

# Solutions Always Outnumber Problems

## ~ Meet Legal Luminary Zhang Jijun

■ By He Fanghong

**M**ore than two decades of practicing law has given Zhang Jijun a clear picture of exactly what he can bring to the table. A partner in the Zhonglun Law Firm, specialising in non-litigation business, including corporate restructuring and IPO, he knows his value is in solving problems. It comes as no surprise, then, that his motto is, “Solutions always outnumber problems; nothing is beyond your reach”.

With an already impressive track record, he proved himself yet again at the end of last year, by leading his team to provide legal support for the launch of China’s first state-owned REIT (Real Estate Investment Trust). The REIT is regarded as one of China Merchants Securities’ innovations in real estate finance. It has created a new vehicle through which state-owned companies can realise mixed ownership reform.

Zhang, a CEIBS EMBA 2011 graduate, is also known for

his strong support to his alma mater, having recommended five excellent candidates to the school’s EMBA Programme so far. He received the CEIBS Golden Torch Award in May this year, which recognises alumni and students who have made remarkable contributions to the school’s EMBA admissions process.

*TheLINK* recently sat down with Zhang to learn what he enjoys most about practicing law, and how he has applied what he learned at CEIBS to his career.

***TheLINK:* After so many years in the business, which of the cases that you’ve worked on has been most satisfying for you?**

I had a case where two people, A and B, co-founded a company. A then opened another company which ran a similar business and it became a rival. B asked A to leave their company, but A refused. There is not a good legal solution to





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this kind of dispute since as a shareholder A was free to decide whether or not to sell his share; no one else could intervene. The negotiation went on for a long time, and B consulted many lawyers who all gave him the same answer: no one can force A to sell his share of the company if he doesn't want to sell. Negotiations had been at a stalemate for two years when I got involved. To find leverage to negotiate with A, I conducted a thorough investigation of A's life experience, educational background, family life, social relationships, personality, etc... After our due diligence, I had some idea of how to negotiate with him. Less than two weeks later, A agreed to a compromise, and left the company without getting any money.

This case shows very clearly that solutions always outnumber problems. Different cases require different solutions, and you must be attentive and diligent to find a solution.

In another case, a company had come up against a critical legal problem while in the middle of its listing process. Many sponsor firms and lawyers considered it a significant

obstacle, and thought there was no way the company would be able to list. When we took over this project, we conducted a thorough review and research of the issues and I concluded that the company had not violated the law, only a policy document. From a civil law perspective, based on an analysis of finance, the company had entered into a new form of contractual relationship, which is legal and valid. Finally, from an investment banking perspective, I concluded that what the company did was common practice in the industry. If that behaviour became forbidden, the whole industry would be undermined.

To my pleasure, during the review of the project, the government issued a document which confirmed the legitimacy of the company's conduct. This outcome confirmed our findings, and the company was finally able to list.

***TheLINK: What qualities do you think a lawyer should possess? How did your studies at CEIBS help you improve your business capabilities?***



In the first place, a good lawyer should have solid, basic skills; put yourself in the client's place to help him solve the problem. There's no excuse. You must allow your client to get to know you and your approaches to designing a solution for his problem. For a lawyer, the ability to solve a problem is really crucial, and this ability depends on your expertise in the law.

Next comes direction. A law practitioner should make a plan for the type of law they will practice, based on their individual traits. In my case, I am not fond of having to have a busy social life in order to network, and prefer to provide services for my clients based on my expertise and experiences. Therefore, I am more suited to the non-litigation area. I got my practice certificate in 1994, and have worked in the non-litigation area

for more than 20 years. This area requires a good knowledge of law, since the clients need solutions more than legitimacy and compliance. They also want you to give suggestions from a finance and investment banking perspective. We often encounter questions about things like the capitalisation of expenses, share-based payment, earnings management, and tax planning. Thus, we need to adjust and improve our knowledge. Studying at CEIBS filled my knowledge gap, and gave me the opportunity to understand finance, corporate finance and corporate management in a more systematic and clear way.

Now I'm focused on corporate restructuring and IPOs. I am often asked by entrepreneurs, "Do you think my business can be listed?" To be honest, I cannot answer this question from the

legal angle, I need to take an investment banking perspective and perform a multi-dimensional analysis of the company's finance and business situations, core competitiveness, and industry barriers. I don't only answer questions pertaining to law, but also analyse financial statements and a company's investment value, in order to judge whether the company could be listed. I can be more competitive this way.

Where did I obtain the knowledge that enhances my individual value? From CEIBS professors. For me, the most helpful professors are those in finance and accounting, including Professors Ding Yuan and Xu Dingbo. Their courses benefited me a lot.

***TheLINK: You were recognised as CEIBS' Best Recommender [of potential students] in South China, and now you have received the CEIBS Golden Torch Award. What are your criteria when recommending talented potential students to CEIBS?***

CEIBS has its own criteria for admission, but what are my criteria? First I expect the candidate should be a seasoned businessperson, because CEIBS is a sharing platform, and you must have value and experience that will benefit others. Value is not related to success or failure, but refers to the worthiness of what you can share, which is really important.

The second criterion is integrity. How can you tell whether one has integrity? My way to tell is by knowing someone's past experiences.

Third is morality. I often heard it said at CEIBS that the school's clients are

always easily recognisable. The subtext here is “temperament”. Appearances are decided by one’s moral traits, and a person of virtue must come across in a pleasant way.

Fourth is enterprise. Only when one is enterprising can he emit positive energy and become a useful person in society.

Integrity is the threshold. It is the requirement for a person’s “height”, while morality and enterprise are requirements of “breadth”. I believe, with both “height” and “breadth”, such a group of people together are bound to create an atmosphere of harmony, friendship, positivity and cheerfulness.

#### **TheLINK: What was your biggest takeaway from CEIBS?**

While at CEIBS I started to run, and I also participated in the Gobi Desert Challenges. This competition was so important for me; it even led to some big changes in my life, which can be likened to a kind of rebirth.

I’ve been to the Gobi Desert three times. I was on Team B in the 7th Challenge, and led Team B in the 8th Challenge. The Challenges taught me a lot. Running is boring, and it’s hard to stick to it without companions. After I entered CEIBS, a group of Challenge “veterans” ran together with me. Every time I was feeling bad and wanted to give up, they always, by hook or by crook, encouraged me to carry on; but when I reached a goal, they would just leave me alone to enjoy my accomplishment. After I returned from the Gobi Desert, I began to enjoy running.

Recently Professor Jean Lee taught

a Leadership in Action course in the Gobi Desert, and I was her ‘teaching assistant’ there. Professor Lee designed many games for our hikes, and every game had a theoretical implication. The first day it was about team leadership, inspiring everyone to work together for one unified goal; on the second day leadership and change management was addressed, showing everyone how to lead a team when change happens; leadership and conflict was discussed on the third day, everyone was engaged in exploring how to deal with conflicts within the team. Every evening after the participants returned to the campsite, the professor and I would highlight the main ideas of the theories, and the participants made summaries and shared their experiences. This teaching approach not only improved participants’ understanding of the theories, but also gave them instructions both for life and career.

#### **TheLINK: What would you like to say to your alma mater?**

“Thank you!” That’s all I want to say. I have so many reasons to be grateful.

CEIBS is like an oasis on our lifelong journey; everyone gathers here, taking a rest, sharing, experiencing, summarising, and then setting out again. In my eyes, this oasis will be extremely important for my entire life.

There is an old Chinese saying that goes: I examine myself daily on three points: whether, in transacting business for others, I may not have been faithful; whether, in communication with friends, I may not have been sincere; whether I may not have mastered and practiced the instructions of my teacher. It basically reminds us that if we want to improve ourselves, we need to reflect on our behaviour every day to see whether they are right or wrong. With help from CEIBS professors and classmates, we are able to look back on and summarise our life experiences, then come to realise what successful experiences are worth sharing and what lessons of failure are worth learning. Within the CEIBS community, supply is abundant and there is a bumper harvest.

