

SHANDONG SENSORS CHINESE SUPPLIER – FRENCH CLIENT SOURING RELATIONSHIP

This short international purchasing case study is exemplifying how a commercial relationship between a Chinese supplier and a French client can go sour, largely because of cultural misunderstanding.

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Mr. Chen is the export manager of Shandong Sensors, a manufacturer of sensors (humidity, temperature, vibrations etc.) in Qingdao, Shandong Province. He is meeting his customer, Mr. Lombard, a French Product Manager working for a very specialized distribution company selling measurement devices and other precision components.

When Mr. Chen comes to France he appreciates Mr. Lombard taking care of him, inviting him to a nice restaurant, even taking him to sightseeing spots. Mr. Chen noticed that when he is out of his office, Mr. Lombard is not keen to discuss business and rather talks about life, family matters and personal interests. Mr. Lombard is a graduate engineer from INPG Grenoble, he has two teen-aged daughters, he likes football and he is very excited about Championships. He keeps asking Mr. Chen about his life in China, what he does on weekend, what he thinks of the Brazilian football team etc... Mr. Chen feels a little bit tired of all these questions...

When Mr. Chen came to France 6 months ago, Mr. Lombard asked him to modify a vibration sensors to match the requirements of the nanotechnologies industry. He and his boss gave Mr. Chen a thorough presentation of the technical specifications in this industry and made strong requirements about their needs. Mr. Chen dutifully acknowledged all their requests. Then they all went to a good restaurant. But Mr. Chen was uncomfortable with today's outcome, he woke up early in the morning and called his office to discuss these important matters with his colleagues and a technical meeting was scheduled on the very day of his arrival in Qingdao. He immediately called Mr. Lombard on his cell phone to pass on to him the good news. It was 6 am; Mr. Lombard was still sleeping... he said something unkind and hang up. The call lasted less than 20 seconds...

3 months later, when Mr. Chen came back to France again, Mr. Lombard asked him about the new sensor. Mr. Chen elaborated on all meetings he had in Qingdao, stressing that good progresses were being made. Mr. Lombard gave him an updated version of the specifications he needed and told him he will start selling this sensor in 5 or 6 months, introducing the product at the big Düsseldorf Electronic trade show. At the end of the meeting he stressed this was a key project in his business plan for next year, critical too for his yearly bonus! Mr. Chen remained cautious and tried to temporize. In fact he could not make any commitment without consulting with his colleagues. Mr. Lombard heavily insisted, demanding confirmation. Mr. Chen felt under obligation to reply he would do his best to meet this demand.

He added that if Mr. Lombard could perhaps visit China, he would be warmly welcome. Mr. Lombard said that travelling budgets were tight at the moment and cast a joke about suppliers visiting customers to make things happen rather than the opposite, pushing Mr. Chen to acquiesce ... Mr. Lombard's last word were " I count on you". Later, when Mr. Lombard invited Mr. Chen to go out for the evening, Mr. Chen apologized and told Mr. Lombard softly he had some headache and would rather rest in his hotel.

Last week Mr. Chen was back to France once more and brought Mr. Lombard a beautiful box of rare Yunnan green tea, a nicer gift than usual. He proudly announced that his company is just launching a breakthrough technology very low temperature sensor for the silicon industry. When asked about the vibration sensors demanded by Mr. Lombard, he volunteered to bring the prototype sensor next time he would visit Europe. Mr. Lombard, who has always been friendly until now, got angry, raised his voice, pointed his finger at Mr. Chen and told him "You never take notes during meetings, no wonder you do not follow up projects properly"; he then accused him to betray his trust and undermine his business plan.

QUESTIONS

What is your appraisal of the issues? What happened? Why?

What is Mr. Lombard not or poorly understanding? Why?

What is Mr. Chen not or poorly understanding? Why?