



Fortunetelling, Mandarin Style

“INNER MONGOLIA TO BE PRECISE,” THE VOICE SAID. “COULD BE AN IMPORTANT DEAL, WE’RE JUST NOT SURE. I KNOW IT’S A BIG ASK. CAN YOU PULL IT OFF?”



BY MARK THOMPSON
FOUNDER

One of our international banking clients had an opportunity to invest in a land-drilling rig fleet in China. The deal had just landed on the caller’s desk. To make a decision his company needed some hard intelligence. What was the state of the rigs? How did the land-drilling market operate within China? What would it take for the rig owner and their assets to go international?

The clock was ticking, he told us. The investment committee would make a decision in Hong Kong in just two weeks. We were hired to provide a risk forecast and timescale, along with a cost projection for taking the rigs international. But this wasn’t a standard case of technical and market due diligence. In this part of Northwest China, the aptly named Nomad Empire, the only language spoken at the rig sites—and used for documentation—was Mandarin.

We swiftly assembled a small international team including an advisor from our Singapore operation who was fluent in Mandarin.

Within 48 hours of our taking the call, the team arrived at the first Inner Mongolian site. The Chinese drilling contractor had thirty rigs spread over the vast, empty steppes, so this was merely the start of a whistle-stop tour.

Our guys, often travelling hundreds of miles between sites, completed the investigation of a representative sample of rigs and developed a cost-and-time risk profile as a basis for forecasting. The report was presented at our client’s Hong Kong office within the timeframe everyone hoped for.

Based on our client’s recommendations this job led to a string of investment due diligence assignments in China, and elsewhere, for us.

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So what?

The facts our team uncovered, and our resulting risk-based forecast, gave our client the confidence to make informed decisions that were vital to their potential investment. Armed with our intelligence, they maintained their reputation for making sound investments and reduced their potential for loss.

The rigorous analysis and detail of our report could not have been achieved if a local translator was used.