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**BOOK REVIEW**

# The China Business Conundrum: Ensure that "Win-Win" Doesn't Mean Western Companies Lose Twice by Kenneth Wilcox

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Kenneth Wilcox's *The China Business Conundrum: Ensure that "Win-Win*" Doesn't Mean Western Companies Lose Twice is more than a helpful manual for practitioners and academics. Wilcox combines exemplars with fact-based reflections of his time in China while establishing and leading Silicon Valley Bank (SVB) in a joint venture alongside the government of Shanghai. He removes himself from the sage-on-stage position, however, even as he positions the reader in the wings of the setting for SVB's venture in China. This is Wilcox's second culture-specific book, the first being *Leading Through Culture: How Real Leaders Create Culture That Motivate People to Achieve Great Things*. While the first addresses leadership lessons, adventures, and failures within the culture of an organization, The China Business Conundrum takes on the whole of Western misunderstanding of Chinese business (and government) culture. Does he discuss SVB's U.S. successes and failures? Yes! For those seeking an interesting tutorial on SVB's successful lending model and the ultimate demise of the bank, Wilcox addresses his leadership of and vision for San Francisco-based SVB prior to his 2011 move to China to open SPD SVB. It was not until March 2023 that the U.S. SVB ceased operating as an independent lender to tech firms and startups.

### The Western Relationship with China

Wilcox skillfully separates the personal challenges of navigating China's culture and language from the business challenges of understanding guanxi, government involvement, and mutual benefit (which he describes as "China wins twice'). At the same time, there is no real separation from embracing the culture and language if one desires an understanding of guanxi, politics, and business in China. There is significant discussion about the potential for Western firms to give away all trade secrets and core competencies in the quest for China's market. Wilcox divulges the conditions under which he believes sharing information was not mutually beneficial, yet he also reveals a past comfort level with openly addressing what Westerners consider China's lacking elephants—transparency, IP protections, capital allocation, and legal system, among others. Wilcox warns that direct comments on such topics would be considered critical today. He is careful to express that the reflection is that of his own experience. Others with similar undertakings will find points of both agreement and disagreement with the author.

Readers are treated to a political and geographic history of China since Mao, as Wilcox punctuates each chapter with relevant points regarding the importance of place, status, and the passage of time. Those unfamiliar with Wilcox's previous work should know that he is a serial journal-er, who recounts names, situations, backgrounds, and context in a seamless chronicle. The approach allows the reader to visualize the triumphs (and perceived wins) as well as the very real frustrations of SPD SVB from networking (sometimes referred to as "months of fruitless meetings), to establishment of a joint venture (the bank), to possibly being allowed to use the currency (necessary for a bank, but not a reality until after the Wilcox years), to the persistent and unforgiving liability of foreignness, concluding with the bank's "loss of allure." While the book should be of keen interest to anyone in banking, entrepreneurship, venture capital, or China-U.S. relations (particularly in the political and economic climate of the latter half of the 2020's, Wilcox also writes for those whose interests are humankind, organizational behavior, and the management of diverse populations. He clearly and simply explains the bank's nuanced strategy and defines key terms that might cause a non-banker's eyes to glaze over.

### The People's Republic

The constructs of politics and culture are woven throughout the text, but, like a good teacher, Wilcox uses the thread to explain individual actions, reactions, and decision-making in a collective culture. The first 12 chapters offer main points in the form of a lessons-learned box called "Takeaways from the Trenches," supplemented by endnotes and references, but to read only these points would be to miss the wholeness of the book. Wilcox's documentation of the process of SPD SVB provides graphic representations of organization, office layouts, and the relationship of the secret team, a shadow group of individuals who are individually important to SVB's China operation, but collectively connected to China's government information operations. In the interest of explaining these connections, Wilcox details relationships, backgrounds, and encounters with each as guanxi is sought. In short, guanxi, like a terminal value, is to be pursued but never attained.

The story of SPD SVB is told as a lived experience through Wilcox's observations of Chinese nationals, each with a personal story that the author details meticulously.





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The personhood of the individuals is exhibited in both relief and contrast to the composite of the Chinese culture, as represented by the Party. Wilcox's affinity for observing and detailing individual relationships provides a deep dive into the nuances of the culture.

## What Happened Next

Wilcox's "Takeaways" end with Chapter 12. What follows is a meaningful post-script that summarizes the next life journeys of key people from the JV. Part III provides a study guide on differences between the Chinese way and the Western approach to business operations, which practitioners (and educators) will find particularly helpful. Included with this section is the author's insights into the influence of the Chinese Communist Party (CCP) on all aspects of business, politics, and personal life. Regarding the last, Wilcox gives special attention to a subject that many experts writing about business in China overlook—the other 93%, non-CCP, non-guanxi-possessing Chinese. Those who want more about the demise of the U.S. bank will jump directly to the epilogue, Wilcox's post-mortem of SVB.

## Teaching Prompt

Instructors and facilitators using the text as a leadership or admin-team discussion have many potential paths for discourse. From the perspective of the venture into China, some opening questions include: What might a U.S. executive expect to find, given the change in China and the U.S. over the past 10 years? Should Western companies expect to achieve guanxi or a respectable, but distant, relationship? How should a Western company measure success with China? Each prompt should give the discussants opportunity to think deeply about their own presuppositions regarding business in China and areas for adjustment in their firm's strategy and operations. The *China Business Conundrum* is a fascinating look at China and its recent changes, SVB, and the people who connected the two.

## References

Wilcox, K. (2025). *The China business conundrum: Ensure that "win-win" doesn't mean western companies lose twice*. John Wiley & Sons.

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