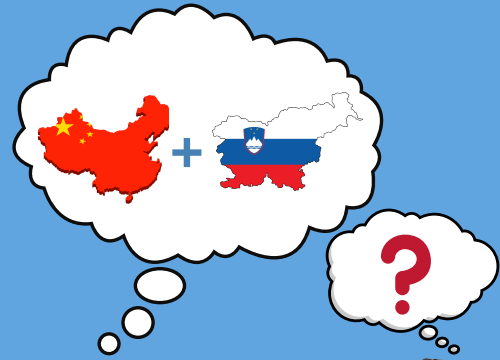
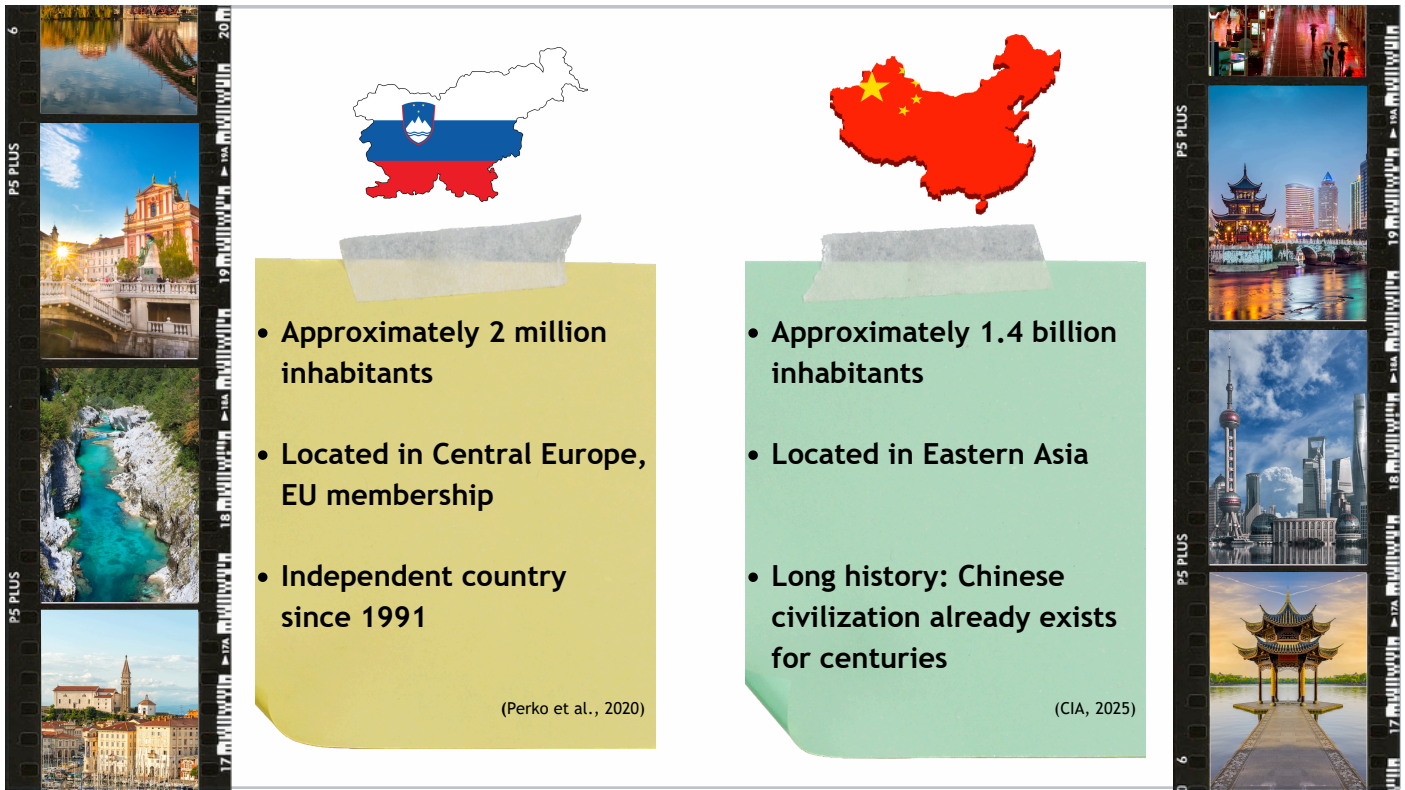


Research question

How can Slovenian technology startups effectively build trust and establish long-term business relationships with Chinese investors and partners, considering differences in decision-making processes, networking culture, and communication styles?





Slovenia:

- "As of July 1, 2018, Slovenia had a population of 2,070,050 and according to the last census, as of January 1, 2011, a population of 2,050,189." (Perko et al., 2020, p.7)
- "Most of its natural, economic, and cultural features result from its location in the center of Europe, where completely different geographical units intersect." (Perko et al., 2020, p.1)
- "Slovenia [...] took its place on the world map as an independent country on June 25, 1991, when it declared independence. The decision for independence was made in a referendum on December 23, 1990, in which 93% of the electorate participated, of whom 95% voted for independence. This was followed by a rapid integration of the young country into the international scene. By May 22, 1992, it had already become a member of the United Nations. It made its way through the transition to a market economy relatively successfully, and on May 1, 2004, it became a member of the European Union, within which it was expected to develop even more successfully together with other European nations and at the same time preserve its identity." (Perko et al., 2020, p.1)

China

- "Population total: 1,416,043,270
male: 722,201,504"

female: 693,841,766 (2024 est.)

comparison rankings: female 1; male 2; total 1"

(CIA, 2025, People and Society)

- "Eastern Asia, bordering the East China Sea, Korea Bay, Yellow Sea, and South China Sea, between North Korea and Vietnam" (CIA, 2025, Geography)

- "China's historical civilization dates to at least the 13th century B.C., first under the Shang (to 1046 B.C.) and then the Zhou (1046-221 B.C.) dynasties." (CIA, 2025, Introduction)

Images used on this slide come from Canva



Even when only looking at the general country characteristics shown on the slide before, one of the smallest vs one of the largest countries, location and one of the youngest vs one of oldest countries one can already see: it makes sense that the cultures should differ, we'll look at how they differ on the following slides



Broader Cultural Context

Cultural Dimensions Comparison



GLOBE study and Hofstede:

- **Individualism vs. Collectivism:**
Slovenia's higher individualism vs. China's strong collectivist orientation
- **Power Distance:**
China's significantly higher power distance compared to Slovenia's more egalitarian approach
- **Uncertainty Avoidance:**
Contrasting approaches to risk and ambiguity

(GLOBE, 2020; The Culture Factor Group, 2023; Martinsons & Westwood, 1997)

General differences in cultures based on concepts studied in MSAC course



Broader Cultural Context

Cultural Dimensions Comparison



Hall's model of communication:

- **Communication Context:**

Slovenia's lower-context, direct communication vs. China's high-context, indirect communication style

(Martinsons & Westwood, 1997; Cardon, 2008)

Attitude towards time:

- **Time Orientation:**

Differences due to Chinese more long-term orientated planning horizons

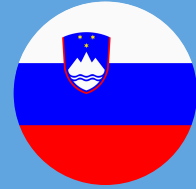
(The Culture Factor Group, 2023)

General differences in cultures based on concepts studied in MSAC course



Broader Cultural Context

Business Relationship Development



- **Guanxi in Chinese Business Culture**
- **Trust Building:**
Different foundations of trust
- **Face Concept:**
The importance of maintaining face and social harmony in China vs. Slovenia's more direct conflict management
- **Group Decision-Making**



(Zhang & Zhang, 2006; Luo, 2020; Martinsons & Westwood, 1997)

Business Relationship differences



For Slovenian Culture

- Individualism & Direct Communication

Outfit7 (Talking Tom creator): Founded by Slovenian entrepreneurs who maintained a flat organizational structure even after significant growth, with direct communication channels between employees and leadership (Arbinger Institute, n.d.)

- Lower Power Distance

Pipistrel Aircraft: This innovative aircraft manufacturer operates with relatively flat hierarchies where engineers can directly approach management with ideas (Textron, 2024)



Examples which highlight the different cultural attitudes in Slovenia and China mentioned on the past three slides



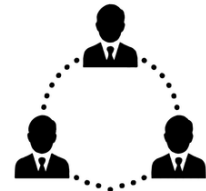
For Chinese Culture:

- Collectivism & Group Harmony

Huawei: Decision-making involves extensive consultation across departments to build consensus. Their employee ownership model (via a labor union) reinforces collective interests over individual ones (Huawei, 2023)

- Guanxi Networks

Tencent: Built strategic partnerships through personal relationships, including their early investment in gaming companies (epic games, roblox, Riot games) and international firms like L'Oréal to explore digital marketing (Shang, 2022)



关系
guanxi

Examples which highlight the different cultural attitudes in Slovenia and China mentioned on the past three slides

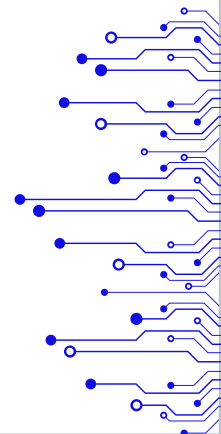
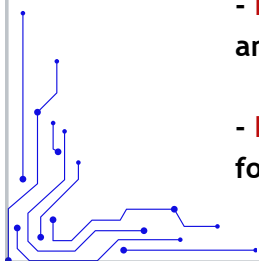


Next to relevant general cultural differences, some industry specific factors should be considered





Slovenian Tech Startup Ecosystem

- **Current landscape:** ~ 150 tech startups (StartupBlink, n.d.) with 7% growth rate (Gem, n.d.)
- **Key sectors:** Blockchain, gaming, cleantech as dominant verticals (Fourrage, 2025)
- **International expansion patterns:** "Born global" tendency and EU market focus (Mundell, 2024)
- **Funding challenges:** The "Series A gap" and need for foreign investment (Mundell, 2024)



Why is cooperation with Chinese partners important?

 Slovenia's funding gap challenges

 China's growing tech investments in Europe



Chinese connections and investments in Slovene Tech



(CGTN Europe, 2025)



Slovenian president says China crucial to her country's future success

REPUBLIC OF SLOVENIA
GOV.SI

Home > News >

Minister Han heads business delegation to China to strengthen cooperation

Ministry of the Economy, Tourism and Sport

5. 11. 2024

(Ministry of the Economy, Tourism and Sport, 2024)

Dec 13, 2024 08:05 PM BUSINESS

Slovenia Touts Itself as Investment Destination for China's Auto, Green Tech Firms

By Bao Zhiming and Wang Xintong

(Ogrin, 2024)



Matjaz Han Slovenian Minister of Economy, Tourism and Sport. Photo: Embassy of Slovenia

Slovenia could serve as a gateway for Chinese companies to enter Europe, a government minister said, calling for more Chinese investment in local sectors such as automotive and green energy.

Zhiming & Xintong (2024)

REPUBLIC OF SLOVENIA
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Development of Slovenian high-tech companies in cooperation with the Chinese electric vehicle industry

Ministry of the Economy, Tourism and Sport

6. 10. 2024



News show: the government has recognized the importance of Chinese partnership as well, especially in the tech industry

Tech-Specific Cultural Touchpoints



- Intellectual property approaches: Different protection philosophies and expectations
- Innovation methodologies: Slovenia's agile, iterative approach vs. China's scale-oriented development
- Technical communication norms: Differences in documentation, specifications, and technical discussions
- Decision-making for tech investments: Slovenia's faster, sometimes less thorough processes vs. China's multi-layered approval structure

(Zubascu, 2020; Petino, 2024)

Some tech industry specific differences between China and Slovenia must be considered

How can Slovenian managers
adapt to Chinese?

What are the implications?



What happens if you ignore culture

Case Study (made by Team Goodwill)

- A small Slovenian tech start-up, called GoodTech, looks for a cooperation in China. They eventually find a potential partner willing to establish a joint venture to enter the Chinese tech market and begin **negotiating**. Both partners invest a significant amount of money and time into the partnership.
- However, the **partnership collapses within eight months**. As both the businesses have **committed several resources and costs** into such, they are unsure as to why the partnership has failed.

What went wrong?



Class discussion on possible reasons for failed cooperation.

Can you help the managers and the team from GoodTech to identify possible reasons as to why the partnership did not work out?

What happens if you ignore culture

Case Study (made by Team Goodwill)

- A small Slovenian tech start-up, called GoodTech, looks for a cooperation in China. They eventually find a potential partner willing to establish a joint venture to enter the Chinese tech market and begin negotiating. Both partners invest a significant amount of money and time into the partnership.
- However, the partnership collapses within eight months. As both the businesses have committed several resources and costs into such, they are unsure as to why the partnership has failed.



Documentation vs. Relationship Discord Timeline Misalignment Communication Breakdown

Ideas for possible reasons the cooperation failed:

Documentation vs. Relationship Discord:

GoodTech executives maybe insisted on finalizing detailed technical specifications and IP protection agreements before relationship-building activities were sufficiently established.

The Chinese executives could interpret something like this as a lack of trust and unwillingness to develop guanxi, while GoodTech could interpret the Chinese side's reluctance to engage with technical specifications as indicating possible IP theft intentions.

Timeline Misalignment:

GoodTech maybe operates on shorter planning cycles, leading them to repeatedly press for definitive deadlines and launch dates. The Chinese partner's probably more flexible, relationship-focused approach led them to avoid committing to specific timelines early in the partnership. This could have created frustration on both sides, with the Slovenian team perceiving the Chinese partners as evasive, while the Chinese views the Slovenians as rigid and transactional.

Communication Breakdown: During a critical negotiation session, a GoodTech executive maybe directly criticized aspects of the Chinese partner's manufacturing processes in a group setting, causing significant loss of face for the Chinese executives. The Chinese team could have responded by withdrawing senior decision-makers from subsequent meetings, but never explicitly stating their offense. The GoodTech team could have misinterpreted this as lack of interest rather than a reaction to the face-losing incident.

These ideas for possible reasons are based on/derived from the research results presented on the previous slides

Practical Recommendations for Slovenian Tech Startup

Communication & Relationship Building:

- Shift from Direct to Contextual
- Present technical information with broader context and company vision
- Patience in Technical Discussions
- Documentation Practices

Negotiation & Deal Structure:

- Relationship Before Contract
- Long-term Commitment Signals
- Face-Preserving Approaches
- Technical Credibility

Got it! Anything else?

Merging of information collected on previous slides

(Own summary, integration and interpretation of research results collected before)

Practical Recommendations for Slovenian Tech Startup

Decision-Making Process Adaptations:

- Hierarchical Awareness
- Group Consensus Building
- Technical Due Diligence
- Milestone-Based Progress

Guanxi Development in Tech Contexts:

- Industry Network Mapping
- Technical Conference Presence
- Reciprocity Practices
- Long-term Relationship Investment

Awesome, thanks!!!

Merging of information collected on previous slides

(Own summary, integration and interpretation of research results collected before)



What can happen if you successfully consider cultural differences?



OriginTrails example (Oven, 2018)

- **Initial Approach:** Slovenian blockchain startup attempted rapid technical implementation with six-month timeline
- **Early Challenge:** Chinese partners expected relationship-building before technical discussions
- **Failure Point:** Two implementation attempts failed due to cultural misalignment
- **Adaptation Strategy** -> Success
- **Key Lesson:** CEO acknowledged relationship-building must precede technical implementation in China



OriginTrail (Slovenia) and SCAN Association (China) Collaboration

Initial Approach: Slovenian blockchain startup attempted rapid technical implementation with six-month timeline

Early Challenge: Chinese partners expected relationship-building before technical discussions

Failure Point: Two implementation attempts failed due to cultural misalignment

Adaptation Strategy:

Appointed dedicated China relationship manager

Developed small proof-of-concept projects instead of full implementation

Focused on food traceability applications relevant to Chinese market

Technical Adjustments:

Shifted from detailed specifications to conceptual documentation

Chinese partners assigned technical liaisons to learn blockchain protocol

Outcome: Successfully launched blockchain traceability systems in three Chinese provinces by 2021

Key Lesson: CEO acknowledged relationship-building must precede technical implementation in China

Source: Oven, 2018

Methodology

- A range of secondary data was researched, including academic journals, websites and other relevant reports
- Used a range of AI tools like ChatGPT to first gain a general overview and develop some ideas for the topic
- Many keywords and phrases like “Guanxi”, “Slovenian startup culture” and “Business Etiquette” were used to narrow search results and gain relevant information
- Group meetings: Via Zoom to divide work efficiently and fairly making “storyline” for smooth deliverance of presentation
- Setting deadlines, and offering regular feedback
- Incorporated multiple theoretical concepts from MSAC class, including GLOBE project dimensions and high context vs low context...
- Because of differing schedules of team members, it proved difficult to find a time and place to hold meetings, having to rely only on virtual meetings



Advances in technology have led to the development of new methods to collect, compile and archive data. As a result of such, utilising data for research is becoming more prevalent (Johnston, M.P 2014). In order to tackle the above research question, a range of secondary data was researched including academic journals, websites and other relevant reports. These sources allow for a more in-depth understanding of the topic, enabling a more effective analysis of secondary sources essential for answering the research question.

Various keywords were used during research to refine and narrow our search, obtaining more precise and relevant information. In particular when researching Chinese culture, utilising terms like “Business in China”, “Business Etiquette” and “Guanxi”. When researching Slovenia, keywords and phrases like “Slovenia business culture”, “Slovenian startup culture”, and “Business in Slovenia” were used to again narrow the search results and gain more relevant information needed. This approach allowed us to gather a deeper understanding of the culture, which may have been difficult to uncover otherwise.

To ensure collaboration between group members, various meetings were held in order to divide work efficiently and fairly to individuals through the platform Microsoft Zoom. In each meeting, the work was divided into a ‘storyline’ in order to ensure a smooth deliverance of the presentation, with each member assigned a specific section to work on. As a group, it was imperative to set deadlines for each task to ensure smooth progress throughout development of the presentation. This approach worked well as it was able to enhance teamwork and communication, but to also ensure the team knew the importance of contributing. Lastly, regular feedback for all sections were communicated clearly with all team members and allowed for any issues to be addressed.

Incorporating MSAC course material throughout development of the presentation was crucial for demonstrating a clear understanding of concepts mentioned in class, as well as effectively applying them from a business perspective. We included multiple theoretical concepts including time, uncertainty avoidance and individualism v collectivism. Using our knowledge from previous presentations and lectures, we are able to put these theoretical concepts into practice allowing us to connect such to real-world business scenarios, specifically the case of Slovenia and China.

Due to differing schedules, it proved difficult to find a time and place for meetings. As a result, we had to rely on virtual meetings for communication which may not always be as reliable as in person gatherings. Due to such, this led to some potential misunderstandings within the group such as not understanding who is doing what part of the presentation.



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