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## Plastic Pellets Pierce 'Chinese Fog'

Running a joint venture in China involves more than dragon dances, multi-course banquets, and a trillion frequent flier miles. "It's a chance to combine all your Business School skills and experience and adapt to something entirely different," says MBA Polymers President **Richard McCombs**, MBA '79.

The Richmond, Calif., company, founded by **Mike Biddle**, Sloan '91, separates mixed plastics in junked durable goods, such as refrigerators and computers, and resells them in pellet form to manufacturers. China, the world's 10th largest manufacturer of plastic products, seemed the natural place for MBA Polymers to look for an Asian partner. The resulting venture, Guangzhou GISE-MBA New Plastics Technology, which celebrated its 2004 groundbreaking with a traditional dragon dance, now sells most of its recycled plastic pellets to manufacturers within 100 miles of the south China plant.

McCombs divides his time between offices in Richmond, Guangzhou, and Kematen, Austria (where the company has a second joint venture) and what he still manages to think of as "home" in Marin County, Calif. Doing business in China can be frustrating, he says. MBA Polymers' original plans to ship junked goods from Japan to China were put on hold because of souring Chinese-Japanese relations. Currently most of the material comes from Europe and the United States. Chinese law differs from American law in baffling ways: In China a contract is viewed as merely "a reference point," McCombs says, and is assumed to change over time. And cultural issues can be difficult to understand: "There's this thing we call 'the Chinese fog,'" he says, "where things are different than they seem." But McCombs enjoys the challenge of the venture and suggests there is reason to penetrate the fog and learn from what's behind it. "There's no reason to assume Western business cultures are best," he says. "Remember, countries with different cultures have been in business for a long time."