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PBB GLOBAL LOGISTICS – CASE STUDY

## PBB Helps CHUM Rock the World

Access China program initiates discussions between CHUM-TV and Guangxi TV

CHUM Television International, along with its extremely successful MuchMusic channel, is known throughout the world for leading edge music television. They have had many opportunities to export their model and are used to being approached by countries looking to establish a MuchMusic-type program in their own markets. When PBB Global Logistics approached them with an interested party from China, the broadcasting company was somewhat sceptical.

“We were originally a bit sceptical, but PBB reassured us,” laughs Kevin Byles, Vice President & General Manager, CHUM Television International. Although CHUM was in the process of working with a Shanghai partner to develop a broad-based television program, there was some hesitation at the thought of taking on another complex relationship. Byles says that CHUM had spoken with other broadcasters about establishing partnerships with Chinese broadcast agencies and had come to believe that it would be very difficult to achieve a successful joint venture.

The initial meeting was held in Toronto and was arranged by PBB. “We had been working with Guangxi TV for a few years,” says Josephine Boyle, PBB Global Logistics. The Chinese broadcaster was searching for joint venture partners throughout the world, having previously met with groups in Brazil, Europe and the United States. PBB had arranged for travel services and meeting logistics for these countries, as well as in Canada. “When they started looking for a North American partner, they came to us for advice and contacts.” They were in luck - PBB had a contact at CHUM who agreed to talk to the Guangxi TV officials. PBB arranged for a meeting between representatives from the



*CHUM Television International exports its successful MuchMusic model to countries around the world from its flagship building on Queen Street in Toronto.*

two organizations and helped coordinate several elements of the meeting including translation services.

The initial discussions were far more promising than CHUM had anticipated. Guangxi TV wanted to develop a music program for the Chinese market that was modelled after CHUM’s MuchMusic program. The hope was that the music block would bring both international and local music to the people of Guangxi province. With a local market of 58 million households, the proposal certainly caught the attention of the CHUM representatives.

The officials from Guangxi TV were also pleased. Several opportunities were discussed at the meeting that required further investigation. As a result, Guangxi

TV extended an invitation for CHUM to come and visit China and to tour the Guangxi facilities. CHUM agreed, and asked PBB to make arrangements for the visit.

PBB has a twenty-year history in China, and the company enjoys a strong reputation as a reliable and proactive player in the Chinese business world. Over the years, a vast network of contacts from government and business have been nurtured and

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Date: April 2004

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developed. The company shares this expertise with other businesses through its Access China program, which includes trade missions to China. The missions provide interested companies with visits to key Chinese commercial and administrative centres including Hong Kong, Guangzhou, Chengdu, Nanning, Shanghai and Beijing. While CHUM did not attend a trade mission, at the time the CHUM representatives were in Guangxi province, a PBB-led trade mission was also there. This allowed PBB to provide valuable support as needed.

*“The importance of personal relationships while doing business with Chinese partners cannot be overstated”*

The meetings were intensive, but extremely successful, leading to a multifaceted, ongoing discussion. In addition to providing a MuchMusic model, CHUM will also support Guangxi TV's efforts to establish themselves as a leading broadcast organization by providing training, as well as the style, look and feel of the MuchMusic station. “They have a solid infrastructure,” says Byles. “They have a digital complex that exceeds what we have in Toronto. They have the studio facilities and the staff, but lack the ability and training to use the equipment to its maximum capabilities.”

Byles is optimistic about future opportunities. Both organizations hope to develop the music block and then spread it out throughout the rest of China. With a market of over 300 million cable households throughout the country, the potential is enormous. According to Byles, the franchising model of MuchMusic is tailored to meet the needs of the country, with control given to the local operator. In China, the Government controls TV

operations, but lets these operations function on their own. “There is lots of advertising money and they are very profitable,” says Byles. In addition to talent and resources, China also offers another advantage - operating and production costs tend to be lower overall, making it a very economical location to do business.

Byles feels that CHUM was successful for several reasons. First, they took the time after making the initial contact to build and establish a solid dialogue. “It’s all about relationships, and it makes the experience more

meaningful.” PBB was certainly instrumental in making the introductions that led to these relationships; the company was responsible for bringing the Guangxi TV management team to Toronto and for setting up the first official meeting. According to Byles, PBB's role with Guangxi TV was expanded to allow them to act almost as an ‘agent’, establishing contacts and helping to broker deals. The importance of personal relationships while doing business with Chinese partners cannot be overstated; PBB's long term involvement with Guangxi TV lent a great deal of credibility to the CHUM introduction.

As they say in the entertainment world, timing is everything. Guangxi TV approached CHUM at the right time with the right opportunity. The Chinese economy is growing at lightening speed and there is huge demand for consumer goods and entertainment. “The business model in China is changing and there is a desire to do things and to be more liberated,” says Byles. With the help of PBB, CHUM was in the right place at the right time.



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