

By Jeff Albrechtson

# Exploring the China Market

There is a lot of buzz about China. Every day you read about the booming economy, corporate joint ventures, the reform of government entities, and the greatest opportunities for foreign organizations to enter into this ever-changing and progressive part of the world. IMA is no exception.

IMA is embarking on a strategic plan to enter the China market. Put simply, China has come knocking, and IMA must answer. Part of this call to enter the China market comes from IMA members who reside and work in the most densely populated regions of this nation of 1.3 billion people.

IMA's first trip to China was in November 2003, when a member of IMA's Board of Directors and I visited Shanghai. IMA President and CEO Paul Sharman visited China earlier this year. In August 2005, I returned to China with another colleague for a third visit, spending time in Beijing and Shanghai. After each trip, we returned to the United States with great expectations and excitement about IMA's potential in

China. This is just the beginning.

China's population comprises approximately 23% of the world's total.

The country's integration into the global economy is fueling accelerated change in many markets and global economic growth. It's likely that China will continue to grow at a rapid pace for some time. In the last two years, China has accounted for a quarter of world economic growth. In the next decade, it is expected to overtake Germany to become the world's third-largest economy after the U.S. and Japan.

Because of this rapid expansion, China needs individuals trained in finance and management accounting. The country is thought to have

about 130,000 accountants, which is less than half the estimated 300,000 it needs. The management accounting profession is poorly defined, and many organizations are in need of the expertise and competency that Certified Management Accountants (CMAs) can bring to the decision-making process.

Relationship building is essential for doing business in China. There are many misconceptions about how you enter the market, whom you must meet, and what types of advocacy and support you should receive. Relationships are also vital to finding



## NEW INTERNATIONAL BOARD MEMBER

John Ka-chun Lau, CMA, CFM, CPA, has been named to IMA's Board of Directors as a director representing international membership and will serve on the Planning and Development Committee. He is chief financial officer of WesTrac Machinery Equipment China in Beijing.

a good partner in China. The U.S. Commercial Service in China recommends that companies should aim at forming a network of relationships with people at various levels across a broad range of organizations. In this regard, IMA has visited the Beijing National Accounting Institute, Chinese Association of CFOs, Shanghai University of Finance & Economics, Shanghai Jiao Tong University, Renmin University, China National Audit Office, American Chamber of Commerce Shanghai, Shanghai National Accounting Institute, and the state-owned Assets Supervision & Administration Commission of the State Council PRC (SASAC), to name just a few.

Today IMA has 350 members in mainland China, with another 250 members in Hong Kong and 235 members in Taiwan. Our total membership for all of Asia, which also includes Australia, India, Indonesia, Japan, Kazakhstan, Malaysia, Pakistan, the Philippines, South Korea, Singapore, and Thailand, is approximately 2,000 members.

A resounding plea from our Chinese members and trusted advisors is the need for IMA to market and promote our organization and, more specifically, the Certified Management Accountant and Certified Financial Manager programs. During our visits to China, we heard often about other international accounting organizations that provide certification having entered the Chinese market. Their success is based on their efforts in developing their brand names in China for 10 years or more. IMA can follow suit in a similar fashion. Other U.S. associations have been helpful in our pursuits as the association community in the U.S. is now more open to sharing its knowledge and informa-

tion about the China market and doing business there. This help can be most valuable to those entering this market.

IMA members in Beijing and Shanghai (as well as other Chinese cities) are eager to meet one another, and efforts are under way to begin chapters in both locations. This mirrors what has taken place in the U.S., where the chapters have served as the basic network and foundation for our members for many years. At a recent reception held for our members in Beijing, it was encouraging to see multinational representatives exchanging business cards and talking about their involvement with the CMA program. Once they are approved, IMA chapters will help to promote the organization and create the necessary network for our members in China. IMA plans to pursue chapter development with patience and in compliance with local regulation.

You will be hearing more about IMA in China as we move ahead with our strategy there. IMA's development in China is important. It will benefit our members in the U.S., and it will aid the development of Chinese accountants in the future. It will foster global management accounting practice, and it will aid our position as a well-respected, professional accounting institute considered among the best in the world. ■