

Go global by thinking local, firms are advised

Small steps lead to giant strides in overseas markets, experts say

By LAN LAN
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When asked how he feels about working for a Chinese company, Jeffrey Shafer, vice-president of global communications at Lenovo, responded quicker than a mouse click: "It's a global company."

Even a cursory glance at the company's executive list confirms the truth of that statement.

There are six nationalities among Lenovo's top 10 executives and 17 nationalities are represented in the company's top 100. The company has a presence in more than 60 countries and regions.

Chinese companies operating in ever-increasing numbers overseas have contributed significantly to the host countries.

According to a report released by the World Economic Forum and the Boston Consulting

Group, in 2010, Chinese companies employed nearly 1 million people overseas, and of these about 71 percent were part of the local workforce.

Local hiring has helped Lenovo, the world's second-largest personal computer maker, to gain local acceptance.

The company maintained local jobs after it purchased IBM in 2004. It has more than 2,500 people in the US and created 300 jobs at its US headquarters near Raleigh, North Carolina in 2011.

"If your executives and employees are from various backgrounds, it demonstrates the company has a cultural diversity," Shafer told China Daily.

Chairman and CEO Yang Yuanqing moved his family to the US to better understand its culture after the purchase, though he didn't speak English fluently then.

Lenovo's market share is about 8 percent in the US and it is the fourth-largest PC company in the US, according to the company.

The company, built by former chairman Liu Chuanzhi 28 years ago with a few engineers in a hut, has put down roots in the US.

"When Lenovo purchased IBM most people expected it to fail. After seven years, we have become the world's second-largest PC maker," Shafer said.

The US market is obviously of strategic importance for any Chinese company looking overseas.

Despite the fact that only about 1 percent of US foreign direct investment came from China in 2011, more and more Chinese companies are set to enter the US market.

But the basic question remains the same: How do you gain acceptance and achieve sustainable success?

Peter Verrengia, president and senior partner of Commu-

nications Consulting Worldwide, said it is important to build a positive stakeholder relationship.

"It's hard to convince people in any area by telling them you are here to help them. They will question what you can bring and what you will take."

He suggested Chinese investors spend more time building bridges to local communities.

Chinese companies have to overcome certain obstacles, including mistrust, caused in part by the increasingly harsh rhetoric of the US presidential campaign.

Some people think that the US is economically limp while China is economically strong, and they then believe China's growth represents a threat, Bill Black, senior vice-president of Fleishman-Hillard, said.

Though Washington encourages foreign investment, Chinese investment in telecommunications and information technology has

confronted obstacles.

"But at the local and state levels, companies are welcomed by officials who see the economic benefits. Chinese companies seeking to invest in the US should start as locally as possible and work outward to create a widening network of strong stakeholder relationships," Black said.

Stakeholders mean customers, employees and investors, government officials at the local, regional and national level, community and union leaders, and environmental groups.

"If stakeholders come to see the new business as being a good potential partner that will bring benefits, such as more jobs and economic activity, then they will welcome the foreign investment, and even actively work to smooth its path of entry," he said.

Haier is another pioneer of Chinese companies "going global" and its strategy was through green-field investments (building new facilities).

Li Pan, president of Haier Electrical Appliances, said the company is in talks to expand its investment in South Carolina on the basis of a good local network.

The appliance and electronics giant started with \$30 million investments in the US in 1999. The initial investment brought more than 200 jobs and another 600 jobs indirectly, and it also stimulated a number of projects in the area.

Apart from creating jobs, operations in the US have strengthened Haier's cooperation with US companies in joint research and getting supplies of raw materials.

Haier sources more than \$520 million annually from US companies, such as Honeywell and Dow per year, a sum greater than Haier's annual exports in terms of value, Li said at a recent forum in Beijing.

Haier started by sponsoring the NBA, after that a US national park and charity organizations to help it gain brand visibility.

"Without partners, local governments and consumers, you cannot generate a win-win result," Li said, adding that Haier regards itself as a corporate citizen with social responsibilities when investing overseas.

Media practices

Chinese companies are developing a greater awareness of the importance of communication in the US and to tell their story to their customers and stakeholders in a more effective way.

"Even as recently as three years ago, most of the few Chinese companies operating in the US thought that the best way to achieve their business goals was to stay quiet, is to stay out of the media. I think that has changed in recent years and is still changing," Black said.

Chinese companies are considered opaque, as the Americans value openness and transparency, so it's important for them to be open and transparent, Black said.

QUOTABLE

"All the things I have done are for the health of my baby daughter."

WEI XINGYU, a 36-year-old businessman in Changsha, Hunan province, raised five dairy goats on the roof of his house to get milk for his baby because he is uncertain about the quality of milk powder on the mainland. Since his daughter was born in April, he has fed her breast milk, goat milk and baby formula, but mainly goat milk. The goat milk has also become popular with his relatives and neighbors.

THE NUMBER

20

PERCENT

China may have the world's largest mineable shale gas reserves, about 20 percent of the world's total, according to a report published by the Ministry of Land and Resources. The report said the world's mineable shale gas reserves are estimated to reach 187 trillion cubic meters, with more than 36 trillion cu m in China. China's interest in shale gas exploration is increasing with an estimated output of 6.5 billion cu m by 2015.

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around china

BEIJING

Six officers receive rank of general

President Hu Jintao conferred the rank of general on six senior military and police officers in Beijing on Monday.

The six officers are Du Jincui, deputy director of the General Political Department of the People's Liberation Army, Liu Yazhou, political commissar of the National Defense University of the PLA, Du Hengyan, political commissar of the Jinan Military Area Command, Tian Xiusi, political commissar of the Chengdu Military Area Command, Wang Jianping, commander of the Chinese People's Armed Police Force and Xu Yaoyuan, political commissar of the CPAPF.

Hu, who is also the chairman of the Central Military Commission, handed the certificates to the officers and congratulated them at a ceremony on Monday morning.

Most non-State firms have unions

Most non-State companies in China have set up labor unions, a trade union organization said on Monday.

About 3.44 million, or 82.73 percent, of private and foreign-funded companies in China had established labor unions as of the end of June, Wang Yupu, vice-president of the All-China Federation of Trade Unions, said at a meeting on Monday.

In the first half of the year, 99.29 million, or 73 percent, of staff members in private companies joined labor unions, Wang said.

Wang said the labor unions have been working on promoting collective salary negotiations between companies and workers, with the number of companies signing collective wage contracts up 56.1 percent from 2010 to the current 1.74 million.

Suspect in fire on bus detained

Police have detained a man suspected of starting a fire on a bus in Beijing, according to city authorities.

No one was injured and the fire caused only light damage to the vehicle.

The blaze started at the back of a No 9 bus about 5:15 pm on Saturday as the bus passed the intersection of Jintai Road and Chaoyang North Road in Chaoyang district, according to a post on the micro



FROM BAY WATCH TO BODYGUARDS

PHOTO PROVIDED TO CHINA DAILY

Prospective bodyguards are put through their paces at Queen Bay in Sanya, Hainan province, on Monday, as 109 trainees gathered for a one-month training course.

blog of the city's public security bureau on Sunday.

Investigations are ongoing, but police say evidence suggests the fire was started deliberately.

The suspect was detained at 9:30 pm on Saturday, according to the micro blog post.

GUANGDONG

Legislative meeting shown online

Legislators in Guangzhou, capital of South China's Guangdong province, on Monday broadcast their meeting online for the first time in the city's history, local authorities said.

The fourth session of the Standing Committee of the 14th Guangzhou City People's Congress was held on Monday.

Chen Jianhua, Guangzhou's mayor, reported on the govern-

ment's work for the first half of the year and introduced a work plan for the second half, which was broadcast on the website of the Guangzhou City People's Congress and several other local websites.

The broadcast will help citizens better understand the people's congress system and make the government's work more transparent, said Zhang Guifang, director of the Standing Committee of the Guangzhou City People's Congress.

Zhang said the Guangzhou City People's Congress plans to broadcast 15 such meetings on the Internet this year.

QINGHAI

China's largest lake expanding

The surface area of China's largest lake has been expanding for

eight years, according to scientific data.

Qinghai Lake, an inland saltwater lake in Northwest China's Qinghai province measured 4,354.28 square kilometers according to satellite data collected on July 19 and published on Sunday, said Zhou Bingrong, deputy chief of the provincial institute of meteorological sciences.

The figure was 14.58 sq km larger than that at the same time last year, and the largest in 12 years, he said.

Zhou's institute has been carrying out surveillance of the lake's surface area since 2001, when the lake was shrinking due to climate change and human activities.

"We have noticed an apparent increase of water since 2005, thanks to more rainfall and sustained environmental protection efforts," Zhou said.

SHANDONG

Hundreds fish for snappers in port

Hundreds of local residents of Qingdao, Shandong province, recently rushed to the city's port to fish for about 10,000 American red snappers that about 20 people dumped there, China National Radio reported on Monday.

According to the report, the 20 people, who said they are from Jilin province, bought about 10,000 American red snappers from a fish plant near the Jimiya Port for 500,000 yuan (\$78,000).

Freeing captured animals is a Buddhist practice and is a tradition for many Chinese. The purpose of setting animals free is saving lives.

After the snappers were freed,

hundreds of residents who heard the news rushed to the port to fish.

The biggest snapper caught by a resident weighs about 1.5 kilograms, report said.

Four dead in car crash

Four people died when a car collided with a tanker carrying dangerous chemicals on Monday morning in Zibo, East China's Shandong province, the city government said.

The two vehicles collided around 11 am on the corner of a road. The tanker exploded and caught fire.

The remains of four people were found at the scene of the accident, but they have not yet been identified. The cause of the accident is being investigated.

CHINA DAILY—XINHUA

Medal: 'Athletes not machines'; media obsessed with gold

FROM PAGE 1

There is no doubt that gold medal winners are given more material rewards and media exposure than other Olympic participants in China.

To some extent, the media are partly responsible for the obsession with gold medals, Wu Zhilin said.

"You see so much media coverage of the gold medalists, from what food they like to revisiting the primary school they attended. The other athletes just fade into the background," he said.

Wang Ling, a 24-year-old tennis fan from Beijing said athletes cannot just produce gold medals.

"Our athletes are not medal machines. They are supposed to enjoy the Games and make people want to join in the spirit and take up sport."

"People feel proud for them no matter what results they get as long as they did their best. No one is a failure in the Olympics," she said.

"China used to use gold medals to prove we are a strong nation and gain respect

from others. We don't need that anymore."

Olympic athletes said they are simply happy with any medal.

"Is it really a matter of the color of the medal?" asked Timo Boll, German table tennis star who has an outside gold medal chance in London.

"I would prefer gold. But I will also be very satisfied if it's silver or bronze."

Leaving the issue of gold behind, people in China generally are giving their full support to all the athletes.

Weightlifter Zhou Jun failed all three attempts at her first weight in the 53kg division on Monday.

"I wasn't in the best condition," she said later in an interview. "But I really appreciate all the support and concern back in China."

Yu Dan, bronze medalist in the women's 10 meter air rifle, celebrated her success with parents and friends.

"I am so proud that my daughter went to the London Olympic Games and won the bronze medal," Yu's father said

in an interview with the Xinhua News Agency.

Xiao Hongbo, a professor at the department of journalism at Shanghai University of Sport, highlighted participation.

"China's obsession with gold medals is what makes it difficult to get the masses involved in sport. All the funding will go to those who are capable of winning the gold, but not the public."

"This (gold obsession) has got to stop. Otherwise, China may become a nation that wins a lot of gold medals but is still weak in sports," he said.

He added that there is a chain of interests around athletes who make it to the Olympics. This includes coaches and administrative staff. One person's failure to get the gold can affect everyone in the chain, so it is no surprise to see athletes in tears if they don't have their golden moment.

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