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Trade Talk

## SCI smooths the way for business bonanza that is China

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Ask most people about China and their eyes probably gloss over, says Tim Weckesser, president and CEO of Conshohocken based SCI.

"Maybe they read some things in the Wall Street Journal, but they don't understand the magnitude of the economic revolution that is going on there."

But, businesses, he said, are very aware.

"There is a billion dollars a week going into China from foreign investment," Weckesser pointed out.

In the first six months of this year, foreign direct investment in China rose nearly 12 percent to \$33.9 billion, according to the Ministry of Commerce of the People's Republic of China. By October, foreign direct investment had spiked to \$53.8 billion in China, reflecting an increase of more than 23 percent over last year.

But, where there is opportunity, there also lies challenge, which is where SCI comes in, said Weckesser. Since 1992, SCI has focused on helping firms expand into China by offering direct sales and consulting services. Helping guide those efforts is Shiqiang Gu, a friend and business associate of Weckesser who joined the firm the same year.

"For smaller companies, China is a real black box. They know it is growing like crazy, but they are not sure how to market their products or get position there," he said.

Large firms, such as Alcatel, Kodak and Sanyo, also seek out SCI's services.

"Even though those companies have a huge presence in China, they can't do what we do, which is market research."

One problem faced by firms trying to tap the market is finding a reliable representative, Weckesser said. "We have had a couple of experiences with that because companies come to us because their representative has disappeared."

SCI offers firms a U.S.-based contract for a representative in China, which gives the firm recourse and accountability if SCI failed to provide services, he said. SCI, which currently employs 10, assigns an employee full time to the effort, Weckesser said.

"The more common problem with a representative is they just don't represent you. They represent five other companies and 10 other products so it hard to get their attention, so we try to solve that problem by bringing on someone full time."

The firm, which originally sprouted from a joint venture between the University City Science Center in Philadelphia and the Kyoto Research Park in Japan in 1988, has completed nearly 400 projects for 90 companies.

The most recent endeavors include consulting services for DelStar Technologies Inc. in Delaware, which is setting up a factory outside of Shanghai, and sales services for Detroit-based Sure Alloy Steel Corp., which is introducing patented products aimed at reducing operating costs and pollution at coal-burning power plants.

"Everybody who has pollution control technology for coal fired furnaces has their eye on China," said Weckesser, who added that the idea of working with a U.S. firm to break into that market appealed to SAS.

SCI will select a person to sell SAS' products, develop and translate a brochure, train employees and help with sales plans.

"We used to work in Brazil and Europe as well, but it spread us too thin, and what is going on in China is enough to keep a lot of people busy for a long time," said Weckesser, adding that SCI continues to do some work in Japan.

"We are looking forward to some significant growth over the next five years and most of that growth and employment is going to come in China."