

A background image of terracotta warriors, rendered in a dark red color. The warriors are shown in various poses, some with beards and traditional Chinese clothing. The lighting is dramatic, highlighting the textures of the figures.

# Supporting your strategy building under political uncertainty

Sinolytics services for  
policy assessment, strategy building and executive briefings

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 **sinolytics**

# Sinolytics: A European research-based consultancy focused on China

## Profile

- Offices in **Berlin, Beijing and Brussels**
- Nexus between policy and business
- Blending **in-depth research** with **management consulting** approach
- Bridgebuilders: **Diverse team** with European & Chinese perspectives
- Advising companies from across **all business sectors**
- **60+ clients**, including some of the largest and most respected foreign companies operating in China
- Founded in 2017

## Key services

### Policy Radar

- Continuous, tailored policy and regulatory monitoring, trend detection and forecasting

### Strategy Building

- Policy-driven strategy development, strategic positioning, and strategy implementation

### Executive Briefings

- Dynamic workshops to enhance executives' flexible thinking and understanding of China

### Regulatory Compliance

- Preparing for Social Credit System, Cybersecurity, Environmental compliance

### Market Analysis

- Market intelligence for Chemicals, Auto, Machinery, Finance, Retail, ...

### M&A and VC

- Shortlisting of investment targets, financial and regulatory due diligence and project PMO

## Approach

**Primary source and Chinese-language research**

**Problem-solving and developing tailored solutions**

**Flexible delivery formats: strategies, reports, workshops**

**Depth in content, while strong in contextualization**

**Extensive expert network and research partners**



# Our Services: Understanding the impacts, building effective strategies

## Business in a challenging political world

Business operate in an increasingly **complex** and **dynamic** political environment in and around China

Companies need to adjust their **strategies** to this new reality and have **contingency** plans in place



## Our Services

**Sinolytics** supports you to assess the impacts of politics on your China business and build effective strategies for long-term success in China



> **Sinolytics Policy Radar**



> **Sinolytics Strategy Building**



> **Sinolytics Executive Briefings**

# The challenge: Foreign companies in China face increasing pressure in four dimensions

## Political challenges

### Geopolitical Conflict

- Trade, investment barriers
- Technological decoupling
- Political and public pressure to choose sides
- Risk for conflict escalation

### Chinese Domestic Policy

- Self-sufficiency drive & Assertive industrial policy
- Dual Circulation
- Substitution strategy & FIE “squeeze out”

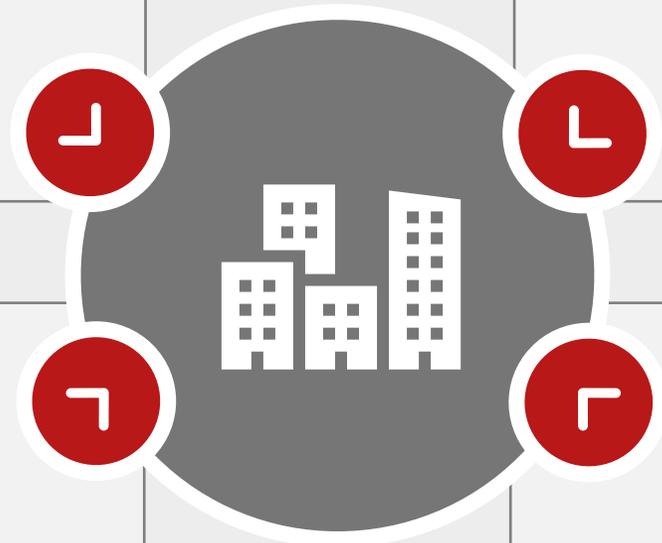
## Market challenges

### Chinese Competitors

- Rising competitors
- Aggressive pricing, increasing quality, strong sales strategies
- War for talents

### Technology Race

- Accelerating catch-up in traditional technologies
- Chinese tech leaders in many new technologies
- Massive R&D investments and innovation capacity



# The challenge: Rising strategic challenges require answers now



Strategic Positioning:  
**Finding the common ground between the  
different objectives**



**Overlap get smaller,  
requires new strategies**

# Sinolytics' advantage: At the nexus of policy and business

## Sinolytics' advantage:

- Match **deep know-how on China's** economic, financial, industrial and technology **policies with business** expertise and market intelligence
- Analysis rooted in **detailed policy research** and profound expert knowledge, complemented with a **strong business network** and research partners
- Proven **track record** in driving strategy processes at board levels
- Bringing in **external perspectives**: High awareness of European debates and sensitivities vis-à-vis China
- **Connecting the dots**: Assessing impact beyond single industry, linking information that is often fragmented in MNCs corporate organization

## What you gain:

- 1** **Understand** the political risks and opportunities to make well-informed decisions
- 2** **Challenge** your current mindset and trigger strategic and organizational change
- 3** **Anticipate** trends that will happen in one, three, five years or even beyond
- 4** **Build and optimize** your China strategy from the angle of China's fast changing policy landscape

# Sinolytics Policy Radar

*The Sinolytics Policy Radar provides in-depth analysis of the newest policy and regulatory developments, tailored to your China business and focusing on the specific impacts for your company*



# Sinolytics Policy Radar: Preparing for future risks and opportunities on a regular basis



## Benefits of the Policy Radar



Regular **monitoring** of the newest trends tailored to **your industry and business**



**Interpretation** of trends and **forecasting** of likely future developments



Evaluating the **benefits** and **risks** of policy changes from your company's perspective



Building an **effective China strategy** based on detailed, fact-based understanding of policy trends

## Example for illustration



# Sinolytics Policy Radar: Mapping the impacts of geopolitics, domestic politics & regulation



## BASIC

**Quarterly** Sinolytics China Policy Radar Report

**Tailored** implications from general domestic and geopolitical trends  
+ **1** sector/topic deep dive\*

briefing at working-level

Ad-hoc alerts

On-request analysis  
*[optional]*

## EXTENDED

**Monthly** Sinolytics China Policy Radar Report

**Tailored** implications from general domestic and geopolitical trends  
+ **> 1** sector/topic deep dives\*

briefing at working-level

Ad-hoc alerts

Executive Briefings

On-request analysis  
*[optional]*

## On request analysis

- **Call Sinolytics** China policy experts for a quick impact assessment of a new regulation/policy
- **Secure research and analysis time** from Sinolytics experts to get tailored analysis for your ad-hoc questions
- 1-2 days/month for your **flexible use**

\*Selection of available sectors: Automotive, Chemical, Mechanical Engineering, Finance, Retail, Health, ...  
selection of available topics: Cybersecurity, sustainability, social credit system...

# Sinolytics Strategy Building



*Sinolytics Strategy building helps clients to stay successful in China against the backdrop of an increasingly challenging geopolitical and domestic politics situation*



# Sinolytics Strategy Building: Integrating political implications into your China strategy



*What world should you prepare for?*

*What are your different options for action?*

*What is the optimal strategy for your company?*

*How to operationalize the strategy?*



*Offered approaches:*

- Geopolitics and industrial policy assessment
- Trend identification
- Scenario development
- Company SWOT
- Risk assessment

- Understand strategic options, their feasibility and consequences
- Benchmarking with other companies
- Designing systematic framework for strategic decision-making
- Define option range for your company

- Mindset change
- Making fact-based choices on the strategic options
- Management alignment
- Definition of workstreams

- Feasibility studies
- Supply chain resilience and diversification analysis
- Back-up options
- Etc.

# Sinolytics Strategy Building: Define range of decision parameters that require adjustment



**SOME EXAMPLES FOR ADJUSTMENT PARAMETERS**  
 = assuming "Localizer"

Defining the parameters you can change across business functions to adjust your strategic position in China

Corporate	What is your corporate <b>branding strategy</b> for China?	International <span style="float: right;">Chinese</span>
	What are ideal <b>ownership, partner</b> structures for you?	WFOE <span style="margin-left: 100px;">Private JV</span> <span style="float: right;">State-owned JV</span>
Supply Chain	Degree of <b>sourcing</b> from outside China?	High <span style="margin-left: 100px;">Medium</span> <span style="float: right;">Low</span>
Product Portfolio/ Manufacturing	Degree of local manufacturing "in China, for China"?	High <span style="margin-left: 50px;">Medium</span> <span style="float: right;">Low</span>
	Degree of <b>product customization</b> for Chin. market?	High <span style="margin-left: 100px;">Medium</span> <span style="float: right;">Low</span>
Sales	What are your <b>target markets</b> ? Produced in China for...	World <span style="margin-left: 100px;">Asia</span> <span style="float: right;">China</span>
	Proportion of <b>Chinese customer</b> in customer base?	High <span style="margin-left: 100px;">Medium</span> <span style="float: right;">Low</span>
R&D	Which degree of <b>R&amp;D localization</b> and local IP?	Global <span style="float: right;">Local</span>

# Sinolytics Executive Briefings

*Sinolytics Executive Briefings challenge executives' traditional thinking patterns on China and foster the cognitive flexibility needed to adjust to the rapid change in the Chinese market*



# Sinolytics Executive Briefings: Improve strategic thinking on China



## Sinolytics' Briefing formats:

### Scenario Workshop

explore different future developments & implications  
*e.g., Crisis-Gaming*

### Mindset Change

challenge predominant pattern of judgement regarding China  
*e.g., on China's technological transformation and innovation capabilities*

### Context Briefing

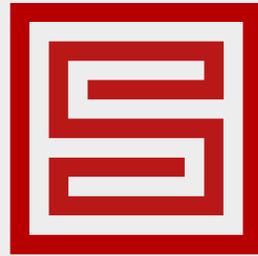
contextualize current issues within bigger picture  
*e.g., recent tech crackdown as part of China's development goals*

### Sector Deep-Dives

understand status-quo and future trajectory of specific sectors  
*e.g., in China's health, transportation, energy sector*

## **Example: Crisis Gaming**

- What?**
- Workshop-based role play
  - Simulate political emergencies/risks, e.g.
    - Decoupling
    - Supply Chain
    - Self-sufficiency & industrial policy
    - Smear campaign
- Why?**
- Prepare for contingencies and uncertainty
  - Anticipate effects on your strategy
  - Initiate pragmatic learning
- How?**
- Workshop
  - 3h
  - 5-10 participants



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