

PETER SWITZER'S GUIDE TO GETTING STARTED IN BUSINESS

# START YOUR BUSINESS

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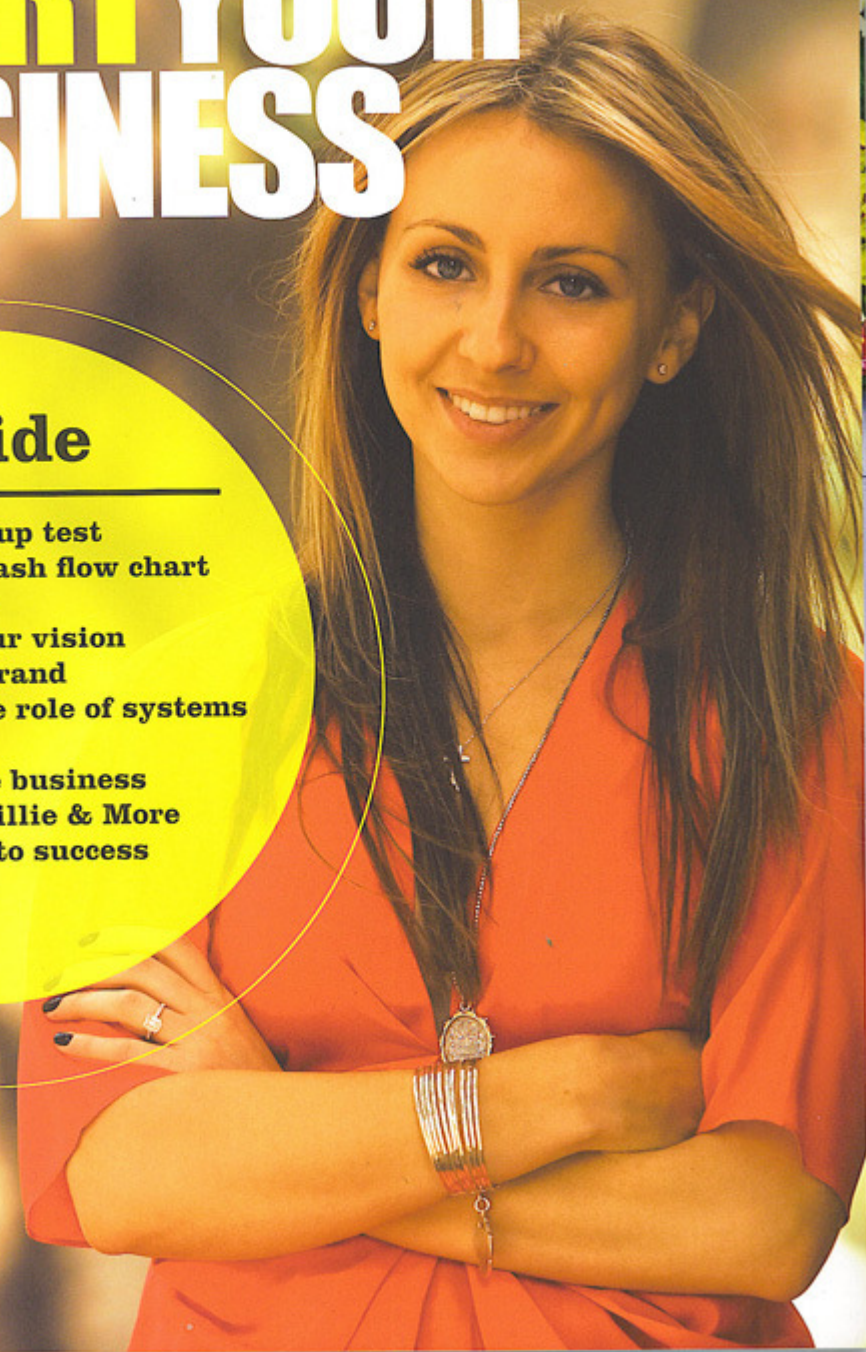
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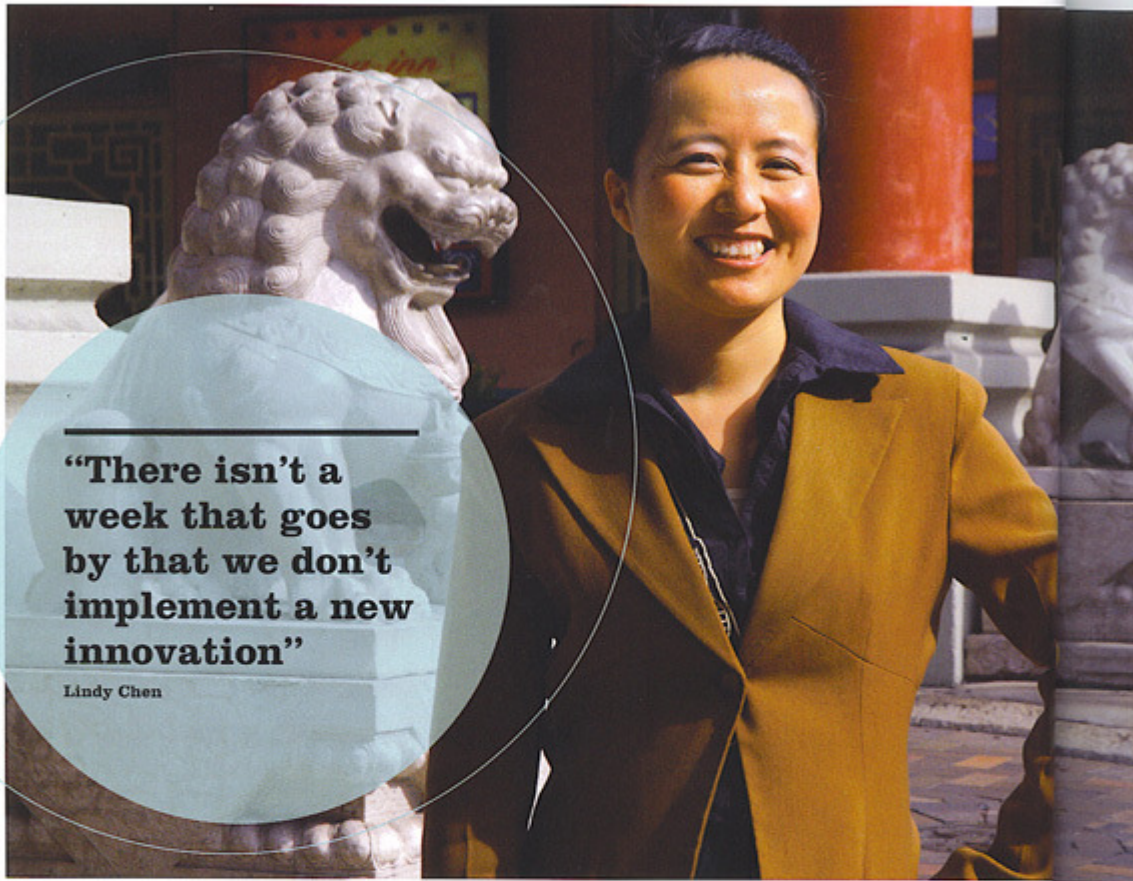
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**“There isn’t a week that goes by that we don’t implement a new innovation”**

Lindy Chen

# madein**china**

A Chinese-Australian entrepreneur is building cultural and business bridges between the two countries she calls home.

words maureen jordan photography kylie hood

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**N**ot many businesses can claim to have launched on a budget of just \$2000 using an internet café as head office.

For Lindy Chen and her company, ChinaDirect Sourcing Services, such simple beginnings are a somewhat distant memory. Three years since the launch, Chen runs a respected trade advisory business that helps Western companies navigate China's notorious business maze and deal directly with factories on the mainland. Operating out of Brisbane and with an office in China, she is considered one of Australia's foremost experts on doing business with

China, and has received recognition as a finalist in the 2007 Queensland Business Woman of the Year awards.

Things did not look so bright when Chen arrived in Australia in 2002 with just a smattering of English and no real job prospects. Despite her previous experience in China as a senior manager, getting work proved difficult. Volunteer roles and a number of casual sales positions followed, and she spent seven months studying English to hone her language skills.

A big break came with her appointment to teach business administration at a business college in Adelaide and lecture in international trade at TAFE South Australia.

"When I was lecturing at TAFE, friends would ask me to source products for them from China," Chen says. "I found that I had a real talent for this, and there was high demand for this service."

Market research followed and, in 2005, Chen launched ChinaDirect on a computer at her local internet café. The business has since thrived courtesy of Chen's encouragement of a corporate culture that promotes straight talk, continuous improvement, empowerment and trust.

#### **Survival instincts**

Born and raised on a military base in remote China, Chen can't be accused of being born with a silver spoon in her mouth.

Her father was imprisoned for three weeks when Chen's sister stepped on a chalk drawing on the footpath of Chairman Mao Zedong, and her parents reportedly earned the equivalent of \$1.34 a week to raise a family of six.

The upbringing has helped Chen understand the virtues of tenacity and thrift, both of which she has used in business. Over the past three years, she has focused on saving money – for the business and her clients.

"The first thing I did to get the business going was extensive market research using the free internet service at the library," she says. "To save costs, I worked from home, met clients in a café and used educational-based marketing to promote the business."

While a home-based business can save on overheads, it has drawbacks.

"As consultants, we're expected to be professional in all aspects of our business,"

Chen explains. "If a prospect's project is feasible for them to pursue overseas sourcing, we then propose an in-person meeting. When they hear the meeting will be in a café, it can raise a question mark for some people, especially those who are unaware of our credentials." Turning a potential negative into a positive, she has found that honesty is the best policy.

"To overcome this concern, we tell [clients] upfront and with confidence that the reason we're meeting in a café is because we're a home-based business, and that they benefit because we pass along the savings of having lower overheads – we are, after all, in the business of saving money for clients!" She has also been conscious of taking advantage of other tools, applying for the federal government's New Enterprise Incentive Scheme, receiving funding to undertake a course in small business management.

"[This] provided mentoring that helped ChinaDirect thrive in the start-up phase."

#### **Being different**

Other strategies have paid off for ChinaDirect. By remaining autonomous from suppliers in China, the business has forged a unique selling proposition that Chen says has made it easier to woo and keep clients.

"We're independent and transparent," she says. "We've been able to build a business with a foundation of integrity, making us an easy choice for prospects to partner with."

ChinaDirect also prides itself on a systemised sourcing process and attention to detail, while having Australian and Chinese offices allows the business to overcome the cultural hurdles that stymie many other import-export enterprises.

Chen says innovation has also been crucial to the business's quick growth.

"There isn't a week that goes by that we don't implement a new innovation. For us, this means finding ways to deliver more value to clients at less cost to them."

#### **Giving back**

What most separates ChinaDirect from its rivals, perhaps, is a commitment to employees and to China itself. It is a philanthropic approach that stems from Chen's tough upbringing.

"Last year, we invested more than \$20,000 in personal development courses for team members," she says. "They are encouraged to attend courses, conferences and seminars and then report back on what they have learned and how this will be used to contribute to the company. ChinaDirect team members directly contribute to our business goals and therefore own those goals."

Business growth has given her the power and finances to invest back into the community. In late 2007, she started the Australian Charities Buying Group to assist charities that have a shortfall in donated goods and that can benefit from Chinese imports. Chen also recently launched a China earthquake appeal with the aim of raising \$100,000 to help the victims of the devastating May 2008 earthquake in Sichuan province. Other initiatives are in the pipeline.

Chen says: "ChinaDirect has a vision for the future that not only involves the growth of the company but the growth of society. We aim to provide 1000 education scholarships per annum to children in China by 2011, as well as increasing awareness of Chinese business and culture in Australia." ChinaDirect is also pledging to donate 10 per cent of annual profits to charity.

"[We] believe it is the entrepreneurs who will take responsibility for solutions to make poverty history, develop a sustainable environment, eliminate unnecessary health issues, maintain peace, and help make education available to all."

#### The future

As the business grows, Chen remains open to learning.

"There hasn't been a mistake yet that has caused us too much distress. Maybe it's because we actually welcome mistakes because it shows we're expanding ourselves." Chen's goals are ambitious: she wants ChinaDirect to become the world's leading sourcing firm and expects, by 2011, the business to be licensed internationally. Within a few years, she hopes to be operating across Australia, New Zealand, the United States and the United Kingdom.

"I hope we will be providing businesses from English-speaking countries with direct access to Chinese manufacturers and the ability to realise their business goals through being price competitive." Most of all, Chen wants to live up to the business's mission statement: "To make our clients prosperous and globally competitive." ☺

## tenstepsto success

Lindy Chen offers some advice to those starting out...

1. Research the market to ensure demand exists.
2. Test the business concept on friends and family first.
3. Undertake a small business management course.
4. Educate yourself – never stop learning.
5. Engage an Australian marketing expert.
6. Keep initial costs low by operating as a home-based business.
7. Build a website and an online strategy to generate leads.
8. Deliver value to potential clients with free reports and seminars.
9. Use all mistakes as an opportunity to improve your business.
10. Enter (and win!) business awards.

### Entrepreneur's diary Lindy Chen...



#### snapshot

**Ages:** 36  
**Lives:** Brisbane, QLD  
**Operating since:** 2005  
**Phrase to work by:**  
Living 'alive', I laugh  
with passion and power!

#### I started...

With only \$2000 and a \$49 USB stick in an internet café as an office.

#### My dream is that...

ChinaDirect will allow me to educate one million underprivileged kids by 2020.

#### I admire...

Fred DeLuca from Subway. He started from scratch and grew like crazy!

#### To be successful, it is important to...

Find out if you're the right personality type to be a business owner.

#### Never underestimate...

The value of your services. Package them so the client understands what they are paying for.

#### My best advice is to...

Only take clients who can see you adding value to their business.

#### My favourite quote is...

'Choose a job you love, and you will never have to work a day in your life' (Confucius).

#### The most important thing in business is...

Systems. Systemise all aspects of the business, from answering a phone call to managing the whole sourcing process. It's systems that have given us our competitive advantage.