

The lemmings are confused

It is hard to separate oneself from preconceived notions. It not only means to start thinking again, but also more often, to recognise one's own mistakes. This is what is faced by many companies that went to China like lemmings during the last ten years in search of their much-anticipated business fortune. It was not easy to drift the lemmings from their course, although 80% of them never made profit in China. They were stripped of their know-how and often found themselves once again as "ripped-off victims". It was not easy to be swayed away so easily from the mass instinct of being in the right track.

Presumptions also make some decisions easier: some entrepreneurs didn't even bother with the significance of planning, strategy development and preparation. They were of the opinion that entrepreneurship meant to get hold of money at the right moment and depart!" And so they naively set off to China in a self-confident manner with a touch of greed. This made it much easier to take on risks.

Those who believe that this herd of lemmings may have significantly composed of SMEs are mistaken! Multinationals among the German lemmings do not act less negligently. The only difference is that they have stamped down their negligence through a "Big Five" seal resulting from the "feasibility studies" carried out by their amateur trainees.

Global economic crisis, rising costs and unrest in China completely confuse the lemmings now: should one swim back home, continue fighting for survival or seek new waters? Some of them have learned from their mistakes and discover the seemingly small ASEAN countries that are scattered between the giants China and India.

Some disappointed investors in China are urging others to follow them to Vietnam or proclaiming that only Thailand is a safe haven. This has already led to the risk of old presumptions but being replaced by new ones.

It is a certain fact that the ASEAN countries with their nearly 600 million people and some well developed markets have long been an alternative to China that has wrongly been abandoned. The wages are generally lower, the quality is better, the legal systems in some countries are developed and the business culture is not unfriendly to foreigners, in contrast to the great empire of the East. Anyone who possesses clever ideas to rationally search for new markets and cheap sites for production in the ASEAN countries, should not fall prey to presumptions, but rather follow clear analyses. Not every one of the ten countries of this huge economic region suits every investor: low wages in Vietnam and Indonesia on the one hand and developed infrastructure and markets in Thailand, Malaysia and Singapore on the other are available. Laos and Cambodia offer large opportunities for pioneers, whereas Myanmar offers the same even to adventurers.

ASEAN is becoming trendy. This is a good thing and has been overdue for many years. Let us hope that the numerous gods of this colourful region save it from becoming the new haven of the lemmings. What ASEAN needs are entrepreneurs who are well prepared on the basis of judgments and not presumptions, and thus, want to play sustainably in this market. Lemmings, who only follow instincts or trends, neither serve as support nor as partners for the countries of Asia in the long term.

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