

COMPETE WITH CHINA SPEED BEYOND THE SUBSIDIES

A leading Chinese carmaker goes from blank sheet to showroom in 18 months. The European average is 60. Roughly 15 percent of that gap is subsidies and labour cost. This briefing is about the other 85.

LEADING CHINESE CARMAKER — CONCEPT TO SHOWROOM



18 months

EUROPEAN OEM AVERAGE — SAME JOB, SAME TECHNOLOGY CLASS



60 months

INSIDE

Where the 42-month gap comes from

Eight things you can start on Monday

Four mechanics that make a company fast

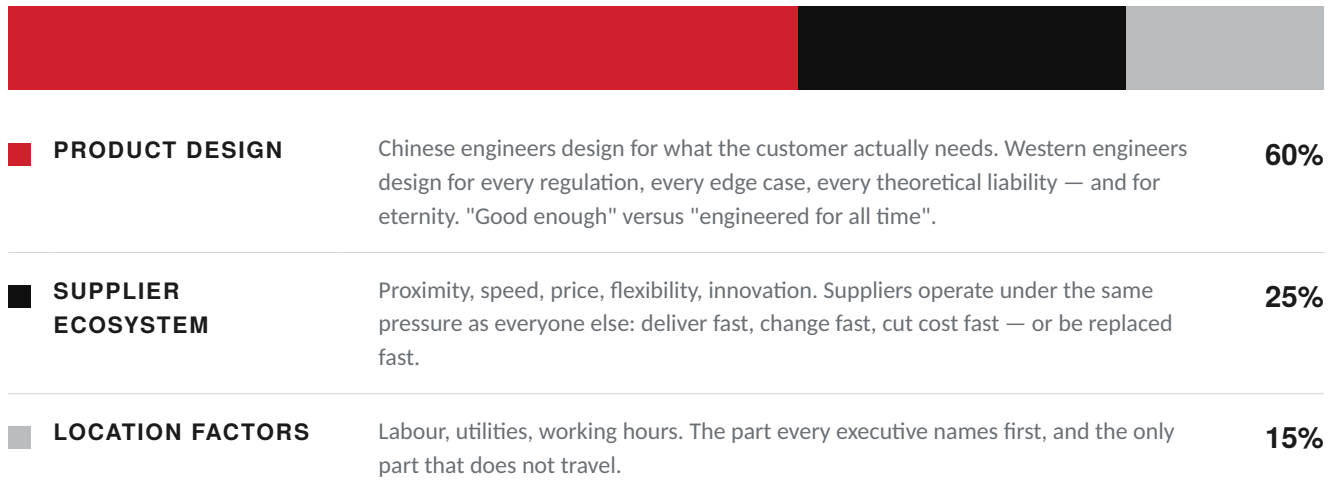
A twelve-question speed diagnostic

Five principles that build speed into people

THE SCALE OF THE GAP

ONLY 15 PERCENT OF THE ADVANTAGE STAYS BEHIND AT THE BORDER

Benchmarks across automotive, machinery, white goods, power tools and wind energy show Chinese manufacturers developing products 25 to 40 percent faster than Western counterparts, at 20 to 30 percent lower cost. In some sectors the gap is wider. The uncomfortable part is not the size of it — it is the composition.



Eighty-five percent of the advantage is structural, and structural means transferable. When Chinese firms set up operations in Europe — which they are doing now, systematically — they bring more than half of it with them. Efficiency does not evaporate at customs.

THE DARK FACTORY TEST

25%

Remaining cost gap against China for a fully automated plant modelled in Germany: 200 robots, 150 AGVs, autonomous logistics, two employees on site for maintenance, running 24 hours a day, seven days a week. The same model in Romania: 15 percent.

Automate to the point where labour cost has almost left the equation and most of the gap is still sitting there. What remains is design philosophy and supplier ecosystem. Both are choices, and choices can be changed.

IT IS NOT ABOUT WHERE YOU ARE. IT IS ABOUT HOW YOU THINK.

Cost and speed benchmarks: Roland Berger, *China's cost and speed advantage*. Dark factory model: MYWAY Consulting, comparative footprint study, Germany / Romania / China.

FOUR THINGS THAT MAKE AN ORGANISATION FAST

1. Urgency is born from survival, not comfort

Building a company in China in the 1980s and 1990s meant no brand heritage, no protected market, superior Western technology flooding in, and a domestic market so brutally contested that failing to capture it today meant three competitors took it tomorrow. That pressure did not paralyse those firms — it became their operating system. Founders have spoken publicly about the possibility of their own collapse for decades, not for drama, but to keep the organisation permanently mobile.

In most Western organisations, optimism is rewarded and stability is celebrated. The unspoken assumption is that we have time.

2. Decision-making is a discipline, not a meeting

A 24-hour decision standard. Approval workflows documented, measured and reported daily: how long did this take, who held it up, what did the delay cost. Increasingly those dashboards are read by AI scanning for bottlenecks. Delay is expensive and visible, which is why it is rare.

The Western counterpart: a decision enters a committee and returns six weeks later slightly modified, with no clear owner and three new sub-committees appointed to study it further. Nobody measures the cost of those six weeks, so the delay is free.

RESULTS CAN BE EXPLAINED — BUT EXPLANATIONS DO NOT CHANGE THE RESULT.

3. Targets are set to force a different conversation

If the development cycle is 48 months this year, next year's target is 36 — not because it is achievable, but because it forces the organisation to interrogate every assumption about why it took 48. Most of those assumptions turn out to be obsolete, wrong, or somebody's political territory. If targets are missed, leaders change, not targets.

Contrast the homeopathic target culture: two percent improvement, five percent efficiency gain. Targets so modest they generate no urgency, and the organisation knows it has been let off the hook.

4. Data was collected fifteen years before anyone knew what for

Chinese construction equipment manufacturers began fitting sensors around 2008 — IoT before anyone used the word — and by 2010 it was standard across the major manufacturers. European companies were still asking what data they needed, who owned it, and what the business case was.

For a decade the data yielded useful but unremarkable insight. Then AI arrived, and fifteen years of dense operating data turned into rocket fuel: failure prediction, design optimisation, compressed simulation, feedback straight into development. The companies that waited are not behind in AI capability. They are behind in data, and data is what AI runs on.

FIVE PRINCIPLES THAT BUILD SPEED INTO PEOPLE

Speed is not a process. Process re-engineering alone will not deliver it, because the constraint sits in how people are hired, judged, developed and held. These five appear consistently across the Chinese industrial companies that lead.

01 Turn the org chart toward the customer, not the boss

In most organisations people look upward for validation: did my manager approve, did leadership sign off. Where performance is judged by the customer's reaction instead of the manager's comfort, people stop waiting for permission and start responding to real signals. Flatten the psychology, not just the hierarchy.

02 Hire for achievement, not credentials

The most aggressive employers screen on one question: what have you actually done. Some recruitment programmes drop degree requirements entirely and select on demonstrated achievement in the field. Your hiring filter is your speed ceiling — if you only hire from the same pools, you get the same pace.

03 Develop leaders by rotating them through pressure

Leadership development is experiential, not theoretical. Leaders are rotated through real operating responsibility before they are considered ready — sometimes into the top role itself, on a rotating basis, with senior mentorship as the safety net. The organisation should never be paralysed by the loss of one person.

04 Make learning mandatory, not optional

Internal learning treated as infrastructure rather than a perk: mandatory curricula on products, processes and tools, mandatory reading, exams with real consequences. Not compliance training — operational mastery. Education deserves the same investment as R&D. Do not outsource it. Industrialise it.

05 Use coaches who have lived the work

The most effective industrial training programmes select practitioners as trainers, not professors or external consultants. The credibility of the teacher directly determines the speed of adoption. If your trainer has not done the job, your training produces compliance theatre.

AND ONE THAT BINDS THE OTHERS

Build resilience as a management system, not a personality trait. Dedication and grit are designed into hiring criteria, performance management, promotion and compensation — and stories of failure turned into success are retold deliberately and constantly, because that is how a culture tells people what it expects. Do not hope for resilience. Design for it.

EIGHT THINGS YOU CAN START ON MONDAY

None of these require a budget cycle. Each one can be decided in a single leadership meeting — which is exactly the point.

01 Build a lean operating system that involves everyone

Structured daily bottom-up problem identification, combined with top-down ambitious targets. Set improvement targets at 50 percent and coach people through the system. Ambition from the top plus capability from the bottom is what produces sustained improvement. Not a suggestion box.

02 Break the law, temporarily

Suspend policies and procedures, let the work flow unconstrained, observe what actually happens — then regulate only what genuinely needs direction. Most policies were written to prevent a failure that happened once, under conditions that no longer exist.

03 Act on the status quo instead of explaining it

Stop letting a good explanation of a missed target count as success. Set big, hairy, audacious goals rather than homeopathic ones, and answer a miss with daily problem-solving rather than a monthly review and a new narrative.

04 Make people accountable and stop the committees

Committees make no decisions — they protect participants from accountability. Assign individuals, give them authority, measure outcomes. Train decision-making explicitly, with evidence requirements and time limits. Most organisations treat decisiveness as a personality trait. That is why they are slow.

05 Build an integrated product development system

Cross-functional teams with real authority, stages running in parallel, suppliers involved early. The largest time savings come from parallel processing, not from working faster inside a sequential structure. The structure is the bottleneck.

06 Invest in automation, digitalisation and AI without the caveat of restriction

Not after the governance framework is finalised — in parallel with it, learning as you go. Build the data infrastructure before you know what you will do with it: its value will be set by technologies that do not yet exist at scale. Govern outcomes, not experiments.

07 Reform supplier relationships toward proximity and shared urgency

Explore automation and AI clusters with partner companies. Revisit competitive boundaries: where can you partner with a competitor to reach scale neither of you can build alone? Treat the supplier base as a strategic asset, not a cost lever.

08 Accept that experience adds features but never removes obsolete ones

Accumulated expertise is genuinely valuable and genuinely constraining. The engineers who know most about how a product has always been built are often slowest to accept that it should be built differently. Design that tension into development teams deliberately.

DIAGNOSTIC

TWELVE QUESTIONS FOR YOUR LEADERSHIP TEAM

Ninety minutes, the whole team in one room, answered honestly with numbers where numbers exist. Score each from 1 (this describes us exactly) to 5 (not us at all). The questions where your team disagrees most are usually the most valuable ones.

QUESTION	1	2	3	4	5
We can state our average concept-to-market time in months, from memory, right now.	☐	☐	☐	☐	☐
We measure how long decisions take, and we know who held up the last three.	☐	☐	☐	☐	☐
A missed target triggers action within days, not a review and a better explanation.	☐	☐	☐	☐	☐
Our improvement targets are ambitious enough to make current assumptions unusable.	☐	☐	☐	☐	☐
Named individuals own our most important open decisions — not committees.	☐	☐	☐	☐	☐
Development stages run in parallel, with suppliers involved from the start.	☐	☐	☐	☐	☐
We design to what the customer needs, not to every conceivable edge case.	☐	☐	☐	☐	☐
We are already collecting operating data we do not yet have a business case for.	☐	☐	☐	☐	☐
Our people are experimenting with AI now, in parallel with governance, not after it.	☐	☐	☐	☐	☐
Our tier-one suppliers respond to change requests in days rather than quarters.	☐	☐	☐	☐	☐
We can name the terrain we can defend against a faster, cheaper competitor.	☐	☐	☐	☐	☐
If a Chinese competitor opened a plant 50 km away next year, we have a plan.	☐	☐	☐	☐	☐

12–24 — you already run close to China Speed; the risk is complacency in one or two specific areas. **25–42** — typical for a strong Western industrial company: the capability is there, the cadence is not. **43–60** — the gap is structural and will widen on its own. Start with questions 2, 3 and 5; decision latency is the cheapest thing on this page to fix.

Bring the completed sheets to the workshop. The spread between the highest and lowest score on any single question tells you more than the average does.

WE DIDN'T DO ANYTHING WRONG, BUT SOMEHOW, WE LOST

That is how Nokia's chief executive described the end of the world's most valuable mobile phone company. It is the most precise description of structural competitive displacement there is. You do not have to make mistakes to fall behind. You only have to stand still while the rules change around you.

Nokia did nothing wrong by its own metrics and its own definition of the game. The problem was that the game had changed, and it was still playing the old one. The threat to Western industry is not a dramatic failure. It is a quiet, steady drift — doing yesterday's job well while the world redefines what the job is.

CHINA SPEED IS A MINDSET. AND THAT MINDSET IS AVAILABLE TO ANY ORGANISATION WILLING TO CHOOSE IT.

Not by copying China — the working conditions, the geopolitical context and the governance structures are different, and some of it is neither transferable nor desirable. But permanent urgency, ruthless pragmatism, radical responsiveness to new information and the willingness to move before you are certain are available everywhere.

The companies that lead the next decade will not be the ones that defend what they have. They will be the ones that combine Western depth — quality, innovation, regulatory mastery, customer trust — with Chinese urgency. That combination does not exist at scale yet. Building it is the opportunity of this decade.

The gap is visible. The time is short. The decision is yours.

WANT TO RUN THIS WITH YOUR TEAM?

The talk is available as a 45-minute keynote, a half-day executive workshop built on your own numbers, or ongoing advisory on global footprint, production relocation and development speed.

Johann (Hans) Koenigshofer · MYWAY Consulting GmbH
hans@mywayconsulting.at · competewithchinaspeed.at