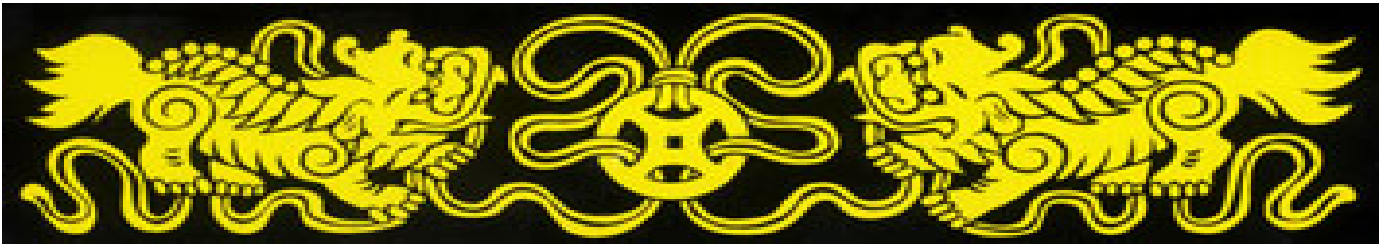


case study



BOCK GmbH & Co. Kaeltemaschinenfabrik

Nowadays, only the “Tiger countries” are achieving annual growth rates of over 8%. From 1990 to 1996 markets arose here which are in every respect unique on the globe. In comparison Germany’s growth rate was 3.7% in 1994 only, with a decreasing tendency for the coming years. The economic boom of the four little tigers Singapore, Hong Kong, Taiwan and South Korea, totally unexpected by the western industrial countries, is drawing the attention of many medium sized machine manufacturers in the middle of the nineties.

In particular the refrigeration and air conditioning branch discovers new sales opportunities in the markets of South-East-Asia and many companies are opening the first subsidiaries in that subtropical region. During that time also Bock GmbH & Co., a leading manufacturer of refrigeration machinery, is planning to set up an own base for sales and servicing its products in Singapore. An ideal platform for its activities is the newly opened German Centre for Industry and Trade situated in the high-tech industrial park of Jurong.

At the beginning of 1995 Mr. von Riesen, Managing Director of Riesen Far East Consultants Pte. Ltd., is entrusted with the foundation, building-up and management of that subsidiary. The company is in charge of sales and service for the countries Singapore, Malaysia, Taiwan, China, Hong Kong, Vietnam, Myanmar, Thailand, Indonesia and the Philippines. Equipped with highly qualified engineers, supported by a motivated team of local staff and directly connected to its professional network of business contacts the Riesen Far East Consultants manage to make of Bock Asia Pte. Ltd. one of the most profitable sales and logistics centers in East Asia.

In 1997/1998 however, a bad crisis brings the economic expansion of that region to a sudden end and the world on the edge of a serious world economic crisis. The dream of endless strong growth is over. Only by immediate intervention of the International Monetary Fund and the World Bank a further decline of the economy could be avoided. Also the Asian subsidiary of Bock GmbH & Co. could not escape this development; so the successful co-operation ended in 1998 and the management was passed on to local hands.

Our success is originated in our “tycoonconnections”, a network based on “guanxi” which was built up in the Far East over the past two decades with the European SME’s in mind. There is no better alternative to that kind of business incubation in the Chinese business culture.

Singapore, 1998