



# BOOMTOWN

For 16 years Scott Brown has witnessed firsthand China's economic miracle. **By Caitlin Sykes**

➔ Kiwi Scott Brown isn't afraid to admit what he doesn't know. "I've been 16 years in China now and spent time in many industries and I'm an expert in nothing," he says. "Assumption," he says of the market, "is the biggest danger."

Brown arrived in Beijing as a recent university graduate and now calls Shanghai home. There he runs Redfern Associates, his advisory and corporate services firm that helps Western companies tackle the China market.

One of the biggest lessons he's learned is there are no right answers to the question of how to successfully

do business in China. Instead, says Brown, companies need to learn how to ask the right questions.

Brown says he's seen countless companies charge into the market concerned about understanding tax regimes and regulatory issues, when they need to first address more strategic, long-term questions: Why are you here and what are you trying to achieve?

Born in New Plymouth and raised in Horowhenua, Brown grew up in an entrepreneurial family.

After showing an aptitude for accounting, he was advised by his dad to study the subject at university. He chose Otago, where he had strong family







connections. “The 10 best mates I have today we met within the first two weeks of being at Otago and we lived together for five years or more,” says Brown.

“There’s an analogy in that for me going to China. I think that’s what gave me a lot of confidence for heading offshore, especially to a place like China.”

On graduating uni he was offered some plum local roles, but they didn’t grab him.

Instead, he responded to a small ad for job with a fund out of the US that was coming to New Zealand to invest into China.

It was 1996 and he was hired on the spot for that job, working at Richina Capital Partners — the fund spearheaded by Richard Yan, the Chinese Kiwi businessman more recently in the news around the Mainzeal Property and Construction collapse.

Six months into the role, Brown was summoned in to a board meeting and told he was being sent to Beijing the following week.

He recalls stepping off the plane into 40 degree heat, and heading straight to an enormous construction site in the centre of Beijing, where Richina was involved with building what was then the world’s biggest aquarium.

He loved it, particularly the unique benefits of the job. When the aquarium opened, for example, twice a day he’d put down his accounting duties to feed the sharks.

“This was a dream. I was doing accounting, but I was involved in this wonderful project — it was the biggest aquarium in the world, it was New Zealand in China. There was a lot to be proud of.”

When Richina acquired Shanghai Leather Tanneries, Brown shuttled between the two cities to work on that business as well.

Brown moved on a couple of years later, spending the next eight years managing a multinational packaging group, then a Dutch heavy manufacturing company.



“You’d have to check your pulse if you didn’t feed off the energy of what was going on in Shanghai and Beijing in the late ’90s” Scott Brown

All the while, he was witnessing China’s eyewateringly fast economic growth, firsthand.

“What was happening in China at that time was something that had never happened before and it never will ... When I first got to Shanghai, Pudong wasn’t built, so what you see — those big highrises over the river — that was swamp land,” he says. “You’d have to check your pulse if you didn’t feed off the energy of what was going on in Shanghai and Beijing in the late ’90s.”

Brown later moved into project work and observed

that companies entering China seemed to be making the same mistakes.

Seeing those commonalities led him to set up Redfern Associates.

Brown’s on-the-ground experience also saw him enlisted to run a series of workshops on the China market in New Zealand’s main centres for New Zealand Trade and Enterprise around the time of the signing of our Free Trade Agreement with China in 2008. He’s also the chair of Kea China and on the expat organisation’s board of directors.

Brown says a lot of New Zealand’s business success stories in China are yet to play out.

He says he’s seen a number of companies dip their toes in the water, but that firms need to be strategically committed if they’re going to succeed in the market.

“One of the biggest ironies with the China market is be careful what you wish for, because we might be able to get you the distributor and he might say 20 containers is the first order and then he comes back and says great, I want 100 and you can’t fill them,” says Brown.

“These are the things you need to find out now. Your operational mistakes you find out about tomorrow; your strategic ones you find out about in two, three, five years and those are the expensive ones.”

Other advice for Kiwi companies? Brown recalls some advice he himself received before heading off to China, which came from a former girlfriend’s dad — who’d been a senior executive for Coca-Cola in Asia.

“He said ‘do nothing’,” says Brown. “He said, ‘if you stay the same young Kiwi guy I see in front of me right now you’ll do very well over there. If you try and become something you’re not you’ll lose your wheels and you’ll struggle ... it was a wonderful piece of advice. To stay the course, be yourself and you’ll be fine.” ■