

Successful to China - and Back

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Handelszeitung 26.02.2008

The Marketing Research and Consulting Firm **CBC** wants to list at the Berne Stock Exchange coming May to finance external growth. Founded in 1995 by Charles Merkle, the company is growing at a two digit figure and advises clients as McDonald's and Henkel.

Does it make sense for my company to go to India? What kind of Hamburgers do the Chinese like? How can we find a sales manager in Hong Kong? This is the kind of questions that occupy Charles Merkle and his employees. The Swiss national runs the Marketing Research and Consulting Firm **CBC** in China since 13 years. Now he wants to list his company, which is also present in India, Japan, Hong Kong and Switzerland, at the Berne Stock Exchange.

1995 the 51-year old Swiss from Tavers FR founded the Marketing Research and Consulting firm in Shanghai. Before that, he was working for ABB in Eastern Europe. "Then I wanted to go to a country where I can move more" says Merkle. He resigned and became self-employed in China. Today the company has more than 100 employees worldwide as well as 1000 part-time staff. Out of the three business units Marketing Research, Executive Search and Business Consulting the Marketing Research is the most important unit. In May Merkle wants to go to the Berne Stock Exchange in Switzerland. His company would be the first company listed at a Swiss Stock Exchange that makes the majority revenues in China. We want to use our shares mainly for acquisitions", he says. That he chooses a Swiss Stock Exchange and not a Chinese one has a reason. His Motto, which he also uses in presentations, says: "Successful to China - and back".

Major Client Portfolio

Among **CBC**'s clients are Chinese, American, German and Swiss companies as McDonalds, Henkel or Emmi. The clients requests the company tries to find trends and developments and to detect what for consumers are willing to spend their money. This is done with telephone interviews from 200 Call-center seats worldwide, or in so-called Focus Groups. A Group Discussion for BMW showed for example in a multi-country comparison that passenger seats in the rear need to be more spacious in China than in Europe. More space is requested as well as TV screens. The reason: Buyers of luxury cars usually have a driver and sits in the back. The Business Consulting for companies who want to establish themselves in China is continuously less in demand. "For newcomers it is much easier today to inform themselves" says Merkle. There are enough companies present now. This is one of the reasons

He opened an office in Mumbai one year ago. "We are in India at the same point we have been in China ten years ago: massive infrastructure problems, no reliable enforcement of the law for foreigners and an extreme demand for consulting services." The company evaluated the entry into the Indian Milk Industry for a Swiss client. Merkle: "Once the distribution channels are clarified, there is a big potential."

10 to 20 Percent Growth

CBC does a turnover of 4 to 5 million Swiss Francs and looks at an annual growth rate of 10 to 20%. "It can't be predicted precisely" says Merkle. "That's a parameter in the Chinese economy. Therefore one has to be flexible." That's the reason why the company is active in three business areas and why Merkle moved part of the business activities to Switzerland in 2005, ten years after founding the company in China. "The leg in Europe makes us more stable." From Berne the Marketing Research is taking care of European clients. This is because the salaries for multilingual employees are higher than in Switzerland than in China. In China **CBC** can count on Swiss support. "**CBC** is one of three companies in China that we recommend to Swiss clients, if they look for consultants who speak their native language", says Beat Bürgi, director of the Swiss Business Hub in Beijing. "It's an advantage, if one doesn't have to negotiate in English."