

■ By Lei Na

From August 20 to 22, CEIBS held MBA Tours in Sydney and Melbourne. Over 150 guests including CEIBS faculty, alumni and the elite of Australian business attended. The CEIBS Alumni Chapter Australia and New Zealand provided comprehensive support for the event. Below is a group photo of CEIBS faculty, staff and representatives of CEIBS alumni.



Introducing CEIBS Alumni from Australia & New Zealand

February 4, 2017 earned a spot in CEIBS' history as the day Kiwis and Aussies got their own alumni chapter. Its official name: CEIBS Alumni Chapter Australia and New Zealand.

More than 130 prestigious guests turned out for the event at the Sheraton on the Park Hotel in Sydney. Among them was the Consulate-General of China in Sydney's education counsellor Niu Wenqi, along with esteemed CEIBS Professor of Economics and Finance Xu Xiaonian, the China Consultant for Virgin Australia Cai Yuan, CEIBS Alumni Chapter US President Cai

Chengyu and Vancouver Chapter President Song Yi. CEIBS President Professor Li Mingjun delivered his congratulations via video. CEIBS Alumni Chapter Australia and New Zealand is the school's 17th overseas alumni chapter.

The school's alumni and alumni companies have long been actively involved in investment and trade activities in Australia and New Zealand. For example, CEIBS alumnus Song Jianmin's Nanshan Group successively acquired Riverside Oaks Golf Resort and the 5-star hotel Pullman Sydney Airport, and also purchased a 19.9% stake in Virgin Australia. Sunshine Insurance Group led by CEIBS alumnus Zhang Weigong wholly acquired Sheraton on the Park Hotel in Sydney. The milk powder brand Nouriz, founded by CEIBS alumnus Liu Ning, has become the second best-selling New Zealand infant formula brand in the Chinese market. In this section, *TheLINK* introduces three alumni who have worked in or run businesses in Australia. Read on for more.

Zhang Feng:

Expert in Farm Investment



Zhang Feng (EMBA 1999)

Oriental Agriculture Pty Ltd, Director

Union Investment Co, Ltd, Director

The President of CEIBS Alumni Chapter Australia and New Zealand Zhang Feng looks very young. But he says it's rare for him to meet CEIBS alumni in Australia who are his seniors as he was one of the younger members of CEIBS EMBA1999 Beijing class. While studying at CEIBS, he worked at the shipping and logistics supplier COSCO Group. He used to be Secretary of the Group's Youth League Committee. He was at COSCO for more than a decade and much of that time he focused on the investment side of the business. Nantong COSCO KHI Ship Engineering Co, Ltd is the project he is most proud of. "From 1995 to 1996, COSCO and KHI jointly established what was then the most advanced shipyard in China. It was able to build ships with extremely high technical content, including large-size container ships and

tankers. The shipyard remains a pacesetter in the domestic shipbuilding industry even today," he explained. "As the chief representative of the project from the Chinese side, I put a lot of effort into – and gained a lot of experience from – working on site selection, doing the feasibility study, negotiations, the launch of the joint venture, and the operation of the project. In hindsight I now know that being given the opportunity to shoulder such heavy responsibility in a central government-led enterprise at such a young age, I should be grateful to my then boss – the current Chairman of China Merchants Group Li Jianhong – for agreeing to let me play that role and for his trust in me." Zhang lived up to boss' expectations and in 1997 went on to complete another major project – Shanghai COSCO Kawasaki Heavy Industries Steel Structure Co, Ltd. His stint managing the investment and development division of COSCO Group gave him broad international perspective and laid a solid foundation for his involvement in Australian farm investment.

After more than a decade at COSCO, Zhang left the mammoth central government-led enterprise and turned his attention to investing in FMCG (fast moving consumer goods) in his role as a shareholder and director at Union Investment Co, Ltd. The beer industry, one of their investees, imports its main raw material – barley – from Australia. As part of his due diligence for the deal, Zhang flew all the way to Australia where he gained brand new knowledge of the local agriculture industry. Australia has a significant advantage in advanced production technologies, high-efficiency large-scale mechanised operations, sustainable cultivation methods (e.g. letting the land rest), as well as a mature and scientific farm operation model. All these strengths have contributed to the competitiveness of Australia's agriculture industry. Today, with the Chinese



consumption market's unceasingly increasing demand for high-quality agricultural products, there is even greater opportunity for the development of Australia's agriculture industry. For Chinese companies, investing in agriculture means – to some extent – investing in the future. This is why Zhang has devoted most of his time, since 2010, to investing in Australia's agriculture industry.

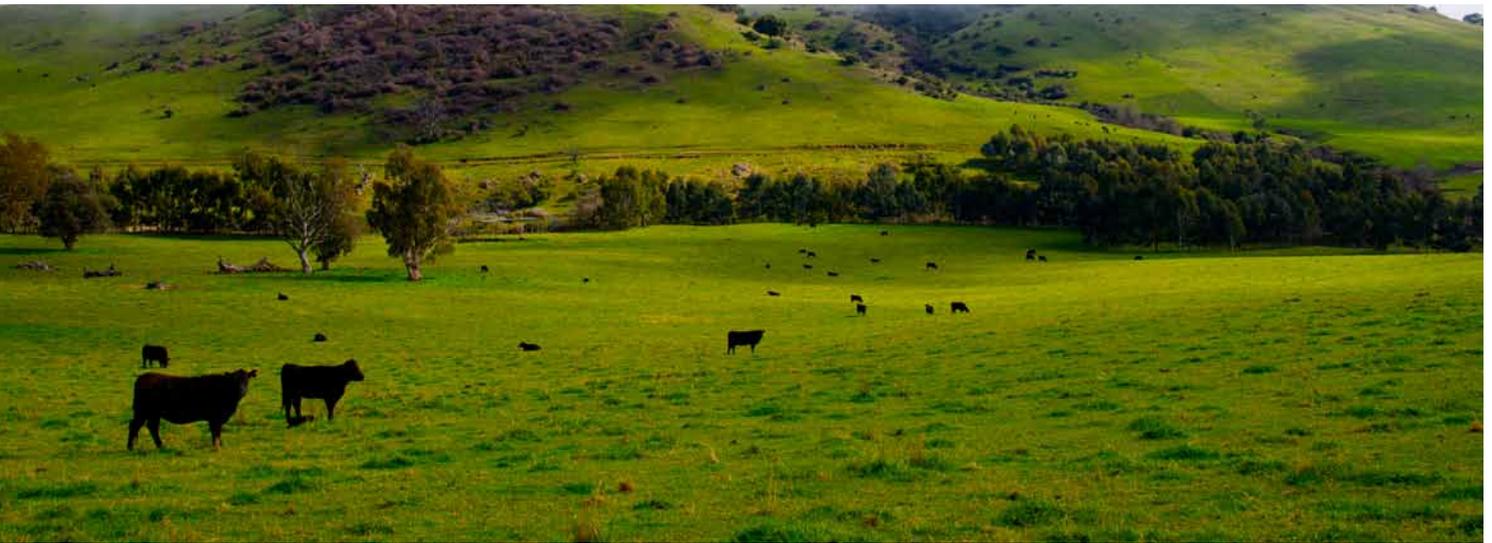
How did he manage to effortlessly transition from such different fields: large-scale industry projects, the FMCG sector, to international agriculture investment? The key, he says, is that though he was working on different investments, they are actually intertwined.

Chinese companies, when going abroad to invest, are faced with daunting difficulties and challenges. They need to get a complete picture of local investment environments, policies, laws and regulations as well as the industry they are targeting so as to establish sustainable internal and external ecological systems for the overseas companies in which they will invest. In the first several months in Australia, Zhang managed to make contact with the local government and strike up partnerships with agencies, lawyers, accountants etc. Afterwards, he recruited core managers for the farm operation team, laying a solid foundation for the company's development in Australia.

Over the last 6 or 7 years, Zhang travelled to all the important farming regions in Australia and even visited

some inland farming towns where even some locals had never set foot. He has accumulated such rich experience that he has earned the reputation of being an Australian agriculture expert among the Chinese. To date, he has been involved in the acquisition of five large-scale farms with a total area of about 400 square kilometres. All of them are now running smoothly.

Australia has a very complicated agricultural system. For example, there are different types of farms: there are pastures, plantation farms, and mixed farms where there are both animals grazing and crops being grown. Then there are different types of pastures including those for cattle or sheep being raised for their beef or mutton and there are also cow pastures [grazing areas for animals that will not be slaughtered for meat]. Then you have plantation farms, which include those that survive on natural rainfall and those that rely on irrigation. Many elements need to be taken into consideration when one is planning to acquire a good farm, including location, topography, rainfall, approval for irrigation, soil and supporting production facilities. Zhang explained that any investment in Australian agriculture needs to comply with three fundamental principles in order to succeed. First, buy right: the wrong choice of products, for example those with genetic defects, could cause a mountain of trouble. Second, don't buy expensive:



otherwise you increase the chances of a poor return on investment. Third, the investor must have solid operational skills as this will directly impact revenue. However, these are all easier said than done and need to be complemented by a profound knowledge of Australia's agricultural industry. It is therefore no surprise that a lot of Chinese investors in agriculture in Australia have encountered failure.

Many of them target wineries. However from Zhang's point of view, there are three basic elements to the wine business – the planting of grapes, the brewing and production process, as well as marketing – and only one (planting grapes) is related to the field of agriculture. That means investors should not only be familiar with agriculture but also have knowledge of all the other aspects of the wine business. Wineries rely heavily on marketing, there is also a need for brand building as well as the establishment of distribution channels and networks; these are all far beyond the scope of agriculture.

Zhang also noted that many Chinese investors' foray into agriculture was based on their need to acquire overseas assets. For those driven by such considerations, he said, it would be more practical for them to invest in large-scale high-quality farm projects that can generate stable (as opposed to excessive) profits, while they enjoy dividends brought about by the increased value of their assets.



Lu Qing:

Running a Start-up Incubator



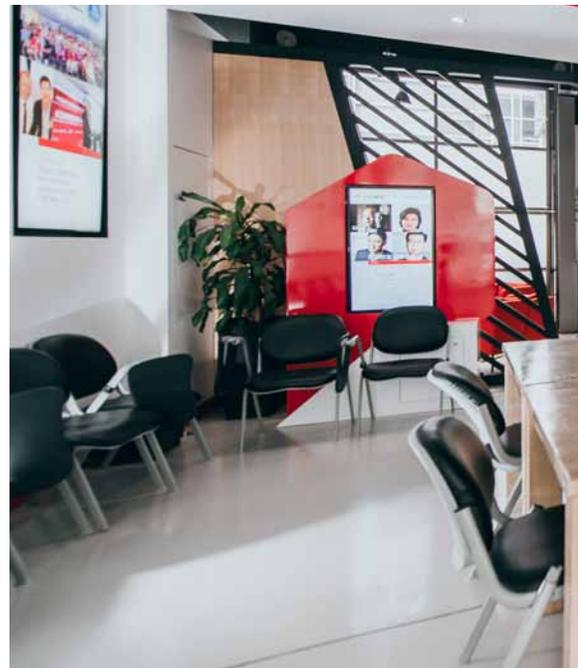
Lu Qing (EMBA 2008)

ZOO Internet Incubator, Founder

When CEIBS Alumni Chapter Australia and New Zealand was launched, more than 100 alumni signed up with Chapter President Zhang Feng. After news of the launch spread across both countries, more than 10 other alumni who permanently reside in Australia and New Zealand sought out Zhang. One of them is Lu Qing who runs ZOO Overseas Chinese Internet Start-up Incubator in Australia.

In early 2015, Lu founded the real estate online trading platform ProjectMate in Australia. He jokingly refers to it as the Australian version of

“Fangdd.com”, a real estate shopping guide information platform that provides marketing services to property developers, brokerage agencies and home buyers, whose founder Duan Yi is his CEIBS classmate. For many years, the sales of new properties in Australia followed the model of developers overseeing agents. Because it is difficult for developers to have direct contact with all agents, there are second- and third-tier agents under the ones at the top. This hierarchical structure led to inefficiency in message delivery while agents’ productivity levels reflected



their dissatisfaction with deductions being made from their commissions at various stages of each transaction. The ProjectMate platform broke the mould by publicly providing online information on real estate developers and registered real estate agents. Initially developers were resistant and thought this had moved their cheese. Eventually they realised there were quite a number of transactions done on the platform and it only took ProjectMate a little over six months to grab 30% of the shares of Australia's real estate trading market, earning

the reputation of being a convenient and effective platform for purchasing houses. "This platform charges a low price. For every successful deal, it charges agents AUD2,000 which is only about 10% of their commission, but it saves a lot of time and energy," explained Lu. Meanwhile, ProjectMate has accumulated big data on deals, users and properties being developed. This is information it can provide to developers along with suggestions on product optimisation and pricing so they can effectively promote their properties through the right channels,



China's more than one million overseas students represented a huge potential market



maximise their chances of success and minimise investors' risk.

ProjectMate is just one of Lu's business ventures. In early 2016, during a conversation with CEIBS alumnus Peng Yijie who is in charge of international business at Alipay, Lu and Peng reached a consensus: China's more than one million overseas students represented a huge potential market. Today, cross-border payments as well as study and career services at the destination still remain a pain point for overseas students and their parents. For instance, in Australia there are 180,000 Chinese overseas students, and this number is growing by 20% each year, but there is a limited supply of dorms so 90% have to find accommodations off campus. The relatively rigid credit requirements make it difficult for many overseas students to find apartments. This has led to some subletting and sharing arrangements that have given rise to potential safety hazards and lease





disputes. Other challenges faced by the current generation of overseas students include getting used to Australian food and integration into the local society.

Against this backdrop, Lu and several friends (including some CEIBS alumni) co-launched the “StudentPal” app, aimed at providing Chinese students in ten overseas destinations with services related to safety, healthcare, catering, entertainment, shopping, studying and careers. The app is said to have become “the world’s leading overseas students’ mobile wallet and the steward of overseas study”.

In 2017, Lu upgraded the original start-up centre into ZOO Overseas Chinese Internet Start-up Incubator with every division independently run by start-up crews of overseas students. He created an ecological route to incubation for the “Studentpal”

platform by attracting customers through curing their pain points, expanding services to meet rigid demand, broadening local markets and finally copying the pattern in ten other countries.

So far the incubator has nurtured eight independent projects, jokingly referred to as “three panda brothers and five little monsters”:

- **HUNGRY PANDA:** provides catering reservation services for Chinese in Australia;

- **PANDA HOME:** provides students across the world with room booking services and runs member-owned overseas students’ lifestyle communities;

- **PANDA STUDY:** compiles information on mainstream colleges and schools (subjects, tests, vocational skills) in the destination country for

overseas students across the globe, and provides online academic and professional training and self-designed open classes;

- **STOP NOW:** provides security services including risk-avoidance and rescue services for overseas students and Australian youth;

- **ANT MOVE:** provides services including moving, airport pick-up and drop-off, cleaning, luggage deposit, purchases and sales of used furniture and appliances as well as project-based drivers and delivery;

- **BOOMING JOB:** provides information about local internships and jobs for overseas students across the world;

- **KANGAROO SHOPPING:** provides online one-click services for overseas students in Australia to buy and deliver commodities to China;

- **CRAZY DOLPHINS:** provides services including tickets to entertainment attractions, holiday charter flights and event planners for family gatherings.

All the functions above can be accessed on the “StudentPal” app, through which the incubator attracts users, launches new services and also tests new projects. It forms a natural ecological closed loop. “We provide services for Chinese overseas students in Australia. Their needs are very clear-cut. When training the team, we will start from some niche markets to solve some small problems.” Lu explained.

President of CEIBS Alumni Chapter Australia and New Zealand

Zhang Feng outlined this project to the counsellor for education at the Consulate-General of China in Sydney Niu Wenqi. Niu was excited about it, noting that more than 600 government-sponsored visiting scholars travel to Sydney every year and they often have difficulties finding apartments to rent. Now this problem can be solved by PANDA HOME, he said.

For Chinese overseas students who want to launch a start up in Australia, ZOO Overseas Chinese Internet Start-up Incubator is able to provide direct assistance. Those who want to be part of the incubator must be overseas Chinese who have more than two years' experience in independent or joint entrepreneurship. Once a project is included, the entrepreneur will be provided with anywhere between AUD50 – 500,000 as seed money, and they can use maker spaces in Sydney and Melbourne free of charge as well

as get support from the incubator's technology, marketing, human resources, legal and financial teams. The hope is that the incubator's internet-based projects will relieve pain points within specific industries and the wider society.

Back in China, Lu was a serial entrepreneur. Years of entrepreneurship and the solid management knowledge he learnt at CEIBS gave him the skills needed to be an entrepreneurship-focused mentor for overseas students. For example, a girl who loves baking expressed her wish to open a café; Lu pointed out to her that this might not be as romantic as she thinks, as running a café is no different from running any big business. Someone wanted to start

a yacht club, and Lu taught him how to set up the membership system. Lu is grateful for CEIBS' help in helping him accumulate a wealth of knowledge about start-ups. "During one class Professor Ding Yuan told us that every 1% increase in price could lead to an increase rate of 4-5% in the company's revenue. I shared the information with my business partner. He gave it a try and came back to me, and asked with surprise, 'How can it be so effective? Our earnings increased by more than AUD2 million all at once, and that is net profit!' A proud Lu replied, "Of course it worked, I got the information from a CEIBS professor."



Of course it worked, I got the information from a CEIBS professor



Belinda Sui:

Female Executive at Transnational Oil Company



Belinda Sui (EMBA 2004, CMO 12)

*Operations Excellence Manager, Retail at
Australia Pty Ltd*

The interview with Belinda Sui was arranged just after she came back from a CEIBS-organised study tour to Israel. The tour is one of the modules of the GEMBA programme and is open to CEIBS alumni. During the tour, Sui grabbed every opportunity to learn more about innovation in Israel (dubbed the start-up nation), soaking up knowledge about everything from incubators, start-ups, accelerators, to companies that already had their IPOs. The visit left a deep impression on her. “I could see the role the country plays in the entire chain of the innovation industry,” she said. “Israel has not only supported entrepreneurship with policies and funds but has connected together every single aspect of entrepreneurship.”

Sui has been working for the transnational corporation British Petroleum (BP) for almost 20 years.



When she first joined the company, her job was related to marketing. Over the years, she has worked in almost every single segment of marketing ranging from brand building, market research, product development, public relations to devising business strategies. “After getting an understanding of all the businesses related to marketing, especially what I learned during the CEIBS EMBA, I felt I had gradually developed a very clear overall business approach and strategic framework. It was time for me to think about how to make even greater progress in my career,” she explained. “Year 2012 marked a turning point. The company spoke with me about my future career and asked if I was willing to continue on my career

path by accepting the position of regional or global marketing director, or to make a change and expand my comprehensive managing capabilities. I was pretty sure that I was willing to expand, because I wanted to be someone who not only designed strategy but also implemented it. So I went to Guangdong and joined the joint venture co-founded by BP and China National Petroleum Corporation. My title was COO. This joint venture’s revenue accounts for two thirds of BP’s retail sales in China.”

The oil industry is traditionally dominated by men, so Sui wasn’t overly surprised when a colleague told her she was the first female to hold the COO position in BP. “That’s because this is a job only an ‘iron

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Year 2012 marked a turning point.

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*This is a job only
an ‘iron lady’ can
manage*



lady’ can manage. To put it simply, I needed to lead more than 6,000 people, ensure annual revenue of about RMB30 billion and manage about 500 gas stations co-funded by BP in Guangdong. The gas stations operated 24-hours-a-day in those years, so my phone was on 24-hours-a-day, 7-days-a-week, because any emergency at any time should promptly be reported to me. It wasn’t easy then but, in hindsight, it was the best decision I have ever made in my life. A female executive is not a rare occurrence; the important thing is to achieve breakthroughs at the personal level. When I decided to accept the role, I didn’t know if I could manage such a big business and team, but the facts will show that after two or three years, I nailed it.”

At that time, the competition in Guangdong’s oil products market was the fiercest in China. Meanwhile, labour cost was climbing year-by-year, almost outpacing business growth. This brought a lot of pressure from competitors. During Sui’s time in Guangdong, one of her biggest challenges was to keep the business growing while controlling labour costs. The board of directors gave her a mandate to reduce the more than

6,000 staff members by 1,000. By using a carefully crafted labour model design, the implementation of a more incentive-based salary system as well as many interviews and talks, she completed this “mission impossible” within her term of office without any major disputes or lawsuits. In fact the way she handled the issue boosted employee morale and ensured the company’s leading position in the Guangdong market. “For me, in addition to inspiring the team to work hard and get good results at work it is rather important to discover and appreciate beautiful things; it is also important to be caring,” she said. “Laying off more than 1,000 people is nothing easy. Except for building a fair and just evaluation system, there should also be rational business logic and empathy behind every small decision leaders make. Many people have asked how I coped emotionally when I was in that position. I believe very strongly that physical and mental health always come before expertise and leadership.”

Comparing her earlier role at BP with her time in Guangdong, she describes the former as leading an elite group to do marketing in an “ivory tower”. In contrast,

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At work, it is not proper for me to weep

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during her time at the joint venture, she met all kinds of people with different educational and cultural backgrounds. By engaging with staff at the grass-roots level, some who even shed tears when talking to her, she matured emotionally. “At work, [no matter how moving the circumstances] it is not proper for me to weep; I have to control my emotions,” she explained. But she stressed that being able to have empathy for others is also an indispensable part of leadership.

As a Fortune Global 500 company, BP has a wide range of scientific and integrated systems for talent cultivation. Because of her long-term outstanding performance, Sui has been dispatched to work abroad several times. She worked at the company’s Asia Pacific headquarters in Melbourne twice, in 2006 and 2015. While there in 2006, she was responsible for work pertaining to the branding and innovation of the oil products business in Australia and New Zealand. In 2015, she was the Operations Excellence Manager of BP’s products retail business. In her eyes Australia, with its blue skies, white clouds and fresh air, is an inclusive country that embraces

diversity. “It’s a very fortunate country with abundant resources, vast lands, a small population and relatively stable economic development,” she said. “For the Chinese, it is very fascinating as a destination for travelling, working or living. In 2006 when I first worked there, there were not so many CEIBS alumni. But I felt at home during the second time as I found there were more and more CEIBS alumni in Australia.”

Although she is now working in China, Sui is still happy about the launch of the CEIBS Alumni Chapter Australia and New Zealand. “It is really hard for any country to reach

true inclusiveness. When a person goes abroad on his own, the practical problem is he cannot take his social network along with him and so he has to go it alone. Now there is the Chapter, you and the people who share a similar background with you can have a gathering from time to time. Even just having casual chats about life over a bottle of red wine or a round of golf is quite nice,” she explained. “For alumni who want to start a business and invest abroad, the Chapter is also a very good platform for business consulting and mutual support. It can also pave the way for the school to hold activities abroad.”

