

Centrica UK × Chinese Strategic Alliance

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Module: International Business Communications (LCBB6023)

Component 1: Individual Presentation



OUTLINE OF THE PRESENTATION



Company context: who Centrica is



Defining culture and its elements



Theoretical underpinnings



Chinese cultural elements to overcome



Negotiation strategies for a successful deal



Conclusion and recommendations



Questions

Centrica: a UK energy group with global gas reach

Centrica plc

is an international energy services and solutions company and the parent of British Gas, supplying energy and related services to more than ten million customers primarily in the United Kingdom and Ireland (Centrica plc, n.d.). It was established on 17 February 1997 following the demerger of British Gas plc, according to corporate history records, and has its headquarters in Windsor in the United Kingdom. The company is listed on the London Stock Exchange under the symbol CNA and is included in the FTSE 100 index, as indicated by market listings.

➤ **10.37m customers**

Total Retail customers at 31 December 2025, of which 7.96m home energy supply in the UK and Ireland.

➤ **£22.4bn revenue**

FY2025 adjusted revenue; adjusted operating profit £814m (2024: £1,552m) after a weaker trading year (Centrica plc, 2026b).

➤ **29 traded markets**

Centrica Energy moves power and gas across Europe and the United States from eight offices in all time zones.

➤ **≈ 22,000 colleagues**

Worldwide, including more than 7,000 field service engineers installing and maintaining equipment.

➤ **Three segments**

Retail · Optimisation · Infrastructure — British Gas, Bord Gáis Energy, Business Solutions, Centrica Energy, Storage+, Spirit, Nuclear.

➤ **Net zero by 2040**

Corporate target brought forward from 2045; customers by 2050; £600–800m invested a year to 2028.

Culture is a shared meaning system

It shapes interpretation, behaviour and the legitimacy of business practices (Samovar et al., 2016).

Culture

refers to the learned and shared patterns of values, beliefs, symbols, and behaviours through which groups understand their experiences and communicate with one another, as defined by Jandt (2020).



Values & beliefs
what is desirable

Language & symbols
how meaning travels

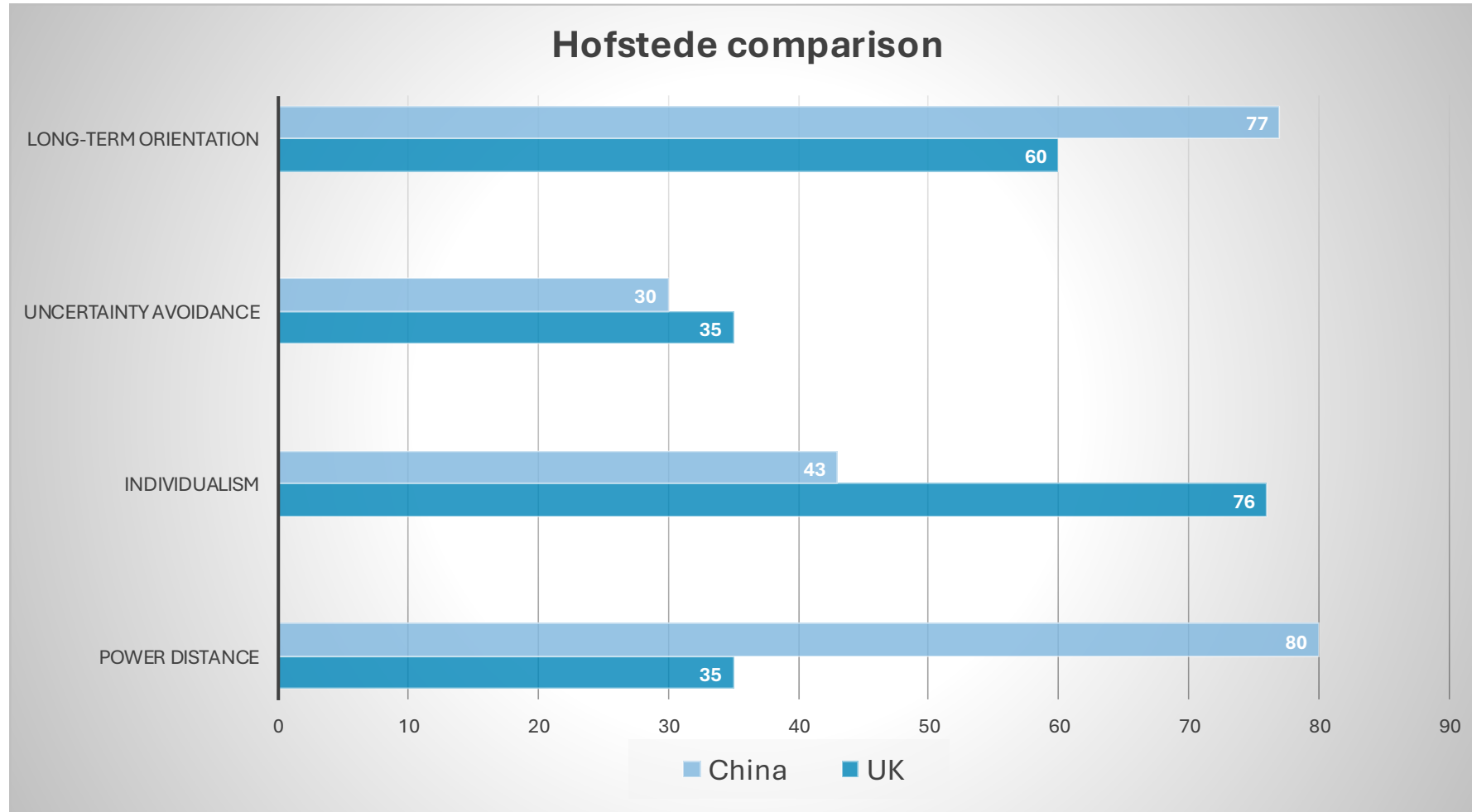
Norms & etiquette
what is appropriate

Institutions & hierarchy
who may decide

Time & relationships
when trust is sufficient

Work practices
how risk is controlled

Hofstede scores: the largest gaps are hierarchy, self/group and time



(Hofstede, 2025)

66

both score

66 on achievement
orientation

A bridge:
results and
capability

Relational logic: trust is an operating system

关系

GUANXI - reciprocal relationship networks

Impact: access, information and speed depend on invested relationships — enter through a trusted intermediary (Graham and Lam, 2003).

面子

MIANZI - face, standing and social dignity

Impact: public contradiction stalls talks — correct privately and always offer a face-saving option (Graham and Lam, 2003).

人情

RENQING - reciprocal obligation, human feeling

Impact: favours create expectations — reciprocate transparently, never trade favours for compliance (Graham and Lam, 2003).

层级

HIERARCHY - seniority legitimises authority

Impact: only senior sponsors can commit — align titles, seating, speaking order and escalation (Graham and Lam, 2003).

宴请

BANQUETS, GIFTS - hospitality as relationship work

Impact: meals build trust but rarely settle terms — keep gifts modest, recorded and policy-compliant (Graham and Lam, 2003).

长期

PATIENCE - collective consensus, long-term view

Impact: consensus plus senior approval lengthens timelines — plan multi-year value, avoid deadline pressure (Graham and Lam, 2003).

Language, etiquette and implicit agreement: six frictions

ELEMENT	WHAT MAY BE HAPPENING	IMPACT ON BUSINESS OPERATIONS
LANGUAGE	Idioms, technical ambiguity, interpreter filtering (DIT, 2016)	False consensus; safety and specification errors
CONTEXT	“Maybe” or silence may protect harmony, not signal assent (Hall, 1976)	Premature announcement or commitment
ETIQUETTE	Cards, seating, titles, banquets and gifts carry status signals (TCS, n.d.)	Unintended disrespect or compliance exposure
PACE	Patience and holistic bargaining vs sequential UK closure (Graham and Lam, 2003)	Deadline pressure weakens trust and leverage
DECISION	Collective consultation plus senior approval (Graham and Lam, 2003)	Wrong person treated as final decision-maker
AGREEMENT	Implicit relationship milestone vs explicit UK endpoint (Hall, 1976)	Scope drift, re-trading, unenforceable expectations

Real-world base: Centrica already holds a China precedent

Strategy is built on an existing partnership track record, not a blank slate.

Centrica + Shenergy: REAL PRECEDENT from 2020 (Centrica plc, 2020)

CENTRICA

**British Gas parent;
integrated energy and
services group**

Commercial capability:
customers, energy
management, trading,
storage and optimisation.

15 years

supply agreement

0.5 MTPA

LNG volume

2024

delivery start

First

long-term China supply
contract

Strategic opportunity

Build a staged partnership around flexibility, storage, optimisation or
clean-energy capability.

Prepare the relationship, mandate and evidence

1 Select & verify

Counterparty ownership, decision rights, sanctions, beneficial ownership, IP and reputation.

2 Build the bridge

Appoint a credible zhongjian ren / adviser; schedule relationship-building before term bargaining.

3 Match the room

Send senior sponsor, commercial lead, technical authority, counsel and independent interpreter.

4 Design the mandate

BATNA, walk-away points, concession ladder, approval limits and a multi-year mutual-gains map.



Sequence trust, discovery, bargaining and confirmation

RELATE

Acknowledge hierarchy; exchange cards carefully; host proportionate meals; learn priorities.

DISCOVER

Ask open questions; listen through silence; separate “heard” from “agreed”.

BARGAIN

Negotiate the whole package; trade, do not give; use conditional concessions.

CONFIRM

Bilingual recap after each session; owners, dates, assumptions and unresolved points.



Treat the contract as a relationship milestone with hard controls



BILINGUAL CONTRACT

Governing language, definitions, scope, price formula, delivery, quality and change control.



JOINT GOVERNANCE

Executive steering committee + operational workstreams + named relationship owners.



DECISION SYSTEM

RACI, reserved matters, approval thresholds, minutes and a single issue register.



RISK & REMEDIES

IP/data boundaries, audit, compliance, sanctions, dispute ladder, arbitration and exit.

Conclusion

➤ Adapt the method. Do not dilute the mandate.

➤ **Key takeaways**

AWARENESS

Cultural intelligence
anticipates different
meanings, authority and
pace

ADAPTABILITY

Change behaviour and
communication style
without surrendering
standards

ARCHITECTURE

Convert relational trust
into clear, enforceable
joint action

Final recommendations to the Board

- Approve a staged negotiation mandate with a senior sponsor and an independent interpreter / cultural adviser.
- Invest in relationship-building and verification before price and volume bargaining; brief the team on face, hierarchy and etiquette.
- Close every session with a bilingual written recap, and gate scale-up on a 90-day pilot with agreed KPIs, audit and compliance rights.



Questions

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