

Managing Risk, Not Avoiding It: Strategies for Risk Mitigation

Initial Steps & Basic Strategies, with a China Focus

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What does GloBIS do?

*Fortune 500 quality at
SME prices in standard
American English*

**Global
Business
Information**

- Business Credit Reports
- Due Diligence Everywhere
- Site Visits
- Background Checks
- Import/Export Data
- Market Research



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Warning signs of a Chinese Email scam

- The Chinese company contacted you off the Web.
- They have “Import/Export” or “Trade” in their name.
- They want to conduct a very large volume of trade.
- They insist your senior executive travel to China immediately to sign the contract with them in person.
- They request money prior to the trip to pay for a reception in your honor, and/or, once in China, they request money or goods to grease the wheels with local officials.
- They have been in business for less than one year.
- They can provide no verifiable references.



Recognizing Email scams worldwide

- Is the email personalized to you and your industry?
- Does it sound too good to be true?
- Google the company name and “scam” or “fraud” or “cheat”
- Do the same with their fax number
- Do a “whois” of their Web domain (their www site)

How do you do you know you can trust your international business partners?

- Check them out!
- **Always** order a report on the company.
 - “Freshly investigated” is best.
 - The US Commercial Service’s ICP report (<http://www.export.gov>).
 - One-offs and custom questions like Glo-BIS.com.
- Standard credit reports include:
 - registration and ownership details, what type of company, litigation record, last 3 years financials, references, recommended credit, trademarks/patents, etc.

Vetting Personnel

- Resume inflation is wide-spread
 - Make it clear from the beginning of the hiring process you will be vetting the candidates' CVs.
 - Confirm the educational institution/degree.
 - Confirm the past positions/duties.
 - Check the references.
 - Candidate's signed authorization is often required.



Protect your brand even in markets you think you're not yet in – Domain Name

- Register your domain name extension in any country you're thinking about doing business in, and in China, even if you never plan on manufacturing or selling there.
- For China, also register a domain name of your name in Chinese characters, including any nickname your brand has in China.
- If somebody contacts you to sell you your domain extension in China, don't respond!

What's important to remember regarding your trademarks in China

- Pirates can sue you, the genuine owner of a trademark.
- To buy back your trademark generally costs between US\$15k - \$1.5m.
- If they haven't used your trademark for 3 years, you can file to get it canceled.
- Register your trademark yourself to avoid the above!

IPR resources

- US DOC's China IPR Tool Kit:
http://beijing.usembassy-china.org.cn/protecting_ipr.html
- STOPFakes.gov
 - http://www.stopfakes.gov/events/china_webinar_series.asp
 - "SME IP Training Tutorial" on STOPFakes.gov
 - STOP HOTLINE: 1-866-999-HALT
 - StopFakes.gov has IPR toolkits on 20 countries!
- "Experts' Advice for Small Businesses Seeking Foreign Patents" www.gao.gov/new.items/d03910.pdf
- World Intellectual Property Organization (WIPO):
www.wipo.int - Portal site for SMEs: www.wipo.int/sme/en/

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