



# Going Global: An Expansion Roadmap for Chinese Companies

Including insights for  
foreign-domiciled firms  
seeking to establish or grow  
partnerships in China

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# EXECUTIVE SUMMARY

## CHINA'S ECONOMY IS EVOLVING

China's economy is evolving from 'the world's factory' to a global industry leader. With a focus on high growth sectors and emerging markets, both privately-owned and state-owned enterprises are expanding operations overseas.

Foreign-domiciled firms recognize the need to adjust their approach to doing business in China, to reflect China's changing global status.

In 2024, China's total overseas direct investment (ODI) increased 8.4% year on year, after expanding from just USD2.7billion in 2002 to USD192.2billion in 2024.[1]



Over the last few years, both Privately-owned Enterprises (POEs) and State-owned Enterprises (SOEs) have actively sought opportunities to deepen their presence across every region—from Europe and Latin America to the Middle East and Southeast Asia, including Belt and Road Initiative (BRI) countries.

However, whether acquiring foreign entities or opening offshore satellite offices, Chinese leaders are quickly realizing they cannot simply 'copy and paste' their domestic blueprint. What made them successful in China does not always translate to international growth—especially as many have only operated through rapid domestic growth cycles.

They also need to navigate local labour regulations, intellectual property rights, foreign investment sanctions, changing tariff regimes and many other trade barriers.

As a trusted partner in global expansion, Korn Ferry identifies talent who can walk both worlds. Those who can adapt strategies, culture and governance models to suit local operating environments.

In this report, we draw on frontline insights and share a three-stage maturity roadmap to pinpoint global expansion success factors.

[1] *Mapping China's Outbound Investment (ODI) Shifts: Sources, Destinations, and Sectors*, September 16 2025; MOFCOM data

# Why China's Future Is Multinational

2025 marked a turning point in China's financial investments, with the total assets of Chinese overseas enterprises exceeding USD9 trillion.

With geopolitical uncertainty, tighter scrutiny over international transactions, and weaker global economic conditions, China's non-financial ODI grew a modest 5.9%. These investments generated employment for just over 5million workers-including almost 3.5million local employees.

Industrial and technology investments are driving China's global expansion, with an emphasis on advanced manufacturing, digital technology, and green industries.

This growth feels more visible. In the past, Chinese companies invested 'under the radar', making strategic acquisitions to access specific markets or technologies. But now they are going head-to-head with local players.



When BYD entered the German automotive market in 2022, it was competing with established German automakers like Volkswagen and BMW. TikTok's dominance marks the first time a Chinese social media company has rivalled Western incumbents. And TEMU and Shein directly challenged Amazon and other established eCommerce platforms with ultra-low prices and disruptive supply chain models.

**BILL GU**  
Senior Client Partner &  
Managing Director of  
Greater China, Korn Ferry

*"As soon as they have the capability, our clients talk to us about expanding overseas."*

**NORMAN ZHOU**  
Senior Client Partner & Managing  
Director of Professional Search,  
Greater China, Korn Ferry

*"This is the first time Chinese companies have gone through a globalization stage at this scale and level of sophistication."*

## CHINESE ENTERPRISES OVERSEAS

- USD 9trillion assets
- 5,200,000 employees
- 66% are local

### BUILDING INTERNATIONAL BRAND INFLUENCE

With an uncertain US tariff regime, the need to diversify supply chains is top of mind. Government policy also incentivizes targeted offshore investment, with the Chinese Government doubling down on infrastructure-heavy, politically coordinated clean energy investments.

Since 2013, the Chinese Government's Belt and Road Initiative has seen SOEs finance and build roads, railways, ports, and digital infrastructure—and more recently, renewable energy and sustainability projects.

#### GRETA YANG

Senior Client Partner & Global Account Leader for Government of China Clients, Korn Ferry

*"The primary driver for SoE expansion is in the national interest, they take a long-term view, and leverage the power of 'charm offensive' to invest in very large, capital-intensive resource and infrastructure projects overseas—especially in developing countries."*

In contrast, POEs are looking for opportunities to disrupt the market and take market share. They also tend to outperform SOEs in terms of international ROI, and attract global capital. For example, fast fashion giant Shein is currently pursuing a London Stock Exchange (LSE) IPO—if it comes off, this will be one of the largest-ever China-founded IPOs outside China.

#### TAO LI

Senior Client Partner & Industrial Market Leader of Greater China, Korn Ferry

*"I have seen many local Chinese firms grow from nobody to having major global impact since 2010. And it's not just down to domestic pressure, government policies, or supply chain opportunities—it's also part of the Chinese DNA. We work really hard. Striving to have better living standards is built into our culture of ambition,"*

# WHERE IS THE RMB FLOWING?

China was once the world's source of processed commodities and cheap manufacturing. But now it's competing in a very different end of the value chain –in electric vehicles, renewables and battery technology, advanced manufacturing and robotics, healthcare and biotech.

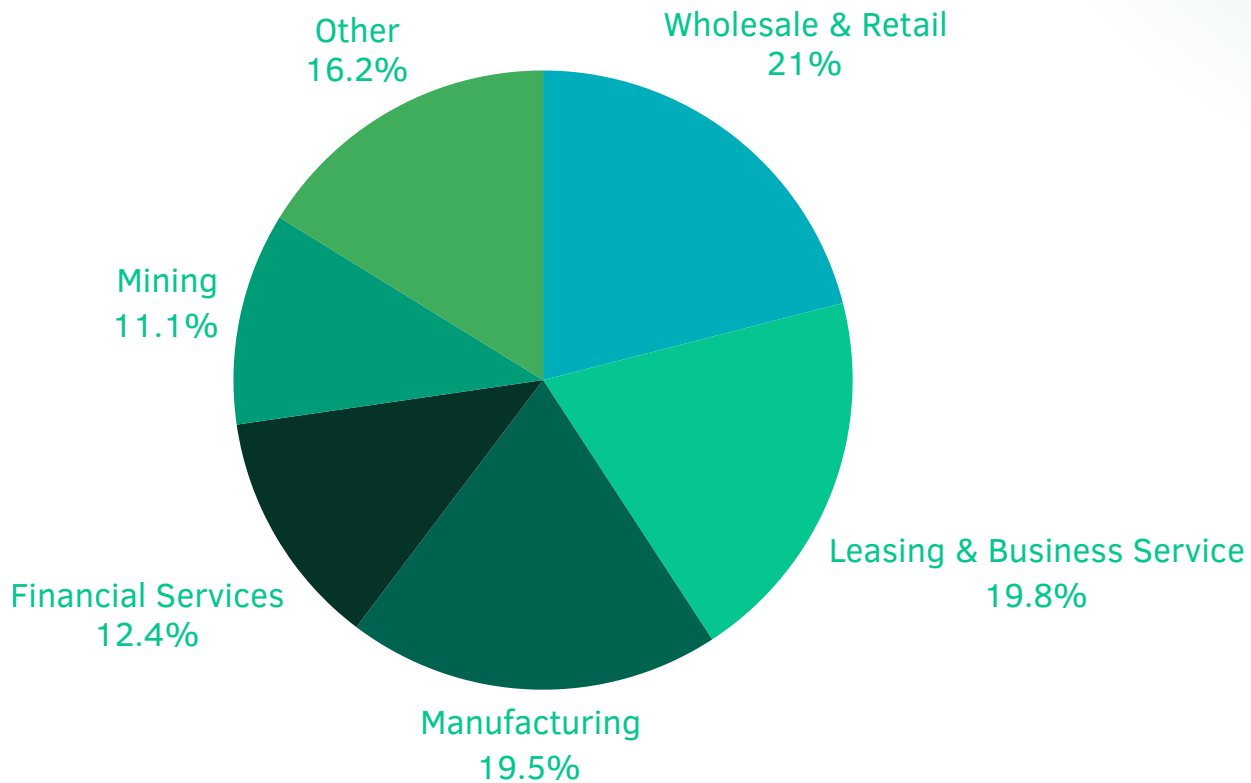
## 2024 ODI FLOW BY INDUSTRY: TOP 8 BY YOY GROWTH

China's investment in IT and software enterprises overseas more than doubled in 2024, and manufacturing surged to USD37.5 billion.

INDUSTRY	US BILLION	YOY %
IT and Software	6.97	205.5%
Mining	21.26	115.2%
Construction	5.16	80.5%
Education	0.12	42.3%
Water Conservancy, Environment and Public Facilities Management	0.33	39.9%
Manufacturing	37.54	37.3%
Financial Services	23.78	30.5%
Energy	5.74	23.4%

**SOURCE: MAPPING CHINA'S OUTBOUND INVESTMENT (ODI) SHIFTS: SOURCES, DESTINATIONS, AND SECTORS, SEPTEMBER 16 2025; MOFCOM DATA**

# INDUSTRY ODI FLOW



In 2024, the ‘new three’ industries of EVs, batteries and solar expanded at twice the rate of the broader Chinese economy—contributing 25% to GDP growth.[1] But even in the clean energy sector, domestic supply gluts and price competition are affecting Chinese providers, encouraging many to look for offshore opportunities. According to the International Energy Agency, nearly 60% of all renewable capacity installed around the world between 2025 and 2030 will come from China.[2]

[1] From solar panels to super dams: China’s clean energy takeover, Jessica Sier, AFR, July 25 2025

[2] China to contribute 60 pct of global renewable expansion by 2030: IEA, October 9 2024

And as China’s middle class grows, Chinese companies are looking offshore for more cost-effective production—as well as direct access to local markets.

For example, solar battery giant CATL has invested in an Indonesian supply chain campus with mining, refining, manufacturing and recycling facilities. It’s also partnering in production ventures across Brazil, Vietnam, Laos and Hungary. This approach allows it to secure raw materials and localize production, technology and capital—closer to the end customer.

*“For many Chinese companies, the emerging markets is a natural step—especially Southeast Asia because it’s close and has cultural links, but also the Middle East, Africa and South America,” says **Charles Shao, Managing Director Advisory with Korn Ferry Greater China.***

*“Some industrial companies build local facilities in South America and Eastern Europe, making an initial investment or acquisition to get production capability. This also gives them access to the local market,” he adds.*

China is increasingly seen by many developing economies as a more stable source of technology and capital, amidst ongoing US tariff uncertainty.

## 2024 ODI FLOW BY REGION

When we remove flows to Hong Kong, Cayman Islands and British Virgin Islands, it’s clear Asia is still a primary destination—building on longstanding supply chain ties. Chinese M&A in the United States reached a 10-year low in 2024, while focus on emerging markets in Europe, Africa and Southeast Asia strengthened. For example, Hungary is emerging as Europe’s new automotive hub, and Nigeria is attracting Chinese investment in energy and infrastructure.

REGION	ODI USD BILLION*	YOY %
ASIA	37.5	14.2%
EUROPE	12.5	25.3%
NORTH AMERICA	6.0	-22.6%
LATIN AMERICA	-5.8	-360.4%
AFRICA	3.4	-14.9%
OCEANIA	1.1	113.7%

\* Hong Kong, Caymen Islands and British Virgin Islands have been removed from this analysis

Source: Mapping China’s Outbound Investment (ODI) Shifts: Sources, Destinations, and Sectors, September 16 2025; MOFCOM data

# THE NEED TO ADAPT

Chinese companies can't rely on the playbook that worked at home. Global markets demand new strategies—what drove success domestically won't deliver the same results abroad.

## GRETA YANG

**Global Account Leader for Government of China Clients, Korn Ferry**

*"Expanding globally isn't just scaling up, it's about navigating a radically different environment, one that demands a different strategic calibration. You might be moving from a high volume, low margin model to a more fragmented market."*

## NORMAN ZHOU

**Managing Director of Professional Search, Greater China, Korn Ferry**

*"Chinese companies will have to become more international to unleash their competitive advantage, they'll also have to behave more like a global citizen to mitigate the impact of potential trade wars in the future."*

**It's not always a play for revenue growth, but a risk mitigation strategy.**

*"To do this well, Chinese companies will need to leverage their core strengths in each geography and create the most successful products for global customers."*

## FROM DOMESTIC CHAMPIONS TO GLOBAL CONTENDERS

### Four Drivers for Chinese Global Expansion

1. Potential higher profit margins overseas, especially in consumer markets
2. Access to advanced Research and Development capabilities, such as pharmaceutical research or advanced technology in Western markets
3. Mitigating supply chain and geopolitical risks during periods of trade tension
4. Positioning as 'soft power' in neutral investment-friendly regions, such as Turkey or Morocco

# THE GLOBAL MATURITY ROADMAP

## THREE STAGES OF GLOBAL MATURITY

The average age of a Fortune 500 company is 83 years.[1] In comparison, China's multinational history is relatively short—most enterprises emerged after market liberalisation reforms re-opened the economy in 1978.

And the majority have only experienced a high-growth domestic economy until recent years.

The three stages of global maturity show a progression from offshore experimentation towards full global integration. Each stage presents distinct opportunities and challenges.

[1] Fortune, [The age of a Fortune 500 company is only part of its story](#), September 2024

### DIMENSION

### Stage 1.0

### Stage 2.0

### Stage 3.0

Talent

Expat-heavy

Local mid-hires

Local C-suite

IP Flow

China to the world

Bidirectional

Networked hubs

Risk Profile

Single-point failure

'China + 1' backup

Multi-region redundancy

# Stage 1.0: Entry and Experimentation

The first stage typically sees research and development and production centered in China. There is a minimal overseas presence, most likely in customer service and logistics.

Norman Zhou says around half of Chinese companies are in this phase, as most start here when expanding overseas. For example, many consumer brands manage production in China and compete on price, but use international channels like Amazon marketplace to reach the world.

*“The challenge at this stage is finding a sustainable growth lever. You cannot keep relying on low costs in China,” cautions Korn Ferry’s Senior Client Partner & APAC Consumer Market Lead Claudia Wu.*

TEMU and Shein have taken this approach further, owning their eCommerce platforms but still relying on low cost sourcing over brand equity.

Business to business brands and more complex industrial solutions may need a stronger talent footprint overseas to build trust. For example, local resales engineers can customize solutions to market requirements and provide market intelligence back to the Chinese head office.

*“This is an opportunity to test and learn,” says Greta Yang. “In this phase, we typically see less than 20% of the workforce is located overseas, and they may be deployed from China.”*

However, competing on price is not a long-term strategy.

At this stage, less than 20% of revenue may be generated by offshore activities. To grow further, firms will need to invest in an international organization structure, hiring local talent who can bridge the gap between HQ and overseas markets.

With a global footprint spanning 50 countries, Korn Ferry can provide on-the-ground presence to help build trust from a zero start, and its local executive and professional search teams can identify the right talent to build a strong foundation.

# Stage 2.0: China Plus One Strategy

The next stage of maturity sees a focus on establishing local legal entities in key overseas markets, through expansion or acquisition.

Stage 2.0 companies set up core functions, such as finance, marketing and compliance, in those offshore markets, and hire a local leader with international experience who also understands how to work with China.

At this stage, China remains the profit center. However, by duplicating critical functions overseas, these companies can mitigate the risks of local regulatory issues, tariffs and shipping costs.

*“We are seeing these types of companies grow,”* observes **Tao Li**, **Greater China Industrial Market Leader**.

*For example, telecommunications leader Huawei now has extensive R&D centers in Europe.*

CATL opened its first office in Germany in 2014, and now operates a key production and innovation hub there—producing lithium-ion battery cells for European customers including BMW, Audi and Porsche. However, its core battery cell production remains concentrated in Ningde, China.

China’s leading electric vehicle brands are also expanding production into Europe, giving them more cost-effective access to these markets. BYD is opening a new manufacturing center in Hungary, where it will produce EVs for the European market.

As Stage 2.0 companies expand their offshore footprint, as much as half their revenue may be generated overseas. Around a third of their headcount could also be offshore, including Chinese expats and local hires. This can create friction if decision-making is still centralized, or if organizational cultures are not aligned.

At this stage, Korn Ferry often provides organizational strategy consulting to adapt operational structures in diverse regions, conducts assessments for cultural agility, and ensures rewards expectations are benchmarked as teams grow.

# Stage 3.0: Global Integration and Influence

If a Chinese company has significant overseas leadership and its R&D, production, marketing and service operations are integrated across global markets, it has reached Stage 3.0 in the maturity roadmap.

This approach reduces risk, because you have multiple regions enabling the supply chain, and customers are geographically diverse.

*“Stage 3.0 could look more like a networking hub or ecosystem,” Claudia explains. “China becomes one of several innovation hubs, not the solo centre. Lenovo after its acquisition of IBM is a good example, with its dual HQ in Beijing and the US.”*

Some Stage 3.0 companies duplicate global functions for security or political reasons. TikTok owner ByteDance developed Douyin for the domestic market, and operates a separate executive team in the US.

Transsion deliberately bypassed China’s domestic market, choosing instead to focus on emerging economies with a highly localized strategy. It is now Africa’s largest smartphone maker, building market share through features such as cameras calibrated for darker skin tones, local language keyboards, and batteries designed for unreliable electricity supply. This ‘glocal’ approach reflects Stage 3.0 maturity: all revenue is generated outside China, even though manufacturing remains at home.

Stage 3.0 companies typically drive at least 50% of their revenue overseas, and many senior roles are in offshore offices. They have a clear brand position in local markets, with strong market recognition. Decision-making and execution is localized, and there is a cohesive global corporate culture.

Getting to this point can require significant culture transformation, as well as global-ready leadership development programs. Korn Ferry’s local teams in destination markets provide trusted guidance, while consultants in China can translate differences in expectations.

## CASE STUDY: ECOVACS ON THE PATH TO GLOBAL MATURITY

Robotic technology company ECOVACS was founded in 1998. In 2018, the founder and his son wanted to establish a direct presence in key Western markets and engaged Tao Li to help build its international leadership team.

Drawing on his global network and experience working with multinationals, Li found the ideal candidates in senior executives with deep commercial experience, cultural fluency, and established US and European consumer market networks.

These new leaders played a pivotal role in localizing the brand strategy, building distribution channels, and accelerating market penetration. As a direct result of this foundational team, ECOVACS' overseas business grew from scratch to RMB2 billion within three years, laying the groundwork for the company's continued global expansion.

*“They wanted to recruit market-driven professionals with a multinational background and familiarity with Chinese culture, to help manage the international business in US and Europe,” says **Tao Li**. “My advice was to hire a ‘local local’ to penetrate the local markets from a zero start.”*

By 2023, its international business exceeded RMB6.5 billion, around 40% of total revenue. With the success of its international expansion, ECOVACS then shifted gear into Stage 2.0. To embed its culture and long-term vision globally, it now sought senior leaders who could serve as cultural ambassadors as well as bring strong local market expertise.

Leveraging Korn Ferry's expertise in cross-border leadership assessment and cultural fit evaluation, we ensured these candidates also demonstrated high potential for long-term integration and partnership. The initial placements, an APAC GM and Japan Country GM, helped ECOVACS strengthen local execution and deepen market penetration in Asia.

# BARRIERS TO GLOBAL SUCCESS

Chinese companies face very different conditions as they expand. In some markets, misconceptions about “Made in China”—from government ties to product quality—create trust barriers. In others, labour laws and financial regulations can be a rude shock.

But the first hurdle is often awareness.

*“The number one wake-up call for some Chinese companies is that their brand is perceived very differently outside China. They might be giant in China, but no one’s heard of them overseas,” says **Norman Zhou**.*

This gap has direct consequences: attracting the right talent, positioning with customers, and building the leadership skills to bridge cultures.

*“We’re helping our clients in China develop global fluency, so their leaders can adapt to cultural sensitivities,” says **Korn Ferry President Asia Pacific Esther Colwill**. “That also means paying attention to different total reward expectations in their growing offshore markets, translating employee expectations, and bridging the gap in customer experience and trust.”*

## CULTURE SHOCK



### Culture Shock

Chinese companies are known for fast decisions and execution, with a top-down hierarchy of control. That doesn't always translate well.



### Go-to-Market Shift

Buyer decisions are made differently around the world. A strong competitive advantage can help build brand perception and trust.



### Global-Ready Leaders

Whether you build the skills within or source executive talent offshore, you need leaders with cultural fluency and an open mindset.

For three decades, China's economic rise has been powered by relentless factory output and an urgency to deliver results. Companies raced to launch products ahead of rivals or acquire critical capabilities, with decisions flowing top-down through a single command chain.

This way of working can create culture conflicts abroad, according to Claudia Wu.

*"All Chinese brands need to learn how to work like a truly global organization," Claudia says. "That means being adaptive and accommodating differences, while still being agile enough to navigate international markets. That's a challenge."*

Tao Li says he always advises his clients to be patient.

***"It can take time. You may need to compromise and balance your need to integrate."***

This might mean empowering a more localized culture with a flat structure and debate-driven decision making. For example, when a leading Chinese dairy conglomerate acquired a significant New Zealand operation, Korn Ferry's local teams helped them bridge the culture gap to attract skilled talent from Australia and Europe as well as the limited local market.

## GO-TO-MARKET SHIFT

'Smart Growth' companies in China actively seek new market opportunities, introducing new products and services quickly to address changing customer dynamics.

To do this well overseas, they first need to deeply understand local consumers.

Marketing strategies can look very different offshore. Instead of relying on Key Opinion Leaders (KOLs) to influence buying channels, consumer brands face decentralized platforms and need to compete in more traditional retail and engagement channels.

There are also different rules of engagement for business to business companies.

*"In China, Guanxi (关系) can help companies bypass rules through deep client and government relationships. Abroad, you must comply with regulations," notes Greta Yang.*

As well as understanding local buyers, you need to assess the full competitive landscape. It may be easy to compete on price or speed initially, but once other Chinese competitors enter the space you may need to build a brand based on differentiated value.



## GLOBAL-READY LEADERS

Who will lead your offshore office? That's one of the first (and most important) decisions you'll make. Do you appoint a leader from within your Chinese HQ, or do you need a leader who can translate your offer to a very different market?

If you're expanding rapidly, you may not have enough existing leaders with the international experience and cultural sensitivity to cover every market. Chinese companies are also now competing for talent with western multinationals seeking to hire Chinese CEOs with specific expertise.

Executive search is only part of the solution. You also need a robust system for skills assessment and talent management.

Managing the right talent is a mindset, not just a skillset. According to Gu, the Chinese company founders who succeed internationally have an open mind, a strong go-to-market strategy, and are ready to provide support and communication to the offshore team.

***“That open-mindedness works both ways,” Gu emphasises. “Local candidates also need to be willing to learn, and interested in working with Chinese culture.”***

***Charles Shao*** says there's no single solution.

*“Chinese leaders need to adapt to understand the local situation, and local employees need to understand how to work for a Chinese company.”*

For example, Korn Ferry helped a state-owned aviation enterprise modernize its HR management system. This improved operational efficiency, and identified opportunities to close some significant capability gaps. Aligning executive appointment and compensation standards strengthened group-wide governance—and simultaneously attracted leading European talent to support the integration of its new overseas subsidiary.

## CASE STUDY: BUILDING A TALENT PIPELINE for LONGi

LONGi is a world leader in solar PV manufacturing and technology, and has invested significantly in overseas production capacity and R&D.

When it decided to enter the European market, its leaders knew it would be important to hire local regional leaders who could navigate the nuances of local regulations and labour laws.

But they also wanted executives who could adapt to LONGi's culture and governance structures.

**Zhou** says this involved two-way education.

*"We introduced the decision makers and discussed the market differences. By understanding LONGi's employer brand in those markets, we could calibrate the compensation packages to meet market norms for pay and long-term incentives, benefits and allowances."*

# THE FUTURE GLOBAL LANDSCAPE

Over the next five years, Chinese firms will be increasingly seen as global innovators, not just nimble low-cost competitors. But they will need to master the art of localization.

Chinese firms that have experience partnering with foreign-domiciled firms, will have some insight, and there are opportunities for foreign firms to deepen relationships by assisting Chinese firms with their localization strategy.

## **BILL GU**

**Managing Director of Greater China,  
Korn Ferry**

Bill says he saw multinationals learn this lesson the hard way when they first entered China earlier this century. You only get one shot at entering a new market for the first time.

*“Too often, they focused on speed and weren’t ready. They needed to understand local regulations, local prices, and local competitors. To be seen as a credible local player, you must have the right capability for your first 100 days.”*

## **GRETA YANG**

**Global Account Leader for Government of  
China Clients, Korn Ferry**

*“The biggest mistake would be to assume China speed plus China scale equals global success,” says Greta Yang. “Those who succeed adopt a strategy of 80% standardization, 20% hyper-localization.”*

She shares the example of Lenovo redesigning its keyboards in Germany for European ergonomics.

## **CLAUDIA WU**

**APAC Consumer Market Leader,  
Korn Ferry**

Claudia believes Chinese globalization will continue, and she hopes to see the first truly Chinese lifestyle brand emerge.

*“The Chinese Chanel equivalent is coming. A brand that is desirable, aesthetically beautiful, and appeals to global consumers,” she says.*

She also predicts Chinese talent will step up to become global CEOs in multinationals.

*“They’re developing transcultural ability and are learning to be empathetic leaders who know how to grow through a downturn cycle.”*



## A PIVOTAL MOMENT

Change is already underway. Chinese companies are conducting R&D in Europe, manufacturing in Thailand, selling to the Middle East, and sourcing investment from around the world. They are leveraging their strengths: making small yet rapid advances and navigating complex environments. And they are finding new sources of competitive advantage—producing in lower cost economies, creating intellectual property, and building brands based on value, not price.

This significant shift will only make Chinese companies more attractive to work with, buy from, and invest in.

The trade game is changing. As the US closes its borders, China is only just beginning to open up. And those with the right strategy, the right people, and the right partners will succeed—in every corner of the globe.



## A GLOBAL PARTNER

Success in global expansion depends on the right partners. Local insight and trusted networks can help overcome roadblocks, build reputation, and accelerate growth.

Korn Ferry is that partner. With offices worldwide, we connect you to talent who can operate confidently across cultures. Our consultants help align teams, strengthen governance, and build global-ready organizations—from KF4D assessments to post-acquisition operating models.

Whether it's shaping culture, attracting international talent, or embedding best-practice structures, we help leaders create lasting impact on the world stage. Discover how Korn Ferry can support your global expansion.

# CONTRIBUTORS

**Esther Colwill**

President of APAC, Korn Ferry

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**Bill Gu**

Managing Director of Greater China, Senior Client Partner, Korn Ferry

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**Charles Shao**

Managing Director of Advisory, Greater China, Senior Client Partner, Korn Ferry

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**Norman Zhou**

Managing Director of Professional Search, Greater China, Senior Client Partner, Korn Ferry

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**Claudia Wu**

APAC Consumer Market Leader, Senior Client Partner, Korn Ferry

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**Greta Yang**

Global Account Leader for Government of China Clients, Senior Client Partner, Korn Ferry

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**Tao Li**

Greater China Industrial Market Leader, Senior Client Partner, Korn Ferry



Korn Ferry is a global consulting firm that powers performance. We unlock the potential in your people and unleash transformation across your business—synchronizing strategy, operations, and talent to accelerate performance, fuel growth, and inspire a legacy of change. That’s why the world’s most forward-thinking companies across every major industry turn to us—for a shared commitment to lasting impact and the bold ambition to *Be More Than*.

**Business advisors.**  
**Career makers.**

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