch participants absent themselves from the welcome dinner party, as they kept their business and personal lives separately very well.

The difference of MAS score is large - China (66) & the Netherlands (14). The low MAS score of the Netherlands means a low level of gender discrimination in the Dutch society. The relatively high MAS score of China indicates female has weaker social status than male and men still play dominant roles in the Chinese society. But in CES 2006 & 2007, the percentage of female Chinese participants almost equaled the portion of female Dutch participants (24%). Hence, the difference of MAC score did not sufficiently to explain the situation of CES.

Uncertainty Avoidance Index (UAI) reflects a society's tolerance for uncertainty and ambiguity.

⁶ Five countries with the highest IDV score: United States (91), Australia (90), the United Kingdom (89), The Netherlands (80), and Canada (80).

Scoring UAI at 53, the Netherlands present a moderate tendency to reduce the level of unstructured situations by ratifying rules, laws or regulations etc. China scores a relatively low score at 30, showing the Chinese people can accept ambiguous and flexible situations in large scale. The gap between UAI scores, to some extent, explained why the perspective toward deadline of CES Chinese participants was different from that of Dutch participants.

The Hofstede analyses give China the highest LTO score at 118. This indicates the long-lasting attitude of Chinese society - overcoming obstacles with time and establishing relationship with patience. According to Table-7, the Netherlands only scores LTO at 44, with the largest difference compared with the other four Hofstede factors. Building strong, reliable and long-lasting relationships is a vital principal for Chinese businessmen. A certain amount of trust need be established before any business decisions. Chinese believes that slow and steady can win the race for business deals. (Yee, 2007, p.89) As to the CES case, some Chinese participants may need much longer time to decide business agreements or deals than Dutch participants, especially on those governmental projects. Hence, Dutch participants need bear in mind that be patience to let Chinese participants finish the decision making process concerning the Chinese cultural standard.

4.2 BUSINESS ETIQUETTES

Nowadays, business etiquettes have become vital elements for all business people who want to do business internationally.

Relationships & Face

Business is all about building good relationship. For Chinese, business means both relationships (Guanxi in Chinese) and faces (Mianzi in Chinese). Relationship is the basis for things to get done. In China, almost anything can be accomplished with a good network of contacts. Face is an important concern in any culture, but extremely so in China. An array of face activities should be taken into consideration all the time, such as losing face, saving face and giving face. (Seligman, 1999, p.179)

In CES case, confrontation that happened during the business meeting between R. van Leeuwen of Flodac⁷ and Wang Guang Mei - deputy-director of Jiangxi Province Agriculture Department, was related to a face issue. A garden rebuilding project was the main topic of the meeting. Wang invited van Leeuwen to visit China in two months for further information about the garden. Van Leeuwen immediately rejected the invitation, using full work arrangement as the excuse. Wang's assistant was also presenting in the meeting. Receiving direct rejection in front of his underling, Wang felt losing face and kept silence in the rest of time. However, van Leeuwen did not mean to make Wang lose face and had large interest in the project.

Dinning Etiquettes

For Chinese businessmen, dinner table means a sacred place for establishing relationship, which is very important to business dealings. (Mente, 1994, p.31) Some business deal breakthroughs were made when participants could drink much alcohol during the dinner. And the level of relationship was highly dependent on how much the counter-partners could drink. In addition to the drinking culture, table seat arrangement is another important concern. (Zhou, 2005, p.88) An interesting story took place in the CES 2007 welcome dinner. The CES organizing team specially arranged participants from the same industry to seat in the same table that was numbered. On the table No. 11, the seat facing the door was empty throughout the entire banquet. Mei Changxia, one participants of this table said, "The center seat was important to reserve for the Dutch count-partner, Holghuis. Although he did not come, all other participants of the table still agreed to keep the seat empty, showing our respect."

Time & Punctuality

Chinese people have comparable loose perception about punctuality. (Mente, 1994, p.85) During the CES preparation, although a few Chinese companies applied their attendance at the end of January, they had not made final decision until the original deadline – 15 March. The CES project manager explained for the delay somewhat. Some Chinese applicants must attend the Chinese National Congress meeting, therefore they had no time to make decision. However, the National Congress meeting is held very year. Those Chinese applicants should

⁷ Based in Zoetermeer, Flodac is a Dutch company specializing in agriculture products.

have noticed this matter before they applied the CES attendance. Chinese businessmen were not used to do things according to a strict plan and prolonging the deadline is quite normal in China (Mente, 1994, p.87). Many Chinese applicants paid less attention to the original deadline - 15 March. On the contrary, Dutch businessmen are serious about time issues. Agendas are commonly used by Dutch people to organize daily work. Finishing works before deadline is generally accepted in the Netherlands. (Berman, 2000) Figure-8 portrays the comparison of the perspectives of deadline between Dutch and Chinese participants.

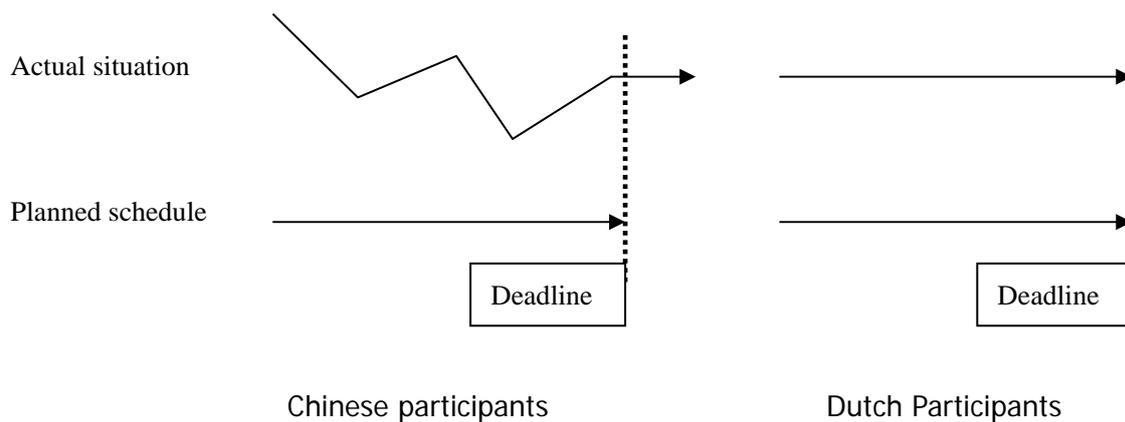


Figure-8: Attitude towards deadline of Dutch and Chinese participants

In conclusion, Hofstede's five cultural dimensions theory was used to identify different behaviour of CES participants. The comparison between Chinese and Dutch participants in CES shows that (1) Chinese participants from high power distance culture liked to receive special treatments, while Dutch businessmen treated others relatively equally. (2) Dutch people turn to be more independent than Chinese and like to separate personal and business lives. (3) The female portion of Chinese participants nearly equaled that of Dutch participants. (4) Chinese participants were more likely to accept ambiguous and flexible situations, while Dutchmen tended to reduce the level of unstructured situations by rules and laws. (5) Chinese believed in long-lasting philosophy and appreciated time-consuming efforts. Dutch participants needed enough patience to let Chinese participants finish deals in longer time. In the second sub-section, various business etiquettes were used to analyze the CES case. For Chinese, relationships and faces play dominant roles in doing business. A dining table is the place to build close relationship. But Chinese people do not strictly comply with the deadline when doing things, whereas Dutch people have more serious perception with time issues.

5. BARRIERS TO EFFECTIVE CES COMMUNICATION

Communication is the exchange process of meanings between individuals. An ideal communication process means the intended message is the same as or close to the received message and there is no noise impeding the information exchange. Figure-9 shows the ideal communication process. (Walker, Walker, & Schmitz, 2003, p.205)

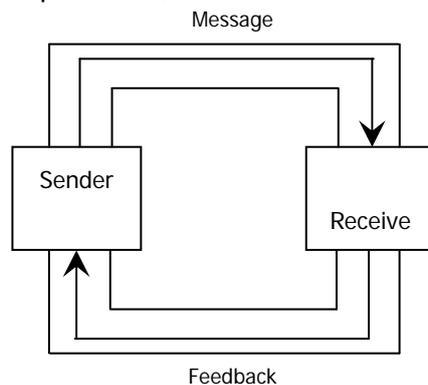


Figure-9: The ideal communication & interaction processes (Source: Walker, Walker, & Schmitz, 2003, p.205)

However, the communication in reality is far from the ideal model and so is the CES case. When cultural differences happen in communication and interaction processes, some barriers that caused a distortion of information exchange emerge tangibly. Figure-10 shows the real communication process during CES taking interfering barriers into account. In this section I am going to figure out how three barriers can affect the communication of CES match-making meetings, namely languages, misinterpretations and cultural constraints.

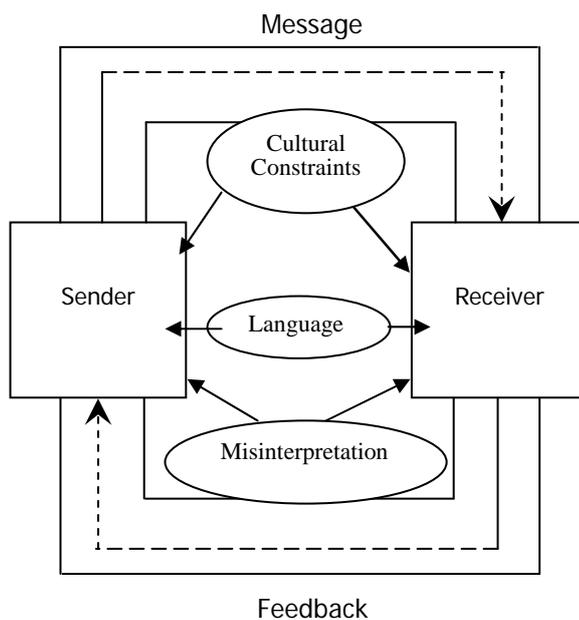


Figure-10: the real communication process during the CES

5.1 LANGUAGES

Language is one of the most serious hurdles for interpersonal communication during the CES event. English, as the most commonly used language in the business field, is widely used by Dutch people who are well-known as linguists all over the world. Nearly all Dutch citizens are capable of communicating in English and some highly-educated Dutch people even master several European languages, such as French, German and Spanish etc.

On the other hand, can hardly Chinese have the same level of language ability as Dutchmen. Data from the Chinese Ministry of Education show that a very limited proportion of the Chinese population (less than 20%) has the chance to receive a university education. (Huang, 2006, p.27) However, an even smaller proportion of graduate university students, who have learned English for over ten years, can fluently utilize English during daily life or in other necessary occasions. How to pronounce understandable English and how to communicate with foreigners fluently have become crucial problems for many Chinese people who want to improve their English levels. (Zhou, 2005, p.110) Likewise, Chinese businessmen have very limited English knowledge. No more than 20 percent of Chinese participants could communicate without the help of interpreters in both the 2006 and 2007 CES.

Therefore, translators played an important role during the business meetings between Dutch and Chinese participants. Due to financial concerns, the CES organizing team recruited some Chinese students who were studying in Dutch universities instead of professional interpreters, to complete the translation work. However, those amateur translators differed in ability. Some were not familiar with specialized terms and some lacked translation skills and experience.

5.2 MISINTERPRETATIONS

In cross-cultural communication, misunderstandings always happen when people have inadequate knowledge about others' cultural background. (Gudykunst, Stewart, &

Ting-Toomey, 2003, p.151) Two cases that occurred during CES business meetings can further illustrate how misinterpretations hampered communication.

Example 1: T. Verhuis of BusinHolland BV was holding a business meeting with Zhang Da Lin of Tianjin Lungu Steel Ltd. The conversation was in English and no translator involved. Zhang was inquiring after the price of the stainless steel that BusinHolland provided.

Zhang: How long is the delivery time?

Verhuis: The Shipping normally needs 21 days from Rotterdam to China.

Zhang: Ok. If our company orders 50,000 set, what is the price for each?

Verhuis: We'll definitely offer a nice price. In addition, we can share part of the transportation cost as the extra service for the client doing business first time with us.

Zhang: Oh, I'm sorry!

The sentence "I'm sorry" is used when someone would like to express regrets. Verhuis felt strange when Zhang said "sorry" instead of "thank you". In China, however, "sorry" and "thank you" can be interchanged in this situation. This sentence can be understood as Zhang wanted to express his gratitude and to show the modesty. In this case, Verhuis confused the Chinese perception of "I'm sorry" and considered that Zhang had rejected his offer.

Example 2: G. Grossen from Protac BV in Zoetermeer was discussing a real-estate project with Xu Jian Ye, an official from Tianjin City.

Grossen: I know the local government of Tianjin City can provide beneficial policies for foreign investors with good credit.

Xu: (Smile) You have good information source. We welcome any company with sufficient ability. Providing beneficial policies is always possible.

Chinese people, especially officials, always send vague messages and use ambiguous words, such as "perhaps, possible" to express rejection. Keeping others' faces is an important reason. After hearing the response from Xu, Grossen tended to assume that his company could still have the chance. The Chinese official, however, had already closed the door.

5.3 CULTURAL CONSTRAINTS

Cultural constraints are also barriers that interfere with cross-cultural communication. Cultural constraints can be divided into three types: cognitive constraints, behavioural constraints and emotional constraints. (Ting-Toomey, 1985, p.233)

"Cognitive constraints: These are the frames of reference or world views that provide a backdrop that all new information is compared to or inserted into.

Behavioural constraints: Every culture has its own rules about proper behaviours affecting both verbal and non-verbal communication.

Emotional constraints: Emotion is displayed differently in different cultures."

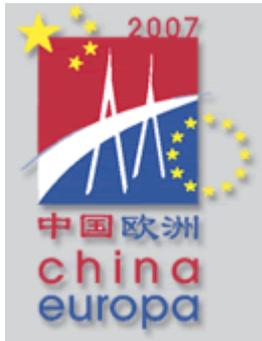
(Steve, 2007, <http://redmonk.net/archives/2007/04/15/sound-and-fury-a-cross-cultural-crisis/>)

Differences in cognitive, behavioural and emotional levels happened in the communication between Chinese and Dutch participants. Distinct perspectives toward eye contact could be an example. For Dutch people, good eye contact during a meeting means respect and carefully listening to others. (Berman, 2000, p.35) However, Chinese feel shy looking straight at others and are likely to lower their heads to show respect. (Zhou, 2005, p.115) In CES match-making, Dutch participants often complained that Chinese businessmen avoided eye contact. Some differences regarding eye contact in 3-levels of cultural constraints are listed in Table-11.

	Dutch Participants	Chinese Participants
Cognitive Level	Dutch people consider eye contact respectful and professional.	Chinese people think that looking straight at others is disrespectful.
Behaviour Level	Dutch participants sought direct eye contact with Chinese counter-partners.	Chinese participants avoided direct eye contact and often lowered their heads during the meeting.
Emotion Level	Dutch participants felt strange and dissatisfied with the behaviour of Chinese participants. Complaints arose.	Chinese participants felt uncomfortable when being looked at directly. Feelings of disrespect and shyness were generated.

Table-11: Analysis of eye contact between Dutch and Chinese participants by using 3-levels cultural constraints

6. SIMILAR CASE STUDY



The China/Europe Industrial Business Convention (shorted as CEIBC), held in France from 11 to 13 December 2006, has been chosen as the study case, as it has many similarities with the Chinese Enterprise Summit. Three main similarities are listed as follows:

(1) CEIBC gained supported from some European and Chinese institutions and its organizing team consisted of both Europeans and Chinese. (2) The aim of CEIBC is to bring Chinese companies to Europe and to promote business cooperation between Chinese and European enterprises. (3) CEIBC provided three main categories of activities: an exhibition, business meetings, and conferences. Both CEIBC and CES have business meetings and conferences. In this chapter, CEIBC is to be assessed by a SWOT analysis in order to provide possible recommendations for the CES problem.

The SWOT analysis has been conducted to explore the strengths, the weaknesses, the opportunities and the threats of CEIBC 2006. The internal and external findings are principally summarized in the following confrontation matrix (see table-12).

		Strengths			Weaknesses		
		Strong planning ability	7 years experience in event holding	Strong financial support	Less logistics experience	Large number of part-time workers	Repetitive programme every year
External Factors	Internal Abilities						
	Opportunities	SO Strategies			WO Strategies		
	Threats	ST Strategies			WT Strategies		

Table-12: Confrontation Matrix of the CEIBC 2006

According to Table-12, having strong planning ability and obtaining supports from both the EU and Chinese institutions were the biggest strong points of CEIBC. Therefore, taking advantage of the close relationship with important institutions, CEIBC can promote itself through those institutions' networks and invite many VIPs to participant. However, CEIBC also faced a serious bottleneck – lacking full-time adept personnel to serve a large number of attendants. As a matter of fact, it was dangerous to serve so many participants only by temporary workers at the present.

CEIBC has shown some other features in addition to the elements of the SWOT analysis.

- CEIBC divided all participants into three groups: super giants, big companies and SMEs. All business meetings were pre-scheduled in terms of the group division.
- CEIBC invited many overseas Chinese companies to attend the business meetings. Having similar cultural background, overseas Chinese tended to communicate with participants from Mainland China easily.
- CEIBC provided language services, for example translation services, such as Chinese-English, French-Chinese, German-Chinese etc. All translation works were taken by professional interpreters. Unlike CES, CEIBC charged high prices for all language services it provided.
- CEIBC prepared a specified booklet containing 10 real business meetings examples for each participant, i.e. listing advices for cross-cultural business practices in the final chapter.
- CEIBC failed to build good relationship with media. As a result, it gained less media coverage from influential Chinese media than that of CES. *Chinese Economic Daily* was the only important Chinese media that reported CEIBC in time, while CES obtained the coverage from all big three - *Xinhua News Agency*, *Chinese Economic Daily* and *Chinese Central Television*.

All in all, compared with CES, CEIBC attracted more participants that came from larger-sized Chinese companies and had arranged more pre-scheduled business meetings. The action to

invite many overseas Chinese businessmen attending the match-making with participants from mainland China was very effective. By doing so, CEIBC had diminished the occurrence of cross-cultural communication conflicts. Moreover, providing tips for participants concerning doing business internationally beforehand was also appreciated. This measure can be adopted to remind the CES organizers the importance of clarifying potential cultural conflicts during cross-cultural communication to CES participants. Further recommendations concluded from CEIBC case will be delivered in the later chapter (see Section 8).

7. CONCLUSION

The Chinese Enterprise Summit was initiated by 3 Dutch government institutions and The Sun-Sun Group BV in 2006 to create an effective communication platform for both Dutch and Chinese companies. The pre-arranged business matching was the most important programme of the event.

After the analysis on the programme, organization and follow-up evaluation of both the Chinese Enterprise Summit, it is discovered that both the Chinese Enterprise Summit had enough participants for the pre-arranged match-making. All participants knew the general information of counter-partners beforehand and attended the meeting with clear intentions and requirements. However, the success rate of the business match-making was below 5 percent for the consecutive two years.

The feedback of participants pointed out the problem. The low success business matching rate was attributed to the continuous confrontations that occurred during the match-making meetings because of Dutch Chinese cultural disparities. Complaints about the ineffective business meetings from participants concentrated on four aspects: language problems, different objectives of the first meeting and differentiations in business etiquettes, distinct perspectives of cultural affairs and business requirements.

Hofstede Cultural Dimensions Theory was firstly adopted to identify fundamental different ways of the CES participants in terms of the five aspects: Power Distance Index (PDI), Individualism (IDV), Masculinity (MAS), Uncertainty Avoidance Index (UAI) and Long-term Orientation (LTO). Furthermore, various business etiquettes were used to analyze the CES case, such as relationships & faces, business dining cultures and time issues.

Languages, misinterpretations and cultural constraints are three main barriers to the CES effective communication. 90 percent of the match-making depended on the professionalism of translators, because very limited Chinese participants could communicate with Dutch

counter-partners in English. However, the CES organizers recruited some Chinese students instead of professional interpreters as amateur translators who differed in ability. In the CES pre-arranged meetings, misunderstandings always happened when participants lacked the cultural background information of counter-partners. Misinterpretations hampered the normal flow of communication. In addition, cultural constraints are also barriers to interfering with cross-cultural communication in three different levels: cognitive, behavioural and emotional.

In search of solutions for cross-cultural conflicts, a similar event - the China/Europe Industrial Business Convention was chosen as the supplementary study case. Of the same kind, CEIBC was operated comparatively better than CES. It has more participants, more pre-scheduled business meetings and larger size of participating companies. Attracting the attendance of many overseas Chinese businessmen was a very brilliant idea to avoid some cultural conflicts.

At the beginning of my research, a central question was posed as - which factors resulted in the low success of further cooperation between Chinese and Dutch enterprises after the CES (2006 & 2007) business meeting?

To answer the central question, I conducted various research and found cultural theories can help to explain the CES problem. Hofstede cultural dimension and disparity of business customs identify the clear difference between Chinese and Dutch participants. The cultural disparity caused cultural constraints when Dutch and Chinese participants had the different idea, behaviour or emotion toward the same situation. While Dutch and Chinese participants met each other during the match-making, different communication languages again brought troubles. Even when they talked to each other both in English, misinterpretations could happen anytime due to distinctive culture contexts behind. Thus, the ineffectiveness of the communication reduced the original interests of developing further business cooperation from both sides and led to resultless endings. To sum up, languages, cultural constraints and misinterpretations during the business-matching were the important factors to limit the success rate of further cooperation between Chinese and Dutch enterprises during CES 2006 & 2007.

8. RECOMMENDATION

The idea to organize the Chinese Enterprise Summit was originated to create an annually business matching-making event for Dutch and Chinese enterprises. Although CES got setback in 2006 & 2007, its initiating team did not give up and decided to try another time. Currently, the preparation of CES 2008 has been started and the next CES will be held in three locations: The Hague, Helsinki and Reykjavik. More than 80% of the total programmes would take place in Holland. In the following text, a few recommendations will be given to make the third CES succeed in the next round.

First of all, the objectives of the CES 2008 are identified as follow:

- 1). Promote CES 2008 and its activities in a coherent way.
- 2). Improve the communication between the CES organizing team and all applicants or attendants.
- 3). Ensure Chinese participants to comply with the application procedures and decide the attendance before the deadline.
- 4). Minimize the misunderstandings during the event caused by language problems.
- 5). Lessen the ineffective communication caused by distinctive culture perceptions.
- 6). Help Chinese participants to improve the presentation of company images.

To achieve mentioned objectives, the following means are recommended as:

- 1). Various communication channels can be used; for example, distributing print-out promotions, organizing press conference, publishing articles and news reports, constructing a website of useful information and finding appropriate sponsors etc.
- 2). Different channels will be used to communicate with applicants or potential participants, such as creating an e-community, distributing promotion DVDs, and publishing regular press releases and newsletters.

- 3). A one-month business trip to China will be arranged to enhance the relationship with Chinese officials. Use the influential power of Chinese governments to force the applicants to make final decisions as early as possible.

- 4). Recruit more translators by publishing advertisements on newspaper two months before the event. Arrange professional translators for one-week intensive training regarding translating skills.

- 5). Remind all participants the existence of cultural differences by making a printing guide book containing tips of cross-cultural communication and diverse business etiquettes beforehand and publish useful suggestions on the website.

- 6). Remind Chinese participants to prepare several company brochures before their departure. Advise principals to improve the quality of company publicities, i.e. format of designing, English writing – using simple and clear sentence, in order to minimize the misunderstandings and misinterpretations.

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Appendix I: Interview with the CES project manager

Ms. Maja Chunmei Sun is the project manager who initiated the Chinese Enterprise Summit and was in charge of handling the event planning and execution. When working in The Sun-Sun Group BV, I have established intimate personal contact with her in addition to the boss-employee relation. Thus, she delivered much detail information about the CES in the casual daily talks. On 15 July 2007, I requested a formal interview with her for the final paper's research. The interview transcript is summarized as follows.

Writer: The second Chinese Enterprise Summit that was ended two months ago had overall 160 Dutch and Chinese participants. The attendant number is bigger than that of the first conference last year. How did you comment the CES year?

Maja: The second Chinese Enterprise Summit this year achieved a bit more than the first one. First of all, as you mentioned, there are more participants this year, approximately 107 Chinese and 53 Dutch, 86 Chinese companies and 38 Dutch companies. Last year, there were about 50 Chinese companies and 30 Dutch companies. Secondly, we had Chinese government delegation that brought large-scale projects, such as Chinese Tianjin City – the biggest economic centre of North China, and Jiangxi Province – the biggest agriculture region in whole China. And finally, the second CES got intensive media exposure. From the Chinese side, nearly all important new agencies that had representative offices in Brussels sent their reporters to the CES. Chinese Central Television made a short piece of video and reported it on TV. Xinhua News Agency which is the only official new agency reporting international news published four articles in their website. All of published articles were quoted by various other media agency in over 2,400 times. In the Dutch side, NRC and Financiaal Dagblad both sent journalists to participate in the conference.

Writer: It is not easy to get so many influential media to report a business event. What's your secret to get such large media spotlight and how to make Chinese government involve?

Maja: You are right. We spent lots of efforts to make the good relationship with media. The Chinese New Year Celebration (shorted as CNY), which is consecutively held in The Hague for five years, is another project organized by our team. The CNY project had great fame and was fully supported by the Chinese Embassy in the Netherlands. Every year, the Chinese Embassy invites reporters from all important media agencies in Brussels to write articles about the CNY project. Through this occasion, I have very good personal contact with them. But they are professional journalists who are interested in meaningful and valuable events and occasions. We really appreciate they make public know the CES.

This year, the Tianjin and Jiangxi Government delegations are the cooperating partners that organized Chinese enterprise application. From the beginning of the first CES, we select partners in China to organize the Chinese participants. Last year, Association of the World Excellent Chinese and Beijing Century International Travel Agency were the appointed partners in China. Their main tasks were to convince potential Chinese companies to attend the CES by telephone calls, internal memos or personal contact. And all Chinese participants

for the first CES were their members and clients. But we wanted more Chinese participants this year and Association of the World Excellent Chinese could only promise 30 participants to come. Then, getting contact with Chinese provincial governments became another choice. Chinese enterprises all have very close relationship with local government sectors and they would like to follow the instruction from the provincial governments. Once the local governments decide to promote the CES, the number of participants will increase in the large number. Of course, it was not easy to contact with Chinese officials. In January, we visited the Tianjin and Jiangxi and finally got the support from them. Commercial department of each distributed an internal memo to introduce the CES in February.

Writer: You just mentioned the positive side. But as I know that the event has not achieved good result so far. In fact, only five companies said that they had further cooperation, for instance, oral agreement on project or planning of future visit. Do you satisfy with current situation?

Maja: It is just two months after the CES ended. Business cooperation takes normally much longer time. After we finished the evaluation, to be frank, there are some places we did less efficiently. First, there should be more Chinese attendants this year. 162 Chinese business persons applied the attendance of the 2nd CES, but 60 of them cannot make the decision in the end because they could not decide whether to go abroad before the application deadline that had been prolonged to 10 April. The original deadline was 15 March. But most of the applicants could not make the final decision in time because they need attend Chinese National Congress meeting in Beijing in March. The application deadline had been prolonged to no longer than 10 April, otherwise The Hague Chamber of Commerce – one organizing party of the CES, had no sufficient working time to find suited Dutch companies to match.

Then, through the questionnaire analysis, we found another two major mistakes. Not many Dutch participants went to the welcome dinner in the evening of opening conference day. And the task of Chinese-English translation during the business-matching did not work well. In the perspective of Chinese businessmen, business dinner is the ideal place to enhance trust and contact. They feel talking freely in a relax place. But many Dutch participants only spared time for business meetings that were ended before 3 p.m. and were not likely to attend the dinner from 7 p.m. As to the translation problem, students act as major interpreters during the business meetings. We somewhat overvalued their ability in Chinese-English translation. It seemed they had not enough professional knowledge and practices.

Writer: You explained the causes to the result of the CES this year. If you still remember the interview last time, in April 2006 before the first CES, you said that you were fully confident to have at least one-fifth of the total attendants who were satisfied with the event-holding and would find their new ideal business partners. But after reading the evaluation report for the CES 2006, I discovered that only seven participating companies maintained contact with the counter-businessmen they had met, and just two of them revealed having intention to further business cooperation. Why did the CES 2006 get such result? And why didn't the CES 2007 improve with the experience of the first CES?

Maja: It was truly that we had confronted some difficulties for the first time. As a matter of fact, we had only three-month time to prepare the CES 2006. Because of the time issue, we could not get enough participants and can hardly control the quality of participating companies. For example, we did not expect that more than 80% Chinese attendants cannot understand or speak English and went abroad for the first time. So they had very limited experience in dealing with foreign business persons. All communication during the business-matching totally depended on translators. But we did not arrange so many translators.

Actually, we did make some improvements in the CES 2007. As I mentioned, the CES 2007 had more participants both from the Chinese side and the Dutch side. It also gets large media attention.

Writer: The CES 2008 is on the way of preparation. Do you have some new ideas this time?

Maja: The CES 2008 will be planned to hold in three locations: The Hague, Helsinki and Reykjavík. The Netherlands, Finland and Iceland all have their strong industries. For example, agriculture, logistics in the Netherlands, timer producing in Finland, and terrestrial heat source in Iceland. The Netherlands acts as the major role and more than 80% of the total programmes will be arranged in Holland. The CES 2008 will find new turning points to connect real demands from Chinese companies with strong points of three European countries, such as technology cooperation, outsourcing contact, etc.

Writer: I wish you all good luck. Thank you for taking the interview.

Appendix II: Participants Analysis

Part I: Profile of the CES participants

1. Nationality *247 respondents

Dutch	35.6%	88
Chinese	64.4%	159

2. Gender *247 respondents

Female	32.0%	79
Male	68.0%	168

3. Age *247 respondents

20~35	6.5%	16
36~45	39.7%	98
46~55	34.8%	86
>56	19.0%	47

4. Company Size *247 respondents

0~50	76.8%	142
51~200	7.0%	13
>200	16.2%	30

5. Experience dealing with foreigners *247 respondents

Nothing	36.0%	89
A bit	25.9%	64
Enough	21.1%	52
A lot	6.5%	16
Very much	10.5%	26

Part II. Comment on the event

6. The CES programs are relevant to my work. *240 respondents

Nothing	6.3%	15
A bit	9.6%	23
Enough	46.7%	112
A lot	9.6%	23
Very much	27.9%	67

7. The CES has extended my networks that are relevant to my work. *232 respondents

Nothing	19.4%	45
A bit	14.7%	34
Enough	23.3%	54
A lot	37.9%	88
Very much	4.7%	11

8. The CES provides me with new idea and knowledge relevant to my work. *236 respondents

Nothing	14.4%	34
A bit	29.7%	70
Enough	37.7%	89
A lot	8.9%	21
Very much	9.3%	22

9. Please rank the main programs of the CES. *78 respondents

"Challenge China Opportunity" - Opening Conference	46 respondents ranks this item as the first.
"Tianjin Investment Environment" Presentation	22 respondents ranks this item as the first.
"Economic Cooperation Matching" - Business matching	10 respondents ranks this item as the first.

10. Motives of the CES participants		* 247 respondents
Technology Cooperation	22.7%	56
Capital Acquiring	12.1%	30
Project Cooperation	5.7%	14
Overseas Travel	17.8%	44
Manufacturer finding	35.6%	88
Company Undertaker finding	3.2%	8
Others	2.8%	7

11. Did you reach your goals?		*231 respondents
Nothing	22.9%	53
A bit	60.2%	139
Enough	9.1%	21
A lot	7.4%	17
Very much	0.4%	1

12. Would you like to develop business cooperation with the company you met * 121 respondents during the CES?

Yes	44.6%	54
No	55.4%	67

13. How long did the business matching take? *139 respondents

< 15 minutes	16.5%	23
15~30 minutes	51.1%	71
31~45 minutes	30.2%	42
> 45 minutes	2.2%	3

14. Do you need a translator in your business meeting? * 167 respondents

Yes	92.2%	154
No	7.8%	13

15. Do you think the translator can help the meeting? *167 respondents

Nothing	26.9%	45
A bit	38.9%	65
Enough	20.4%	34
A lot	12.6%	21
Very much	1.2%	2

Part III. Summary of follow-up interviews

16. Do you maintain the contact with any company you met during the CES? * 190 respondents

Yes	88.9%	169
No	11.1%	21

17. Why did you think you fail to maintain the business contact? * 190 respondents

I am too busy to contact the counter-business.	9.5%	18
The counter-business was not interesting enough.	20.0%	38
I expected the counter-business to contact me first.	9.5%	18
We did not have good communication during the CES business-matching.	40.0%	76
The counter-business did not react to my contact request.	17.9%	34
Others	3.2%	6

18. Do you think the meeting of the CES business-matching run well? *190 respondents

Nothing	28.9%	55
A bit	46.3%	88
Enough	11.1%	21
A lot	12.1%	23

Very much 1.6% 3

19. Which factors do you think led to the satisfactory result?	* 48 respondents	
a).The company has interesting products and production ability.	25.0%	12
b).Communicating without translation was possible.	16.7%	8
c).Communication was pleasant.	54.2%	26
d).Others	4.2%	2

20. Which factors do you think led to ineffective result with Chinese counter-partner?	* 86 respondents	
a).Chinese people don't speak good English.	27.9%	24
b).Translators did not help much.	12.8%	11
c).Chinese businessmen are reluctant to talk about the product price.	8.1%	7
d).The company brochure they provide was not interesting to read.	2.3%	2
e).Chinese counter-partners often avoided eye contact.	3.5%	3
f).The company is not qualified enough to further business cooperation.	15.1%	13
g).Chinese officials behaved too much arrogant.	2.3%	2
h).Chinese businessmen delivered too much vague information.	16.3%	14
i).The products or projects they provided did not interest me sufficiently.	10.5%	9
j).It's annoying of Chinese businessmen to request me drink a lot during the dinner.	1.2%	1

21. Which factors do you think led to ineffective result with Dutch counter-partner?	* 104 respondents	
a).Translators took too much time during the meeting.	27.9%	29
b).There were no enough chances to have through talk with Dutch counter-partner during the dinner.	13.5%	14
c).Dutch businessmen didn't like drink wines.	3.8%	4
d).Dutch people behaved too directly and wanted to start main points every quickly.	15.4%	16
e).Dutch counter-businessmen always asked very detail questions at the first meeting, some of which were identified as business secrets.	18.3%	19
f).Dutch participants did not show enough respects.	10.6%	11
g).Dutch people ended the meeting too soon, therefore the meeting was too short to discuss more.	8.7%	9
h).Dutch counter-partners had too less knowledge about China.	1.9%	2