

About INFIMA

INFIMA is an independent M&A advisory focused on combining industrial and financial experience and competence contributing to value creation and increased probability of successful transactions.

The project teams are tailored to each specific case with industry-specific competence.

We work with buy-side and sell-side mandates as well as partner searches and management advisory.

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Starting a business in China?

“Choice of partner is the most important decision.”

Starting a business in China involves a number of challenges and pitfalls. The most common mistake, and the one that too often seems to happen, is not doing in-depth research when choosing your local partner.

Johannes D. Neteland, partner and head of Ocean Industries at Infima, has during his 16 years career as CEO of listed TTS Group and later as advisor at Infima, gained more knowledge and experience on China than most. Until the pandemic, he had 158 travels to different parts of «the Middle Kingdom».

«I am constantly excited and admired by the Chinese's kindness, hospitality and hard work. But when it comes to business it is easy to misinterpret both what is being said and body language in a way that can cost you dearly», Neteland emphasizes.

Choosing the right partner

China's policy of access to Western technology and knowledge transfer means that foreign players who want to take advantage of their expertise and manpower, usually need to establish a joint venture with a local partner before starting up.

«My experience is that the choice of partner is the most important decision you make. This decision is crucial for whether a project will turn out successfully or not. Therefore, if there is one occasion I recommend the use of qualified advice, it is then.»

That is why Infima has developed a program to help their clients to structure and implement a process to get the right partner and with a right structure in China. The client chooses the degree of involvement from our side. If, for example, we are to attend meetings with potential partners, we can both advise on commercial terms of the agreement and give our opinion on the «cultural» preconditions for whether a cooperation will work or not. We also run a process for setting up the correct structure with the best possible governance between the partners.

In Chinese business, it is not uncommon to meet people who politely give the impression of being able to deliver according to a proposed agreement, but who do not have these prerequisites. With our experience, this will be easier to reveal.

INFIMA CHINA CO, LTD

Infima China Co Ltd. is a subsidiary located in the financial center of Pudong in Shanghai.

The team consist of two senior partners and two analysts in addition to two industry specialists.

The focus is on cross-border transactions and establishments of European companies in the Chinese market.

Infima China has assisted in three joint venture establishments with European and Chinese partners.

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Subsidiary in Shanghai

In addition to Infima's team of industry experts in Norway and Northern Europe, the company also has a subsidiary in Shanghai lead by partner Clement Feng. «Our primary focus is to help Chinese companies and investors to invest in Northern Europe, which includes developing the company's acquisition strategy, performing a partner search, or conducting an acquisition», he says. «But we also have significant experience in joint venture establishments in China, where the client benefits from our unique network and knowledge of how to find the right partner.»

Be patient and be long-term

Johannes D. Neteland maintains that the size of the company usually has a bearing on whether one succeeds with a joint venture in China. «You need strength in terms of both capital and management capacity to have control over production, distribution and sourcing. But my advice to leaders who «on a rainy day» complain about what is not going as planned, will almost always be: Do not give up halfway. Be patient and be long-term. It pays off! »

Success with help from Infima

The German company R&M (Rheinholdt & Mahla) is a global provider of individual and turnkey solutions for interior outfitting on board of all types of ships.

The extensive portfolio comprises all interior design services, including consulting, engineering, design, planning, implementation and production of new builds, conversions, and repairs.

At the end of 2017 R&M established its first joint venture company in China, R&M MIT, with assistance from Infima.

«Infima professionally accompanied us from the creation, through implementation and operations advisory», says former CEO Ramesh Krishnan.

In R&M MIT, R&M has the majority share, and their Chinese partners, China Merchant and Shanghai Smarine Advisor, have the remainder of the shares. R&M MIT has, among other things, succeeded in becoming an important supplier to the shipyards building passenger- and RoPax-ships.

«It is very satisfying to note that the joint venture company already in its second year of operation achieved positive results, and that both the top and bottom line continue up», says Infima's Johannes D. Neteland.