



# From the Frontlines

By Charmaine N Clarke & Lukas Tonetto

*Globalisation has become the buzz word today, but many savvy Chinese businessmen have been doing business overseas for years. We caught up with a few of them during the last CEIBS CEO Summit. Read on for a peek into the world of fashion brands, new energy, global sourcing and private investment.*

*“I think our next step will be playing a role in the global capital market .”*



### **Fei Jianming**

(GCPE 2014/LCP 2015)

Founder of Eopply New Energy Technology Co Ltd & Hailin Group

**I**n 2003, we changed our business model so now we have two main businesses. The first is fashion design plus marketing and production for four brands. One brand is called Hailin, this is our own brand. The other brand is called Erdos, and it's quite famous in China, and we also have French brands. I think we have a strong competitive advantage in the textile industry because we have very good brands and also we have a very good marketing network in China.

For the second business, new energy/solar, we produce the equipment and we also do power generation. We are also in the new energy automobile business. So we cover the entire supply chain from production to sales to marketing, and also service. I think the new energy industry has a bright future and I can see its potential. We will focus on energy conservation and environmental protection. I think this will be very competitive in the future.

### **Global footprint**

We are already doing business outside of China. For example in the fashion brand business we not only bring

Chinese brands to the overseas market but we also bring European brands to China. For certain brands, we connect the operations of the Chinese and European markets.

In terms of new energy, we entered the European market very early in 2009. We had business in Germany, France, Spain, Italy and Czechoslovakia. Actually we built several solar power generator stations in these countries with total capacity of about 200 megawatts. We also have a branch in Germany, another branch in America, and we used to have another two branches in France and Spain. So we do have a certain market share in the global new energy market.

When we first entered the global market, we were basically just a trader. Later we also started to provide service and HR resources management in the global market. I think our next step will be playing a role in the global capital market and we are also going to export our management expertise as well. So in that way we can achieve globalisation step by step.

### **Value of collaboration**

Today's environment is a global one and the economic environment changes so rapidly. Business models change very fast, so under those circumstances the only way to develop is through cooperation.

But when we talk about cooperation, the most important aspect is cultural differences. Actually that is also the most confusing area for us. We notice that because of cultural differences there are problems within the management and operations, so this is an area that we will pay a lot of attention to in the future in order to realise our goal of globalisation. But if we have very clear goals for globalisation, no matter what kind of problems we face, as time goes by we will be able to solve them and realise our goal.

WATCH video:





**Zhang Xiangdong**  
(CEO 2010)  
President & CEO Beijing  
Organic and Beyond

**W**e had a global mind-set from day one because we want to provide good food for more people. We do global sourcing for the Chinese people. That also includes issues such as the environment and global trade.

Our first step overseas was in Australia. For example we now import beef from Queensland. We also have olive oil from Greece, wine from the South of France, dried fruit from Vietnam, and also seafood from Alaska in the US.

We are now starting to produce chocolate in Switzerland. We use four major ingredients which are from all over the world: cocoa from Peru, sugar from Paraguay, cocoa butter from Dominica, and Costa Rica supplies another major ingredient. All these ingredients will be transported to Switzerland and we produce the chocolate there locally.

Global sourcing isn't limited to just the activity of getting ingredients from all around the world. For example, when sourcing cocoa from Peru, we actually provide training in organic farming to the local farmers so we provide technical support. We also have to decide on product standards as well. So for us, when we talk about overseas business the first step is to build a platform for communication. For example, we have two publications. One is to introduce organic farming in China to the outside world. The other one is to introduce organic farming from around the world back to China. So this is the first step.

The second step will be to identify an area of the product and set up standards. And then we will begin to implement those product standards back to China. The third step will be in the form of equity investment. So we are basically building our overseas operations step by step.

*“We had a global mind-set from day one because we want to provide good food for more people.”*

WATCH video:



*“Europe is important for us as we are looking for entrepreneurship in manufacturing.”*



**John Yu**  
(EMBA 2012)  
Founding Partner of  
MyTech Capital Ltd

We are an incubator which helps funding companies and which supports private enterprises in the early stages. We invite small start-up companies to our 65,000-square-meter co-workspace and help them to develop. Already 420 companies have profited from this opportunity in three cities – Shanghai, Nanjing and Beijing.

We are the largest incubator in terms of investments and the largest investor in relation to other incubators. We raise funds and are supported by private sponsors. We also have a little bit of governmental support, but the majority is from private equity.

We’ve only been in the market for three years. But in the meantime we have ourselves founded and financed 41 companies. We are constantly looking for the right people who can be successful with the right idea in the right market. As soon as the company

takes off we sell a part of our share and hopefully we can see one or two IPOs.

Up to 2014, we were only in mainland China. In 2015 we started activities abroad, mainly in the US. We have a partner in Silicon Valley. Our interest is to support and develop companies which have an interest in the Chinese market, to develop products for and commercial activities in China.

Europe is important for us as we are looking for entrepreneurship in manufacturing. We must acknowledge that because we are from different cultures we also have different ways of looking at the future. Silicon Valley is “digital” in its DNA. Europe has this tradition of precision manufacturing. Together the US, Europe, and China, we build a triangle. And let’s not forget: if we want to be a first mover in China, we must be present in other parts of the world.