

# Labor Pains

HOW TO ENSURE YOUR WORKERS  
IN CHINA ARE TREATED FAIRLY

ROD TRUJILLO has visited thousands of Chinese factories and has seen a wide range of working conditions. "I'm not opposed to hopping on a plane to make sure there are no labor abuses at our factory," says Trujillo, 38, founder of International Rubber Products, an \$11 million Rancho Dominguez, California, maker of molded rubber products.

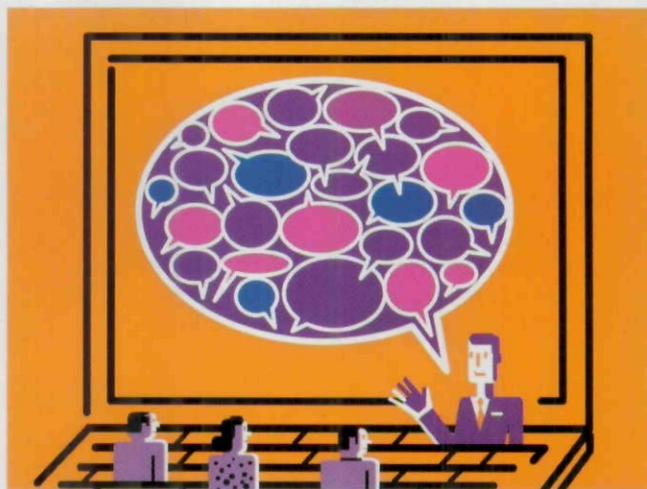
As more companies turn China's low labor costs into their competitive advantage, many have found that they need to take extra pains to make sure the people making their products are treated well.

"Over 80 percent of factories there engage in labor abuse—either overtime abuse or wage-rate abuse," says Usha Haley, professor of international business and director of the Global Business Center at the University of New Haven in Connecticut as well as co-author of *The Chinese Tao of Business: The Logic of Successful Business Strategy*.

Some U.S. companies hire auditing firms to monitor the treatment of workers, but an entire industry has formed to help factory managers fool auditors. It's better to make site visits or hire a consultant who knows the business terrain and speaks the language. Zotes, a Salt Lake City maker of sunflower seed snacks with \$2 million in sales projected for 2007, did just that. "Our consultant can really flush out the bad facilities," says Zotes founder Jason Fry, 34.

Haley and Trujillo say the best way to avoid labor abuse is to ease the price pressure on Chinese sources. "Don't go for the lowest price," Trujillo advises. "Your employees will be treated like crap and your product quality will be uneven." —KRISTIN OHLSON

**With his own eyes:** Rod Trujillo has visited Chinese factories himself to check for labor violations.



# Under the Influence

TO GAIN FAVOR ONLINE, TARGET  
THOSE WHOSE OPINIONS COUNT.

SOCIAL NETWORKING sites, blogs and message boards are full of rankings and recommendations of products, services and businesses. But all that information can leave a prospect with information overload, says David Meerman Scott ([www.webinknow.com](http://www.webinknow.com)), author of *The New Rules of Marketing and PR*.

That's why the latest trend in marketing via social networking is to appeal to the thought leaders—credible experts, ranging from editors to individuals with message board cred. Through their recommendations, these gatekeepers can be the key to helping customers find your business faster.

Courting these influencers requires more finesse than traditional in-your-face marketing tactics, Scott says. Virtual hangouts, where people chat in real-time or post on message boards or blogs, can be filled with thought leaders. He recommends lurking in these online gathering and info-sharing places. "Before you do anything active, get a sense of what the unwritten rules are," says Scott. "Which are the voices that others respect, and what are they saying?"

Once you do participate, don't be promotional. Join in the conversation in a meaningful way, adding your expertise to the conversation. Post feedback on blogs with your website or blog URL. If people like what you have to say, they'll check out the links to find out more about who you are, says Scott, so make it easy to find you by having your own well-constructed website or current blog.

Pursue personal connections, says Scott, whether it's by making an effort to meet the individual at a conference or simply forwarding information (not about your company) that the thought leader might find interesting. This helps you gain trust and credibility, which is the best path to getting the attention of the influencers who stand above the crowd.

—GWEN MORAN

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