



Q&A: Dean Ding Yuan Explains the Zurich Deal

What is the strategy behind CEIBS' deal with the Lorange Institute of Business (LIBZ)?

Our strategy can be compared to the second phase of a round-trip. CEIBS was founded in 1994. Pioneers from European business schools, like our European President Pedro Nueno, had the entrepreneurial idea to establish in China a business school following the international model and to bring Western accumulated management practice to China in order to help the



country to better develop. We have been very successful in educating and developing competent managers for multinationals, SOEs and private companies. Now it's time for us to go beyond China. European students can get first-hand knowledge on Chinese economy and business practices while still in Europe. We need to educate business executives – both Chinese and those from other countries – on how to navigate China's increasingly complex market, and we do all this within a global context.

Why is now the right time for this move?

In 2014, for the first time ever in its history, China became a net FDI exporter. Its outward foreign direct investment (FDI) was bigger than the investments that came into the country. China is now the second largest economy in the world in terms of GDP; and if you measure it in terms of PPP (purchasing power parity) China is the biggest economy in the world. Development and growth have both made the Chinese

economy much more complex. China's *raison d'être*, its responsibility, now is to share its best practices and theories with the rest of the world because its economy is significant and complex. And the world is interested in accessing that knowledge because all the major international companies do business in or with China. We, CEIBS, are the front-runner in sharing this knowledge. At the same time, there is a lot that Chinese companies can learn from their European counterparts. So we are a bridge between the two sides.



“The school will be controlled by a non-profit foundation, the Friends of CEIBS Foundation (FCF). Money that we hopefully earn will be used to run the school and reinvested in Switzerland.”



What are some of the areas in which Chinese business executives can learn from European experiences?

There are a lot of issues that are popping up in China now that we didn't have to grapple with a few years ago: how to deal with rising labour costs, how to deal with an aging society, how do you build an innovative strategy for your organisation, how do you pass your wealth to the next generation? For the Chinese, these issues are very new and we must find our own way to handle them. We can learn a lot from the way the Europeans have dealt with these issues in the past, but we need to be able to better consolidate this knowledge. This is one of the strengths of the Lorange deal: we can work with an existing business school to build something unique for these type of companies – both Chinese and European – facing these issues I mentioned previously.

How will you achieve this goal?

You could say we provided a 'set menu'

in the past. Now our approach could be called à la carte. We need to better adapt the knowledge we provide to the needs of our Chinese students. What was brought to China in 1994 can be called a “menu”, a standard offering. You were well trained as a management executive with a portfolio of different management knowledge: accounting, HR, marketing, strategy. Now we are talking about specific topics, which you have to adapt to local content. That's why I call it à la carte.

Our students and alumni are looking to us to provide them with the business management training they need to face the new challenges of the Chinese economy. We have responded by covering topics such as innovation, e-commerce, entrepreneurship, branding, family business, industry 4.0 and more.

CEIBS students can learn from European cases and experts on innovation and family business. At the same time, without leaving Europe, European students can get first-hand knowledge on business in China.



Working closely with LIBZ CEO and President Philipp Boksberger we will bring Chinese executives to Zurich for visits to selected companies and interaction with European experts. Our goal is for our Chinese students to understand how they can adapt European practices to their local context in China; and for Europeans to better understand Chinese issues in the context of similar problems they may have faced in the past. This will be interactive, two-way communication.

Does CEIBS have any commercial interests in Switzerland?

None at all. We are not a business. We are a business school. We are a service institution, so we have to better serve our students and alumni. We are here to help the executives of Chinese companies working with European companies and vice versa. The school will be controlled by a non-profit foundation, the Friends of CEIBS Foundation (FCF). Money that we hopefully earn will be used to run the school and reinvested in Switzerland.

How would you describe your operational strategy?

We are not in Zurich to compete against European players. We need this Swiss arm to strengthen our position and to provide some differentiation and an alternative to our offerings for Chinese executives, as well as European companies working with China. This segment of the market is not really covered by our European peers.

Why did CEIBS choose to partner with the Lorange Institute?

We needed a good location that would make strategic sense to the type of clients we will have. This was very important. That's why we chose a city with elements like the banking or manufacturing sector, to attract our executives. Moreover, it is easy to reach with direct flights from Asia and, places like Munich or Stuttgart are very accessible from Zurich. What also attracted us to the Lorange Institute of Business were a lot of intangibles, many of them related to

Peter Lorange's status and connections and to the organisational structure of a lean and efficient team built by Philipp Boksberger. Because of this structure we don't have to face huge integration challenges.

What key advantage would there be for a Swiss or German student in choosing the Lorange Institute in the future?

You will get a very solid, world-class business education with the existing programmes of the Lorange Institute of Businesses – be it an Executive MBA, MSc or a corporate programme. But on top of that you will also get an open window to the world of Asia. This networking experience is unique. Once you're in the programme, every month you can meet fifty Chinese business executives – this provides huge business opportunities. So, the Lorange Institute of Business and CEIBS are a very good way to connect with a huge market.

This is an edited version of an article originally published in the LIBZ's October 2015 Newsletter.