

# TheLINK

CEIBS Alumni Magazine

Volume 3, 2015



**ENTREPRENEURSHIP**  
**ISSUE**

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If you have dreams of being the next Steve Jobs or Jack Ma, this is the issue for you. It's also a good read for anyone who's curious about what it takes to launch a business from the ground up. In our **Cover Story**, we take a look at what CEIBS is doing to nurture entrepreneurs among its students and alumni – and how they're helping themselves. We bring you the story of a husband and wife team whose company builds drones, and tell you about a group of students whose business idea is now being nurtured in the new MBA E-Lab. There's also great advice from a venture capitalist on what makes him give a project the green light, as well as a valuable lesson from PPTV Founder Bill Yao on how to recover from a \$20 million blow.

And there's still a lot more.

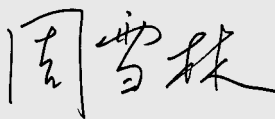
So be sure to check out the **Features** in this issue. One is renowned economist Prof Wu Jinglian sharing his knowledge on the topic of China's Elusive New Normal. We also get to sit in on a chat with Strategy Professor Daniel Han Ming Chng, and we profile MBA 2016 Student Committee President Kyle

Baron. Plus we take a look back at CEIBS Honorary President Liu Ji's legendary stint as Chairman of the Education Foundation.

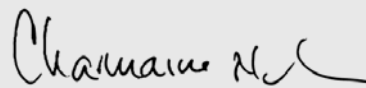
Then in **CEO Talk**, EMBA 2005 alumnus Hou Zhengyu explains why his company Bridge HR thinks video résumés are the way of the future, while in **CEIBS Knowledge** there's the latest analysis of how China's market leaders are performing and the challenges ahead for them in the years ahead.

There's a lesson in cultural complexity in the **Linking In** section, where we introduce you to MBA student turned professor Jane Lu, whose studies and career have taken her across three continents.

As usual, there's the round-up of alumni events and activities showcasing what our grads have been up to since our last issue as well as scenes from around campus and the wider CEIBS community. We're looking forward to sharing your stories in the months ahead. So be sure to give us your feedback at [alumnimagazine@ceibs.edu](mailto:alumnimagazine@ceibs.edu) and keep your suggestions coming about what you'd like to see on our pages!



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Published bi-monthly by CEIBS. The authors' views expressed in this publication do not necessarily reflect the views of our editors or of CEIBS.

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## Former Irish PM Headlines CEIBS Event



Ireland's former Prime Minister John Bruton shared his views on his country's and the EU's current political and economic landscape during a speech at CEIBS Lujiazui Institute of International Finance on May 8. Drawing on his career and public life at the highest levels, Bruton explained the overarching impetus of the European Union as a post-war peace project, which has effectively created economic interdependence among countries that were former enemies. He also outlined how, for Ireland, becoming a member of the then European Economic Community in 1973 opened significant avenues for economic growth and national development.

## Can Innovation Drive China's Economy?

Is Internet+ just the latest gimmick? Can innovation really drive China's economy when the country has already perfected the art of copying? And what role can business schools play in all of this? A half-day seminar at CEIBS Shanghai Campus on June 5 explored these issues and more, with presentations by renowned economist Xu Xiaonian, Tencent's Hou Xiaonan, Jiangling Auto's Wang Xigao and entrepreneurial guru, CEIBS President Pedro Nueno.

Prof Xu sent ripples through the auditorium when he questioned the importance of one of the latest buzz phrases: Internet+. In his view, the internet is merely a tool for transformation, not a magic wand. He stressed that there is nothing new about Internet thinking, saying it's based on existing economic principles. He noted, however, that Internet technology should not be ignored or feared as it can be a great tool for increasing efficiency.





## China's IPO Reform

The benefits of a proposal to shift China's stock market from an approval-based IPO system to a registration-based one were outlined by CEIBS Lujiazui Institute of International Finance (CLIIF) Director Wu Xiaoling at a salon co-hosted by CLIIF, the China Financial Information Centre, the Shanghai Financial Association and Shanghai University of Finance and Economics Financier's Club on May 9. Wu, who is also Deputy Director of the Financial and Economic Affairs Committee of the Standing Committee of the National People's Congress (NPC) and a member of the Standing Committee of the NPC, explained how the proposed changes to the securities law for IPOs would help boost the role of the market, protect investors, and boost innovation by making it easier for small- and medium-sized companies to raise funds through an IPO. More than 100 senior finance executives attended her lecture, which was titled "Progress, Problems and Prospects for Revision of Securities Laws".



## Peter Thiel & Reid Hoffman Offer Investment Advice



Is there a bubble in Silicon Valley, and what's the best way to pick an investment? Those were some of the questions answered by PayPal Co-Founder Peter Thiel and LinkedIn Co-Founder Reid Hoffman during a May 25 Master Class at CEIBS Shanghai Campus. As members of the PayPal Mafia, a group of investors that have a hand in many of the world's most successful tech-related enterprises (dubbed Unicorns), they had the answers. In fact the topic of their speech was "PayPal Mafia China Reunion: The Secret of Unicorns".

## China-India Entrepreneurship Round Table

Senior executives from Tata Group China, CII and China International Capital Corporation were among the speakers at the China-India Entrepreneurs Roundtable held at the CEIBS Lujiazui Institute of International Finance on May 15. The event, which coincided with Indian Prime Minister Narendra Modi's visit to China, was organised by the CEIBS Education Foundation together with the Confederation of Indian Industry (CII) and provided a platform for leading Indian entrepreneurs and CEIBS alumni to discuss bilateral cooperation between India and China. The school leadership attended.



## Digital Banking Conference in Singapore



The challenges of harnessing the disruptive innovations that the Internet is bringing to the finance industry were the focus of two days of discussions

in Singapore at a conference titled "Digital Banking, Financial Inclusion and Impact Investing". Co-organised by CEIBS and the Sim Kee Boon Institute for Financial

Economics (SKBI), it was held at Singapore Management University and attendees included bankers, entrepreneurs and academics. The event ran from May 6-7.



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Mr & Mrs Bund

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# China's Elusive New Normal?

■ By Wu Jinglian, Researcher at the Development Research Centre of the State Department & CEIBS Baosteel Chair Professor of Economics

“This is the current economic situation: the ‘Old Normal’ cannot last, but the ‘New Normal’ does not yet exist. To establish the type of New Normal that we expect, the key is to bravely push ahead with reforms while keeping the general economy stable, optimise the economic structure and improve efficiency. To put it simply, we need to complete the transformation of the economic growth model.

## AN OLD NORMAL THAT CANNOT LAST

The so-called Old Normal status of the Chinese economy refers to the long-standing economic growth model that involves high-speed development driven by vast investments and huge export surpluses. The Old Normal cannot last, that is

now an undeniable fact. With the strong stimulus of the RMB4 trillion investment and RMB10 trillion of loans in 2009, China's GDP saw two quarters of growth above 10%, and then took a downward turn which has lasted till now. From 2011 to 2014, China's GDP registered annual growth of 9.2%, 7.8%, 7.7% and 7.4% consecutively, and in the first quarter of this year the percentage of growth lowered further to 7.0%.

Why is it impossible for the Old Normal to last? There are two views.

The first makes use of the insufficient impact of the troika's [a universally accepted term for three organisations which have the most economic power in a country] explanation for the downward turn in China's economic growth. The “troika” analysis is essentially a new version of the Keynesian short-term analysis framework. According to Keynes' theory, total supply

is decided by total demand. When there is not sufficient demand and there is a period of economic recession, fiscal and monetary policies should be used to increase demand and maintain growth. Remember that Keynesian theories and their resulting policies are proposed to solve short-term economic problems. But Keynes, never one to avoid tough questions, had an answer to the criticism levied by new liberalism: in the long run we are all dead. Meaning that, in the long run, a market economy will automatically recover its equilibrium after periods of economic fluctuation. However, if there were no intervention, the losses would be too great in the short term; just as measures such as building dams and fighting floods would still need to be taken (even though the waters would eventually ebb without action) or people would die during a flood.

Now there is a popular argument that says China's long-term economic problems are to be analysed by the Keynesian short-term analysis framework. The "troika" decides the growth rate of the economy, and we have already seen this technique being used in the long-term. Consequently, the remedy for slowing growth is to provide stimulus with expansive macro-economic policies, which results in the over-issuing of currency, and huge debt for enterprises and governments, which presents the potential systematic risk of "national balance sheet recession". In my opinion, it's a misuse of the Keynesian theory to use it for analyses of long-term economic problems – even if it's 100% right.

To give a forecast of China's

economy, I think we should look at it from the perspective of supply, rather than that of demand. In the past, people generally accepted that production is decided by the two factors of labour and capital. Robert Solow pointed out in his 1956 paper that, apart from those two drivers for growth, there is a remaining figure (Solow's Residue A). His research used data from the first 49 years of 20th century America. He defined this residue as technological advance: the improvement of total factor productivity (TFP). Solow's production function shows that economic growth is driven by three factors: new labour, added capital (investment) and improved efficiency (greater TFP).

The root of China's current economic problem lies in the defect in the country's growth model, which is mainly supported by investment. Overly high investment means a low consumption rate, and ultimately insufficient demand. To make up for such defects, Japan made export-oriented policies after WWII, encouraging exports and discouraging imports by devaluing domestic currency and other methods, thus increasing net

*“The root of China's current economic problem lies in the defect in the country's growth model, which is mainly supported by investment.”*





exports. China took the same approach, particularly after foreign currency reform, when export surplus surged and supported the rapid increase of production. However, the experience of Japan and East Asian countries shows that long-term use of export-oriented economic policies has considerable side effects, or even dire consequences. In the 21st century, and particularly after the 2008 global financial crisis, it has become necessary for China to change its export-oriented policies.

Prior to the reforms, improvements in efficiency contributed little to China's economic growth. With the beginning of the reforms and opening-up, efficiency was greatly improved, mainly from two sources. There was a structural change. For example, in the past the rural and urban areas were completely divided, leaving resources unable to flow freely. After the reforms began, the labour and land markets opened up, and there was a significant improvement in the efficiency with which they were used. The second source was opening-up. There was rapid improvement in productivity with the

purchase of foreign equipment and the acquisition of foreign technology. The bonus of having the world's largest population was also an important factor.

Around 2006, the above-mentioned factors for high-speed growth obviously slowed down, and China's potential for growth began to slow down as well. To maintain economic growth, investment had to be relied on more and more heavily, i.e. through borrowing, through pumping more money into the market. By 2010, the problem had become starkly serious, the most serious symptom of which was the surge – since 2009 – in the leverage rate for the national balance sheet, and particularly for those of local governments and enterprises. This increased the risk of systematic crisis.

### A NEW NORMAL HAS TO BE ESTABLISHED

The term New Normal was first used by former CEO of Pacific Fund Management Mohamed El-Erian to describe the possibility of a long-term economic recession after the 2008 global

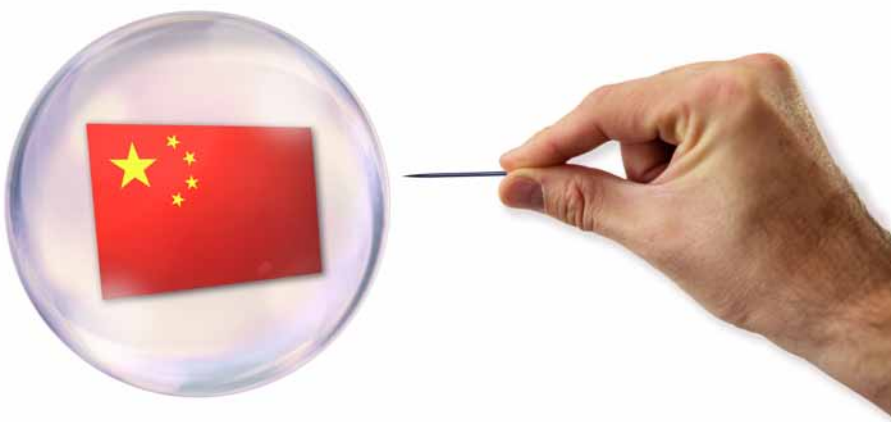
financial crisis.

This is definitely not the New Normal we hope to establish. According to authorities on the issue, there are – in general – two aspects to the New Normal for China's economy: first, from high growth to medium-high growth; second, from scale-and-speed-type extensive growth to quality-and-efficiency-type intensive growth. The first aspect is now an established fact, and most people are, to an extent, prepared for it. The second aspect is still just a hope, not actual fact, and can only be achieved with effort. Only by quickening our pace in the second transformation will China be able to conquer the current difficulties and embark on a broad road of sustained development.

As many of the past social problems were “covered” by quantitative growth, there is a risk in letting economic growth fall too quickly. If we cannot make up for quantitative loss with qualitative improvement, many social and economic problems will surface – and even intensify.

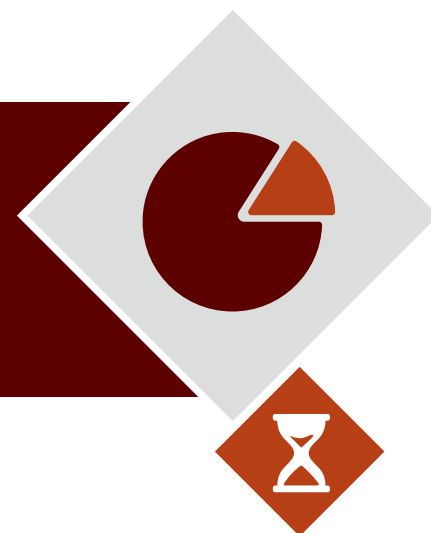
With the growth rate remaining worryingly low, in recent months, there have been increasing arguments that “demand is to be expanded and growth sustained”, and calls for the central bank to “pump more liquidity” into the market. There are plans for large investments into railways, public facilities and infrastructure. However, I doubt whether these “good old ways” can be effective.

Can expansive monetary policies solve the problem of insufficient demand? Chief economist for Japan's





*Poor people face greater dangers when they lose money than the rich, so we have to pay attention to this issue.*



Nomura Research Institute, Dr Richard Koo's analysis of "balance sheet recession" offers some interesting insight. He points out that when there is a crisis of "balance sheet recession" resulting from leverage rates that are too high, monetary policies will be useless. This is because when "cash is preferred", people will be unwilling to make long-term investments. If they have money at hand, people will be more willing to invest in stocks rather than in industry, which has low liquidity and is hard to exit. If monetary policies are overused, there will be bubbles and inflation in the stock market; or the bubble may burst, causing a severe crisis. Currently new investors into China's stock market are generally young, and when such inexperienced youth with little capital and sense of risk open lots of accounts, there is a greater risk that once problems arise, social stability will be shaken. Poor people face greater dangers when they lose money than the rich, so we have to pay attention to this issue.

We should also take a close look at the drivers of investment. In recent years, when it comes to returns on investment

the "rule of decrease by degrees" has become increasingly obvious. There were many projects that got under way in the hustle and will yield little, and in the end they will only increase the leverage rates and further add to the risk.

As I said before, the best approach is to focus on pushing forward with the reform and opening up while keeping the general economy stable and making sure that there is no risk of systematic risks. We can only promote the transformation of the economic growth model and the improvement of efficiency with reform and opening up.

The problem is that the transformation of the economic growth model is not a new one. As early as 1995, when the ninth Five-Year plan for 1996-2000 was being drafted, it was proposed that the two "fundamental changes" of turning the extensive type of economic growth into the intensive type, and turning the planned economy into a market economy must be carried out. Now it is 20 years later. The policy making and reform practices during these 20 years all came down to one major debate

on "where should China go?" The 18th National Congress of the CPC gave a clear answer to the question: we must stick to the reform principles outlined during the Third Plenary Session (TPS) of the 11th National Congress, "comprehensively push ahead with reforms with greater political courage and wisdom". Then, the TPS of the 18th National Congress made a general blueprint of the effort to comprehensively further the reforms. The Fourth Plenary Session further stipulated the guideline of comprehensively pushing forward the rule of law.

### **HOW THE GENERAL ECONOMY SHOULD BE STABILISED TO BUY TIME FOR THE REFORM**

Leverage rates are now too high in China, with total debt amounting to 250% - 300% of GDP, debt for local governments exceeding RMB16 trillion, and about RMB1.8 to 2 trillion total debt due in 2015. There is considerable financial risk in this. If individual enterprises face financial problems or a



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*Stop pumping blood into zombie companies.*

”

few people run away, these are not big problems. What is to be guarded against is systematic crisis.

To avoid systematic crises, strong measures need to be taken to control and avoid risks:

- 1) Properly deal with local government debt. The Treasury has provided RMB1 trillion of local government debt limits for the clearing of existing debts, and there may need to be complementary measures;
- 2) Stop investments that bring little or no return;
- 3) Stop pumping blood into zombie companies;
- 4) Stop bail-outs;
- 5) Use state-owned assets to pay the government's contingent liabilities. Our most important contingent liability now is the gap in social security funds; it's immense in number, and a potential danger. The TPS of the 18th National Congress of the CPC made the decision to put aside state-owned assets as a subsidy for social security funds, but up to now there has been no action taken;
- 6) For insolvent companies, let them go bankrupt and reshuffle under bankruptcy protection, minimise the potential risks and turn big problems into small ones;
- 7) Effectively use the existing dead assets resulting from extensive growth. Like the wasted developmental zones lying out there, sunbathing across the country.

Second, with the help of proper fiscal and monetary policies, we need to keep the fundamental stability of the general

economy to prevent systematic risks.

The Central Meeting on the Economy called in December 2014 proposed “properly elastic monetary policy, and stronger fiscal policy.” These two points are both highly relevant. More active fiscal policies mean an increase in the deficit, which is now still some distance away from the generally-agreed warning line. There are two ways to increase the deficit: one is to increase expenditure, and the other is to reduce revenue. Now we need to make wide ranging tax cuts to address the major problem of enterprises' lack of initiative; and we must try everything we can to boost their confidence by improving the business environment. With regards to monetary policy, we should use a combination of deleveraging and the provision of the necessary liquidity.

### **CURRENT FOCUS: CARRY OUT REFORMS**

The most effective way to deal with the current situation and to establish the New Normal is to push forward with reforms. The TPS' Decisions gives clear definitions of the objectives of the economic reform, i.e. to develop a “unified open market system with ordered competition”. In fact, this objective was proposed as early as the TPS of the 14th National Congress. At the time the expression was, “the fundamental function of the market in the configuration of resources must be fully played out, and market systems must be developed... to be a unified, open, large market with competition.” Twenty years on, this systematic objective is reiterated



and around it there are hundreds of specific reform tasks assigned. Now we must sum up and measure the progress of various reform measures since the 18th National Congress against the standard of this “unified, open, market system with ordered competition” and decide on our next step.

Even before the convening of the 18th National Congress, there had been some pilot reforms towards a competitive market system, like the simplification of company registration and operations tax turned into value-added tax, etc. These reforms have obvious effects. Over the years our leaders have been calling for faster development of the service industry, but with little progress. Recently, with the advancement of the above-mentioned reforms, the service industry has made good progress, which keeps our employment numbers at decent levels despite falling economic growth. This shows us how important it is to quicken the pace of reform.

We can see that the reforms in government functions and simplification of government procedures have borne fruit. What requires our attention now is: first, prevent backlash against the reforms; second, carry out the reforms deeply and widely, make negative lists of market entry for enterprises and positive lists of government functions, and make official regulations for clear government-enterprise relations.

There has been the expected amount of progress in the financial reform – with the marketization of interest rates and exchange rates as key issues – and in the fiscal reforms with its focus on

the shaping of proper central-local governmental relations. Now we must figure out a way to solve more deeply entrenched problems.

In recent years, despite a certain reduction in the state-owned sector’s share of the national economy, SOEs are still in possession of huge key resources, and are dominant in many industries, so the status of the state-owned sector is crucial to the overall efficiency of the national economy. To change the status quo of low efficiency in SOEs, the TPS of the 18th National Congress of the CPC made a number of important decisions concerning SOE reform. Now there is an urgent need to quicken the implementation of these reform measures.


The China (Shanghai) Pilot Free Trade Zone is a historic experiment. Just as [Chinese] President Xi [Jinping] said, the experimental free trade zone is an attempt to “create a business environment that is marketised, internationalised, and conforms to the rule of law”, and an effort to adapt to the general trend of making trade and investment convenient. Now the model used by the Shanghai FTZ is being expanded to other areas, which means the comprehensive unfolding of a new opening up initiative. Local governments must contribute to the creation of this new opening up initiative with a view of facilitating convenience in trade and investment.

Private enterprises are the main driver for the transformation of the economic growth model. We should be concerned that some entrepreneurs do not have adequate confidence and

enough initiative. I suggest that the measures taken in 1998 to deal with the Asian financial crisis to aid the development of SMEs be taken up again. In-depth studies should be done to try to come up with realistic, comprehensive solution packages.

The effective operation of the modern market economy would not be possible without the government creating a convenient business environment and providing public service. With the anti-corruption campaign raging on, the chaos in officials’ conduct has been checked to a certain extent, but malfeasance has occurred and has begun to spread. Secretary of CPC Central Committee for Discipline Inspection Wang Qishan is right in pointing out that we should first cure the symptoms and then go on to cure the illness, and buy time for curing the illness by curing the symptoms. I think we should increase our efforts with the regulatory anti-corruption campaign, to put power in its proper cage. Also the government should adhere to the principle that “nothing can be done without the express license of the law” as pointed out by Premier Li Keqiang. We should make a list of the “license of the law”, a list of the powers of the government, making clear the rights and responsibilities of the government, and everything should be done according to the rules.

*This article is based on a speech by CEIBS Baosteel Chair Professor of Economics Wu Jinglian at the 7th Shanghai Financiers’ Salon and the 75th CEIBS Lujiazui Financiers’ Salon in April 2015.*



# Liu Ji: End of an Era

■ By Lei Na & Zhang Yueting

In the spring of 2015, Liu Ji stepped down as Chairman of the CEIBS Education Foundation and into the role of Honorary Chairman. He passed the heavy responsibility of leading the Foundation, which had amassed a RMB100 million endowment fund with him at the helm, to the new Chinese President of CEIBS, Prof Li Mingjun.

Mr Liu shares a hefty portion of the credit for the Foundation's launch and success to date. He was a hands-on chairman who often had heart-to-heart talks with those he was asking to make a donation towards CEIBS' future. And, though China is still developing an alumni donation culture, he has often launched public appeals during school events. "If you donate RMB1 million, we'd be grateful to you; and we won't think it's too much. We'd wish you even more success in your career and welcome more contributions in the future," he said at one event. "If you donate RMB1, we'd also be grateful to you, and won't think it's too little; because every dollar represents your absolute sincerity to CEIBS. RMB1 is equivalent to RMB1 million, because in both cases you're trying to do something good." The Foundation's original dream, he explained, was to cultivate a group of entrepreneurs who were grateful to their country and had a spirit of thanksgiving. He believes this spirit is an indispensable element of entrepreneurship. It represents fine qualities such as good-heartedness and fraternity; it is also the embodiment of a dream held by many generations of Chinese. A respected scholar with extensive knowledge, Liu has a grand perspective of CEIBS, China and the world. A look back at the history of the school and the Foundation makes clear his selfless contributions, and helps us better understand the profound meaning of the motto he crafted, "Conscientiousness, Innovation, and Excellence".



*The question was, if we insisted on educational autonomy, where would we get funding?*



In May, during an exclusive interview with *TheLINK* magazine at CEIBS Shanghai Campus, Liu took us on a journey in which he explained what it took to establish and run the Foundation over the last decade. He also shared his views on entrepreneurship and how important it is to have a strong support network for alumni.

### **Why did you establish the CEIBS Education Foundation?**

The idea of setting up the Foundation dates back to when I was CEIBS' Chinese President. As a joint venture by the Chinese government and then European Commission (EC), the funds to build CEIBS came from the EC's aid to third world countries with matching funds provided by Shanghai municipal government. The funding from the EC was a voluntary donation. The Agreement was valid for 20 years. But I thought, what about 20 years later? Of course, we hoped to continue to have autonomy in running the school because we know that was the only way we could catch up with those who were more advanced in the international MBA education field.

The question was, if we insisted on educational autonomy, where would we get funding? We realised that to promote the development of CEIBS, we would have to expand our income channel beyond merely revenue from tuition. So in the 1990s we came up with an idea – set up a foundation so we could save when we were economically well off. This would guarantee the survival and sustainable development of the school, even without financial aid from the government. CEIBS' then Chinese President Zhang Guohua visited globally well-known business schools including Harvard Business School (HBS) to understand the approach they took to the issue of funding. When he came back, he told



me that those schools all had their own foundations: HBS had USD30 billion, and Yale had over USD20 billion. This confirmed that we were on the right track; we started to raise money for our own foundation.

### **What was your goal in the Foundation's early days?**

At that time, our thinking was that we needed to raise at least several hundred million yuan as a source of funding for further development of the school. The plan was to leave the original endowment funds untouched, and use the income from the investment as a subsidy for teaching development. Compared with the scale of the Harvard and Yale funds, I think our initial goal was very practical. As the saying goes, "A journey of a thousand miles begins with a single step." When we began, it wasn't easy. We set up a fund and some alumni took the lead in donating money. But later, we made very little progress. So, after I stepped down as Chinese President of CEIBS, I set up the independent CEIBS Education Foundation. I was its first

Chairman and today I'm still promoting this cause.

### **Why was it so difficult, in the early days, to attract donations for educational purposes?**

It's the lack of a donation culture. For many westerners, whether they are entrepreneurs or the average person, they make a will on their deathbed: many donate some or all of their wealth to causes or organisations that will benefit the general public, instead of leaving it to their children. This has evolved into a donation culture in western countries. The concept is that wealth comes from the society, and should be returned to it. They feel that if someone simply inherits massive wealth without having to work for it, that will not be good for the person – or for the wider society. Unfortunately, we don't have a donation culture in China. Many Chinese entrepreneurs do pioneering work, strive for success and make money, because they hope their heirs will live a better life instead of undergoing a rough time like they did. Traditionally, Chinese people strive for

their offspring. But they fail to realise that what's more important is to cultivate children's sense of responsibility for the society and the nation, not just simply leave money to them.

In fact, when I persuade others to make donations to the Foundation, I'm always reluctant to get straight to the point. As an intellectual and professor, I find it embarrassing to ask for money; and I can't get rid of the influence of traditional Chinese culture. In comparison, when students finished studying at Harvard University, they would just ask them directly whether they would like to make a donation. For Harvard, it's just the logical next step for students to show gratitude to their school after they graduate.

### **You must have many stories from the past 10 years. What are some of your fondest memories?**

There have been many touching stories; two of them come to mind. The first is about our alumnus Huang Nubo (EMBA 1996), who was a poet



*If you donate RMB1, we'd also be grateful to you, and won't think it's too little; because every dollar represents your absolute sincerity to CEIBS. RMB1 is equivalent to RMB1 million, because in both cases you're trying to do something good.*





before being assigned to the Propaganda Department of the Central Committee of the CPC. But he immersed himself in writing poetry, with no interest in politics. The question was, how could a poet make a living? Then he thought of going into business. He often talks about how grateful he is to CEIBS, because the school changed his views and taught him how to be a successful businessman. When he became rich, he also thought of giving back to our school. When he climbed to the top of Mount Everest, he planted our school flag there to show his gratitude. Thanks to Huang Nubo, CEIBS is the first (and only one to date) business school with its flag waving on the top of Mount Everest! This is the unique spirit of the CEIBS community. Later, when we contacted him, he immediately decided to sponsor a RMB10 million chair professorship. Last year, he sponsored another, taking his total donation to RMB20 million.

The second story is about Baosteel. In principle, Baosteel never donates

money because it is a state-owned enterprise, and all its money belongs to the country. But after Baosteel's leaders enrolled at CEIBS, and they saw how much the knowledge we provided helped improve their international competitiveness, they sent all their management staff from general manager level and above to study at CEIBS. Later on, our alumni from Baosteel made a unanimous decision to sponsor a chair professorship at CEIBS – the Baosteel Chair Professor of Economics which is held by the renowned Prof Wu Jinglian.

There are also a lot of other alumni worth mentioning. For instance, one couple – Mr Wang Yi (EMBA 2006) and Mrs Wen Simin (EMBA 2009) – have each donated RMB10,000 to CEIBS every year for the last five years. Though it's not a huge amount of money, it is very noble of them to think of their alma mater every year. This also represents the CEIBS community spirit. For all our alumni who have tried their best to make contributions to the school, we

do our best to express our most sincere gratitude. Every year in our annual reports, the Foundation lists the names of all our alumni who have made donations. We've also engraved their names and words of advice on many columns and below windowpanes across the campus. This is our way of showing them that we are always thinking of them, and their generosity.

### **How can CEIBS do more for its alumni?**

As Honorary President of CEIBS Alumni Association, I often tell my colleagues how important it is to keep in touch with each alumnus. With today's advanced communication technology, we should contact and communicate with all our alumni every year, we should never lose track of them. We need to make sure that no one falls behind. Once you become our alumnus, you are a member of the CEIBS community for life; we will



*Once you become our alumnus, you are a member of the CEIBS community for life.*



always take care of you, and support your development. Once you join our Association, it would be great if you become a famous entrepreneur. But if things are not going well, if you go bankrupt or your business fails, we will be there to help you; to offer human, financial and other resources. Only by taking care of each alumnus can we build a bond among all our alumni, one that will promote mutual development through all our efforts. Our goal is not only to become one of the top global business schools, but also to cultivate a group of famous alumni who are known worldwide for their achievements – like Bill Gates and Warren Buffett.

### **Apart from you, who else has made contributions to the Liu Ji Education Fund?**

Successive Presidents of CEIBS, including Prof Li Jiahao, Prof Zhang Guohua, Prof Pedro Nueno,

Prof Zhu Xiaoming – along with Prof Wu Jinglian – have all made generous donations and also made great contributions to the school's fundraising efforts. And one more thing, my special thanks to my wife and daughter for supporting my decision, because it was a decision that was jointly made by our family.

Why did I donate the money? Because at that time we had scholarships, but there were no grants. As we all know, the MBA tuition fee is very expensive and can be a heavy burden for young people who don't have enough money. In fact, the average annual salary of our MBAs once they graduate is RMB360,000, with a minimum of RMB180,000; they will surely be able to pay off a loan if they take one from the bank. However, for those who come from modest backgrounds, they have to support their family when they graduate, and they are being counted on to improve their

family's living standards. So it would be difficult for them to repay the loan. We hope that our students can focus on studying while they are at CEIBS, and graduate without a financial burden so they can make a contribution to the society and lead their family from poverty to wealth. So we set up the grants, helping three students every year on average. So far, we've helped dozens of students in total.

I've made some investments with the grants, and it is sustainable so far. The number of scholarships varies from five to two per year. In general, we hope that needy students will also have a chance to study here. CEIBS is open to the whole society, because we know that many talented people come from modest backgrounds. I remember a girl who once got the grant saying to me when she graduated, President Liu, I will repay the school when I can. I was touched by her gratitude. And I believe she will keep her word.





中国CEO领导力课程：领导力巅峰之旅(模块制)

## 领悟自身之限 导引团队之力

2015年6月开课，上海/瑞士

领导力是一门艺术，需要不断地研磨，不断地领悟，不断地修炼。具有怎样领导力的中国企业家才能带领企业永驻高峰，在世界舞台上赢得喝彩？

### 课程目标

本课程集结了全球最为权威的领导力学者，专家从不同的视角来帮助学员重塑、优化、提升领导力。这是一次重新认识自我，反思人生，铸建内力，释放压力，探寻领导原动力，充满感动，激情与泪水的学习之旅。

### 联系我们

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<http://www.ceibs.edu/lcp>

### 学员对象

具备8年以上高级管理经验的首席执行官(CEO)、总裁、总经理等企业最高决策者。

### 课程内容

- 模块一：跨越差异，携手共赢
- 模块二：从“我”到“我们”
- 模块三：发挥积极正向领导力
- 模块四：可持续领导力
- 模块五：后CEO模块

\*中欧国际工商学院同时开设MBA、EMBA和在职金融MBA课程。



课程微信

CEIBS MBA 2013 Gr  
2015.04.26

# Zheng Chao's Story of Gratitude





About seven years ago, when Zheng Chao graduated from Beijing Normal University's English Department, she was sure she wanted to do an MBA one day. So she looked at the next four years spent working for a foreign company as a way to prepare, and never stopped trying to get back to the classroom so she could achieve her goal. In 2013, she successfully passed the GMAT and completed the CEIBS MBA admission interview. She later moved to a city that was dear to her heart, Shanghai, and just like that she was one step closer to her dream. However, she had one final hurdle: the tuition fee. "I'm from a very ordinary family, and I'd only worked for a few years. So I didn't tell my parents I was trying to do an MBA until I received the admission letter. You can imagine the heavy economic burden I had then," she says.

Determined to seize every opportunity available to help her do an MBA, Zheng checked the CEIBS MBA website for information on possible scholarships and grants. She balanced the pros and cons, and decided to apply for a grant. "I didn't put much hope on it, because I thought other candidates might be more impressive, or need the grants more than I did. But I tried my best, and did all I could do," says Zheng. Luck was on her side. She was awarded the Liu Ji Education Fund Grant, which covered half her tuition fee. "The funds were delivered in two tranches, first at the beginning of the semester as a deduction in my tuition bill, and then at the end of the school year. When I got the grant, I was inspired to work harder than other students because one condition for applying is that you should be more excellent, and need the grant more than other candidates," she adds.

During her 18 months at CEIBS, Zheng worked hard. The courses covered during the MBA helped her to establish a comprehensive system of management knowledge, and changed her vision and mind-set. She made friends with classmates from all over the world, and learned to work alongside and get along with people from different cultural backgrounds.

Her hard work paid off. After she graduated, she got a job with British Petroleum. At home during Spring Festival, she asked her mother to suggest a

gift for the CEIBS Foundation's Liu Ji, something that would show how grateful she was for receiving financial support when she needed it most. Her mother suggested that, with Mr Liu unlikely to be in great need of anything, Zheng should think about giving back to the Foundation. Her mother thought that would be the best way to thank Mr Liu, and help others at the same time. Zheng took her advice. She decided to donate RMB2,000 and RMB1,000 on behalf of herself and her mother, respectively, for five consecutive years. The donation date would be April 26 – to mark the day she graduated from CEIBS in 2015. "We think continuous donation makes more sense," Zheng explains.

She also took the time to send a letter to the Foundation. She wrote, "Two years ago, I made the most important decision of my life, to attend CEIBS full-time MBA programme. My path in life has changed ever since then. I'll always be grateful to Mr Liu Ji for his help and the support from the Foundation in my most difficult times. This gratitude will inspire me to strive to be better, and to be an outstanding individual."

Liu Ji replied, "I'm so glad that you reached a new highpoint in your life. It is very touching for you to first think of repaying the school upon graduation. It's not a lot of money, but you have a heart of gold, which is most worthy of praise. CEIBS is proud for you. I hope you keep doing your best, and always move forward. If you have any problems, please remember that you have our support; we will continue to help you. Should you achieve any success, please also let us know; we would like to share your joy!"

For Zheng, giving back to her alma mater came naturally. "It's not something big, but it represents my gratitude towards CEIBS and Mr Liu. It's just my way of saying thanks. I'll keep doing it," she says.





## Take 5:

# Dr Daniel Han Ming Chng

■ By Charmaine N Clarke


If you're looking for advice on how to cope when business isn't doing so great, you need to have a chat with Dr Daniel Han Ming Chng. The former infantry officer in the Singapore Armed Forces has had a hand in launching two start-up ventures himself, plus he's done award winning research on how managers and entrepreneurs make strategic decisions during tough times. Dr Chng is Associate Professor of Strategy at CEIBS.

He's spent much of his career studying how organisations – and those who manage them – make strategic decisions when things don't go as

planned, and if they're able to learn from their experiences with failure. He's also looked at how entrepreneurs launching new ventures in emerging economies react to bumps in the road. In fact in 2011, his paper on that topic won the Entrepreneurship Division of the Academy of Management's Entrepreneurship Theory & Practice Best Conceptual Paper Award. Another paper that looked at how top managers form social ties after disruption in their organisation was among the Top Ten Most Downloaded in the prestigious Social Science Research Network (SSRN).

Dr Chng has spent years learning





how to hone his craft. He was a Sloan Faculty Fellow at MIT Sloan, and he has consulted on projects for companies including Siemens, SK Group, Wing Tai Group, G2000 Apparel, Singapore General Hospital, and the Housing Development Board of Singapore. These days he teaches strategic management, corporate turnaround, global strategy, organisational theory & design, managerial decision making, and strategic consulting to MBA students. Managers and top executives of multinational firms and government agencies in China, South Korea, and Singapore also benefit from his expertise in these areas.

Read on as Dr Daniel Han Ming Chng takes 5 questions from *TheLINK*:

***TheLINK*: Who is Daniel Chng?**

I am a pretty “open-book” kind of person, so there is not much about me you won’t know from my CV. One thing I could perhaps share is why I decided to join academia even though I had a reasonably successful entrepreneurial career earlier on. From my early business experiences, I realised that I was pretty decent in “doing” business. Yet, I did not quite enjoy the actual process of “doing” business. Neither did I want to go work for other people and help *them* do business. So the next best thing I could do was to teach people how to do business. Even as I was starting my second venture, I knew that I would eventually leave for further studies and become a professor. Fortunately, the venture was successful and I left to complete my doctoral studies; since then

I have been in academia. Still, I do keep a very close eye on business practices and I particularly enjoy helping my students, informally, in their various business projects.

***TheLINK*: What made you decide to focus on this very specific area of research?**

I was fortunate to be successful in both my entrepreneurial ventures. Yet, I know of many failed new ventures, some of which were founded by people I know very well. In observing these entrepreneurs and their managers, I realised very early on that how they make decisions during good times and during bad times was substantively different. Regardless of how successful they were before, when their business got into trouble, I saw how they struggled to get on top of the problems they were facing. The challenges they face are often complex, inter-related, and difficult to analyse and understand. As Leo Tolstoy said in *Anna Karenina*: “Happy families are all alike; every unhappy family is unhappy in its own way.” In the same way, successful companies all look alike, but every business failure is unique. Yet, we know so little about business failures and how we can learn from them. My goal is to help us better understand the challenges of dealing with adversity and failure and hopefully we can become better at dealing with them. However, studying adversity and failure is very difficult as no one really wants to dwell on these topics. Still, I believe that this is something meaningful that I can do.



**TheLINK: What makes your research so significant?**

Few managers know how to manage well under conditions of adversity. This is because of our general obsession with success. Success is sexy and interesting, and it dominates our discussions in business school as well as in practice, even though successes are often the exception rather than the norm. Adversity or failure is ugly and dull. No one wants to talk about failure. Yet, the most successful top executives in the world rose from adversity: Lou Gerstner at IBM, Jack Welch at GE, and Carlos Ghosn at Nissan. To manage well under adversity and failure, top executives require knowledge, skills, and abilities beyond those that serve them well under normal situations. These include exceptional business judgement and insights, strong personal as well as strategic leadership, and an

understanding of how to manage the competing interests of key stakeholders. Even though many management scholars and top executives recognise the value of understanding and learning from adversity and failure, our knowledge about these issues is relatively underdeveloped. My research is an on-going attempt to understand how organisations and their top executives are able to better deal with adversity and failure.

**TheLINK: What are you working on now, or have just completed, and why did you select this research topic?**

I have recently completed a series of research projects that examined managerial decision-making under conditions of adversity (i.e., organisational decline) and how organisational mechanisms, like incentive pay, as well as individual

characteristics of managers, like their self-confidence, can influence strategic behaviours. The papers have been published in *Strategic Management Journal*, *The Leadership Quarterly*, and the *Journal of the Academy of Marketing Science*. The rationale behind this research is to illustrate how managerial decision-making can differ significantly under conditions of adversity than under growth conditions. At present, I am working on research that explores the causes and consequences of organisational distress in emerging markets with a particular emphasis on China. I am developing a model to better understand how conditions in the emerging Chinese market present unique challenges to domestic firms that have had growth at an unprecedented pace in the last two decades but are experiencing or starting to experience substantive



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*I started this research because we know so little about organisational decline in emerging markets.*

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difficulties in recent years. I started this research because, again, we know so little about organisational decline in emerging markets. Sustaining growth is paramount in many emerging markets and only by gaining a better understanding of the causes and consequences of organisational distress can we gain insights into how to prevent and also overcome distress in these economies.

***TheLINK: Why is your research especially relevant now?***

There are an increasing number of

leading Chinese companies getting into difficulties recently. The decline of these companies is rather sudden and substantial. One example is the difficulties facing Li-Ning Co., Ltd. Once the leading Chinese sportswear brand in China, the company is now facing severe distress as the Chinese consumer market changes and a series of new strategic initiatives have failed. Even with the involvement of TPG Capital and Singapore Government Investment Corporation, the company is struggling with its turnaround efforts as the conditions

facing the company in China are substantively different from what many experts know about financial distress in developed economies. The convergence of undeveloped institutional voids, organisational capabilities, strategic orientation, and strategic leadership in Chinese firms present unique challenges as they try to turnaround. The research I am working on will hopefully more carefully specify why Chinese firms get into trouble and how they can more effectively extract themselves from these difficulties.



# Kyle Baron: Into the Orient



■ By June Zhu

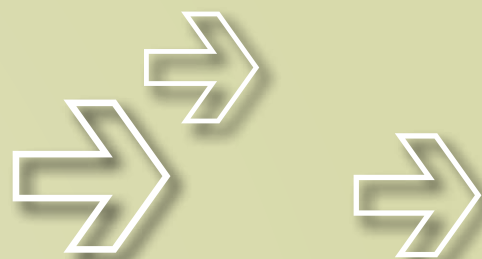
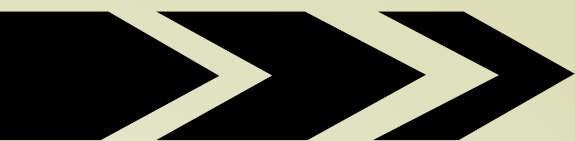
Though he first set foot in China last summer as a CEIBS MBA freshman, this wasn't the young American Kyle Baron's first Asian adventure. He had spent almost eight years in Seoul, South Korea. He came away from that experience with an understanding of Korean language and Asian culture in general, and it also dawned on him that the continent offered so much more for him to explore.

With his obvious knack for taking on leadership roles and his fellow students' trust, he was elected President of the Student Committee for the CEIBS MBA 2016 class. Now after a year in China, he has learned enough about the people, culture and the economy to form his own unique opinions. But the journey that led him to this point in life began halfway across the world.

## ASIAN ENCOUNTER

Right after graduating from UCLA with a BA in political science, Kyle's adventures took him across the Atlantic Ocean to Rome. It was a bit like going back home as he has European roots. "My family is from Europe, half of them went to North America, and the rest went to South America," explains Kyle. Two years' postgraduate study (he got an MA in International relations in 2007) at St John's University in Italy didn't quench his thirst for knowledge, so as soon as he graduated he flew to South Korea, where his career took off while he went back to the classroom – this time as a lecturer. He taught political history at Hankuk University of Foreign Studies. But that wasn't all. He also co-founded the professional and educational services





provider Prodox LLC and got a second masters in International Commerce from Korea University. “I came to Asia almost by accident. I was interested to see what it has in store for me. I was quite surprised by the vast amount of opportunities here,” says Kyle.

M.A. degree in hand, he landed a job at one of Korea’s largest MNCs – Samsung Group. He began in global procurement, and then became marketing manager of Energy Business Development at Samsung C&T. This job provided him with a superb platform where he was allowed to “really blossom and grow in a very interesting way.” He worked with clients from every continent, and spent a lot of time travelling across Asia, Europe, South and North America as well as the Middle East. This was perfect for Kyle, who describes himself as a “travel buff”. “I really appreciate my experience at Samsung because I got to deal with clients directly on a day-to-day basis and started to really work in a very global environment,” he says.

### MBA LIFE

But though the job provided great opportunities, Kyle felt it didn’t offer enough room for growth. “I realised that there were definitely gaps in my

knowledge and understanding and there were things I really needed to work on,” he explains. Never someone who’s afraid to take action, Kyle started looking around for a suitable MBA programme. He knew he wanted to work in the Asian market as he felt it offered tremendous opportunities. He also knew he couldn’t afford to miss out on the chances for professional growth available in Korea’s neighbour – China. So he applied to CEIBS in Shanghai. The school, and the city, did not disappoint.

“*Shanghai is very different from cities in the West, and has everything to offer.*”

“Shanghai is very different from cities in the West, and has everything to offer,” says Kyle. Its international feel took him by surprise and he has found that living in China’s economic capital is a lot easier than he thought it would be. “It’s a mega city, with incredible infrastructure; quite different from

what you would find in traditional US or maybe even European cities. The subways are really great,” he says.

Plus after a year doing his CEIBS MBA, Kyle found exactly the level of personal growth he had been hoping for. “CEIBS always hands over the keys to the car to the students, and allows us to explore new types of programmes and opportunities,” he says. This past year, during meetings with representatives from top schools in North America and Europe, Kyle has also seen guests blown away by two things at CEIBS: the facilities and the number of international students, who represent many different nations. He has also deepened his knowledge of how business is done in China, and how it impacts and is impacted by the rest of the world. “As I worked with the different professors and my classmates, I started to understand some of the challenges – as well as the opportunities – that this market has with its growth. I started to become overwhelmed with possibilities, but I also have an overall understanding of what this means to the global market place,” says Kyle.

But he stresses that a CEIBS MBA is not just about business knowledge; the numerous school activities on and off campus are just as important. He believes every student who joins a club,



“*His determination to do things that have an impact spills over into his plans for the future.*”

serves on the student committee or starts a new initiative on his own finds a lot of joy in learning through the process.

As Student Committee President, Kyle has been working closely with his classmates on various projects and events that benefit the entire student body. One of these is the Global Business Conference, the largest MBA

forum in the world. “The uniqueness of this conference is that it is for the students and by the students,” Kyle explains. The event was held on CEIBS Shanghai Campus, the first time ever in China, from May 21-24 and it was a huge success. There were 30 events held across Shanghai for more than 100 guests from the world’s top 72 MBA programmes, and all in 72 hours. GBC

founder Jim Deveau described it as “probably the best GBC in 32 years.” As a member of the GBC organising team, Kyle had an opportunity to meet student leaders from the world’s top universities. But more importantly, the project helped hone his and his team’s management skills. “It gave us an opportunity to put together a conference, on a global scale, that’s going to have a very large impact,” Kyle says.

## READY TO MAKE AN IMPACT

His determination to do things that have an impact spills over into his plans for the future, for his life after



MBA. With what he has learned about the Chinese market from living in the city's economic capital, plus lessons from the CEIBS classroom, he has his sights set on doing something that will affect the lives of millions. As he points out, if China goes down the same path as Western countries before it, there will be more than one billion cars on the road. Plus, in the coming decade, another 500 million citizens will be moving into its cities – all of which will put enormous pressure on electricity production and transportation. “Trying to understand the impact that the local population might face, such as the environmental problems, is really something to wrap your head around,” says Kyle. It's an area in which he already has some expertise. “My current decision is to stay in the energy field where I have worked in the past. I'd like to work with renewable energy or with a firm working to enhance and tackle some of their sustainable issues.”

Born in Los Angeles, a city which has conquered serious pollution and smog problems in the last century, Kyle believes there are lessons for China to learn from his hometown. Meanwhile, he also believes that as Asia and China grow, they will also be able to teach the

West a thing or two. He's hoping he will be able to integrate both sides, to either come up with his own model and/or be able to make an impact at a global level.

## CHINA CAN'T BE IGNORED

Eager to learn all he can from his China experience, Kyle is convinced that the country's increasing global role has made it a force to be reckoned with. “People cannot afford to ignore China anymore,” he warns. “The West is starting to learn about Chinese companies that are becoming local names, such as Huawei, Haier, and Alibaba. You are going to hear a lot more. Obviously, there are thousands upon thousands of companies here in China that are very large and very successful, and they might not be that well known in the West. It would be a very big mistake for any corporation outside of China to bypass what is happening here and just assume that the Chinese economy and companies are specific to the Chinese market.” Those who fail to grasp China's significance will be left behind, he says. “I would strongly recommend that companies start to change their strategy and focus. Along with my classmates I

have come to realise that China is a very powerful market place. It's going to be very important in the 21st century and beyond.” One of the keys to cracking the China market, he says, is a CEIBS MBA.

In fact Kyle has recommended CEIBS to a few of his friends in America, one of whom has actually applied and been accepted. “If you want to do a global MBA, I recommend that you put CEIBS on your list,” he says. “As Chinese companies continue to globalise, they are going to be part of every market. If you are from the US, Europe or anywhere else, come spend 18 months at the minimum, learning the culture, language, as well as all of the business knowledge, and you'll be much more prepared to go back to your local market and be able to work more seamlessly because you will have a much better perspective.”

He adds: “One of the most interesting things about the CEIBS MBA is that maybe you begin the programme with an idea of what you'd like to do, but this anticipation continues to change as you are going through your MBA journey. It changes with every new course and every new opportunity that comes up.”

# Video Résumés: Coming Soon to a Screen Near You

■ By Lei Na

They say body language makes up at least 50% of how we communicate. So it makes a lot of sense that more and more people are using video résumés to help them get a leg up in China's very competitive job market. That's one of the services offered by the country's first recruitment platform to use mobile internet and video technology – 9191offer.com. It's owned by Bridge HR, where CEIBS EMBA 2005 alumnus Hou Zhengyu is Board Chairman.

Hou Zhengyu attributes the birth of 9191offer.com to the impact that three CEIBS professors had on the strategic decisions he made at Bridge HR. He learned a lot from reading former CEIBS President Prof Zhu Xiaoming's book *10 Mega Business Trends in the Digital Age*. He was inspired by Prof Kevin Li's words, "The Internet age represents the past and present; mobile Internet represents the present and future." He also benefitted from Prof Gong Yan's revolutionary marketing theories and his teaching of the Tesla case. The common thread among the insights Hou gained from all three professors: mobile Internet and disruptive innovation.

The confidence Hou needs to be innovative comes from his more than

10 years in the HR industry. In fact, his peers regard him as the "Beethoven" of HR. Established 12 years ago, Bridge HR is now ranked first among private HR companies in Shanghai. In addition to 9191offer.com, the group's more than 40 subsidiaries include: Orient HR, Management Consultation, and HR Industrial Park Operation. Its wide range of HR-related services and extensive reach made 9191offer.com a national platform as soon as it was launched.

"A video CV can provide a lot more than an applicants' professional information; it also shows their gestures, you can hear their voices and see their facial expressions – all of which helps us to tell what positions are suitable for them. It transformed the one-dimensional text CV into a three-dimensional combination of text, audio and video," Hou explains. When he first came up with the idea, he quickly realised that to make it effective he would need to work with experts not only in HR but also in mobile Internet, video technology, psychology as well as behavioural analysis. He tapped into the school's alumni network and invited CEIBS alumnus, Wang Tianyang (EMBA 2005), who was a SAP Global Vice President to be his

partner. He also hired professionals to do video production, and collaborated with psychologists.

The 9191offer.com App was officially launched on November 20, 2014 – two years after Hou first came up with the idea. At last, job seekers were able to search for vacancies, upload video CVs, and receive invitations for interviews. Meanwhile, companies had a cost-free way to list the jobs they had to offer, plus they had access to a well-structured interview question bank and personality reports based on individual videos. Unlike traditional recruitment websites that get about 60% of their total revenue from companies' job listings, it was China's first recruitment platform that didn't charge companies to post vacancies.

With 9191offer.com on the market, companies not only save money, they also save a lot of time. What was once a three-step process – CV selection, phone interview and face-to-face interviews – is now reduced to one: selection by video. In the past, HR recruiters tended to have problems deciding which CV to select, especially when the applicants' work experience was less than five years. Video CVs offer very useful details, says Hou. "There



is a ‘seven second’ law in psychology – it takes seven seconds, after meeting a stranger, to get some insight. Within 45 seconds, you form an opinion of that person,” he explains with the total confidence of someone who knows he has mastered his craft.

“Our operational strategy can be summed up in three key steps: it’s a data-driven operation; we provide basic services for free, and charge for added-value services; and we provide disruptive innovation with fast upgrades,” he adds. Within less than a year after its launch, 9191offer.com has received more than 80,000 video CVs. It is especially popular among the post-90 applicants whose personalities make them more prone to “show off”. According to Hou, many of his staff were born after 1985, and he gets a lot of inspiration from the young generation’s way of thinking. “I believe in the video recruitment trend. Trends

usually start from the post-90s, then it affects the lives of people of all ages,” he says. “Then as the years go by, the post-90s will also become the society’s driving force.”

Read more in Hou Zhengyu’s exclusive interview with *TheLINK*.

***TheLINK*: Tell us a bit about Bridge HR.**

Bridge HR was established in 2003 and, over the last five years, we have set up 10 subsidiaries in the Yangtze

River Delta, providing basic services including talent dispatch, a personnel agency, talent recruitment, and investment in vocational schools. In 2009 the economic crisis forced us to change our business mode from serving only foreign companies into serving foreign, state-owned as well as private companies. The adjustment meant we needed to innovate, and in order to improve on our strengths, we started to work with *CEIBS Business Review* and CEIBS professors.

There are three elements to this partnership. First, in branding: we have been jointly releasing the CEIBS-BridgeHR Recruitment Index and CEIBS-BridgeHR Remuneration Index. Second, in products: we learned from the domestic and overseas experience, and developed 18 products that cover every aspect of human resources. Last, in Internet recruitment: my CEIBS graduation thesis was on Internet recruitment, but the company did not start this aspect of the business until the end of 2012. That's when I attended Prof Kevin Li's class where he used Xiaomi as a case and showed us that mobile Internet is the future. Right after the class, we began to focus on the slogan of "Internet+" within the company, and decided to link all our businesses to the Internet.

### ***TheLINK: How did Bridge HR link its four subsidiaries with the Internet?***

OrientHR, our traditional business which received the "Award of Excellent Contribution of Chinese Outsourcing Service Industry" from China's top human resource organisation – Enfovia – has also made a name for itself in Internet innovation. OrientHR designed a software system that's similar to the ADP system in the US. About 300,000 pay cheques are distributed through ADP, which also provides online integration of these pay cheques and social security benefits across the US.

Just as impressive, 9191offer.com is a joint effort by experts in Internet technology, mobile Internet, video technology, HR, and psychology, and it's the first video recruitment App in China.

Our management consultation has its root in a collaborative project with CEIBS professors. We have taken advantage of Prof Katherine Xin's "Five-Star Model of Talent Development" which covers corporate culture, team building, knowledge sharing, performance management and organisational development. It also provides strategic talent development plans for enterprises, especially in HR management consultation. We have found that China's development zones are a huge market, and there are more than 1,600 such zones either at the national or provincial level in China. Thus, based on field study done together with Prof Xin in Silicon



Valley, we developed a model for talent development in the development zones. This later evolved into a specific HR tool for development zones.

**TheLINK: Tell us about your recently-launched product, Boss Recruitment?**

We think China is actually in the middle of its third talent crisis: the first one was in the early days of the country's implementation of Reform and Opening-up policies when there was a gap in business management talent. The second appeared in 2001 when China entered WTO, and we lacked talented individuals who understood international trade rules. We are facing the third one now, with China promoting the idea of "Internet+" but companies are short of Internet talent to drive the transformation and upgrades.

How can we overcome this talent crisis? We believe that elite staff deserve company leaders' direct attention. So we set up a WeChat Group for company leaders, and every week we recommend one talented individual to the group. This is our fifth new product launch, and it has great potential in the market.

**TheLINK: What is the source of the data used in the CEIBS-BridgeHR Recruitment Index and the CEIBS-BridgeHR Remuneration Index?**

Our cooperation with *CEIBS Business Review* started in 2010, with the goal of providing references to governments for decision-making,

providing effective career guidance for individuals, and providing companies with updates on the current talent market. We chose to study 12 industries within four sectors – modern manufacturing, high and new technology, modern services and traditional services – across 12 cities including Beijing, Shanghai, Guangzhou, and Shenzhen. Each time 1,500 questionnaires were distributed to the research subjects who ranged from companies' clients to talent organisations and personnel markets affiliated to governments; most were among China's top 100 enterprises. During the past five years of our collaboration, our indices have been widely cited by the media including *People's Daily*, *Wenhui Daily*, *Sohu*, *Sina*, *Netease*, and *Shanghai Hotline*. The final research reports are released to the public via *CEIBS Business Review*.

**TheLINK: What advice do you have for CEIBS alumni on how to maximise the career benefits available through the school platform?**

CEIBS has the best professors and entrepreneurs in China, as well as candidates for future business leaders. I think this combination is very valuable. Helping students and alumni with their growth is CEIBS' style, and many alumni have been living CEIBS' values: "Consciousness, Innovation, and Excellence". Personally I really appreciate the help received from school leaders, professors and alumni, help that pushed me to really

devote myself to our partnership with CEIBS. As a matter of fact, by helping professors with research and alumni with other tasks, Bridge HR has improved its capability, brand visibility, and client loyalty.

My experience is the perfect example of something CEIBS Honorary President Liu Ji often says: "When you are not strong enough, CEIBS and our professors will back you up; when you are strong enough, remember to give back to your alma mater." When Bridge HR was not strong enough, CEIBS helped me a lot; when we became strong, we contributed to the school in earnest.

**TheLINK: As an HR expert, what suggestions do you have for alumni who are launching start-ups or are guiding their companies through a transformation?**

I am aware that many CEIBS alumni have recently quit senior positions in global Fortune 500 companies and embarked on the road of entrepreneurship. Talent recruitment is a great challenge for start-ups. We would love to be a bridge between alumni and the talented employees they need. We'd like to help them hire suitable professionals via 9191offer.com and Boss Recruitment, show them how to retain these valued employees by applying Prof Katherine Xin's "Five-Star Model of Talent Development", as well as construct corporate cultures that will help their employees and enterprises grow together.