

# Shanghai: ethics and business assignment

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**ASSIGN  
BUSTER**

Case study: DMG-Shanghai. 1. Why do you think that it is so important to cultivate guanxi and guanxiwang in China? I think that it is so important to cultivate guanxi and guanxiwang in China because both of guanxi and guanxiwang are essential to business in China. It is an important mechanism to do a long-term business and getting successful business in China. Guanxi refers to the business connections that are so important to companies doing business in China.

Then, guanxiwang refers to the relationship network that companies cultivate. Therefore, by establishing in relationships would help do a better job and mechanism in doing business in China. 2. What does the experience of DMG tell us about the way things work in China? What would likely happen to a business that obeyed all the rules and regulations, rather than trying to find a way around them as Dan Mintz apparently does? The experience of DMG shows us that culture is an important thing in China.

Dan Mintz believes that guanxi and guanxiwang are important because they help companies get around restrictions that limit the ability of companies to function. Companies that fail to adapt will probably find it more difficult to be successful and companies that do follow all the rules are likely to be at a competitive disadvantage. As an entrepreneur who is starting up a business or penetrating into a new market, making full use of given resources is essential to overcome difficulties and to be successful.

Every business has some sort of obstacles and the story of DMG in Shanghai tells us sticking to strict rules and regulations is less likely to leap over the obstacles. 3. What are the ethical issues that might arise when drawing upon

guanxiwang to get things done in China? What does this suggest about the limits of using guanxiwang for Western business committed to high ethical standards?