

The International Forum in *CHINA*

Shanghai, Hangzhou, Chongqing

November 12-16, 2007



The changes taking place today in China are dramatic. From afar we see it through the eyes of reporters, writers, consultants, colleagues, customers and suppliers. But to really understand what is happening in China and the implications of this on our businesses and our lives, we must go there in person to learn, ask our own questions, speak with people and encounter first hand the transformation.

Visiting the coastal cities to meet with informed and experienced China experts is immensely helpful in formulating our views and raising questions, but to really understand what is happening here one must travel west to second and third tier cities and rural areas where the majority of Chinese live and work and where the future of China and its sustainability is playing out.



Because business is a part of the society in which it operates, we examine the changes taking place in China in a larger context than just economy and government. The society that is changing in China and the value system will influence greatly what China is becoming and how we must interface with it in the future.

This five day traveling experience through China will introduce you to the China below the surface and beyond the superficial.

The International Forum in China is for business leaders and executives who lead a global business with interests in China and the region. The Forum is also for those who are making decisions related to the strategic direction of their firms worldwide and must consider the challenges and opportunities that China presents. This Forum is an opportunity for participants to learn from others' experiences about how the changes taking place in China will affect their personal and professional choices in the future.



Dominique de Boisseson of Alcatel China and Bill Cook of Caterpillar USA discuss their businesses in China

"You need to experience the Forum at least once in a lifetime in your professional career. It is so eye-opening and creative. You will take away so much new information and ideas for action that it will keep you busy for quite a while before you realize them all."

*- Luc Vandenbroucke, President,
BarcoView, Belgium*

Participants in the program learn from each other and from leaders in business, government, education, the arts, technology, medicine and society. The program offers participants a first hand understanding of the culture and the changes taking place in China today. "Encounters" with people are face-to-face, informal and wherever possible, in their own environment, so that all may understand more clearly and see first-hand the complexity of the challenges and opportunities in China today.

Experiences with people across China also provide a lens through which to view our own organizations, cultures and countries and in so doing gain a greater understanding of ourselves.

"A set of experiences you would never get on your own or through your company. It challenges both your assumptions and your mindset."

– Jan Clasen, Senior Vice President,
Norske Skog, Norway



杭州 上海

Proposed Itinerary

November 12th: Shanghai

Beginning in the international city of **Shanghai**, the gateway to China historically reserved for foreigners, we will meet with experts and experienced business leaders in China who will share their perspectives on where China is headed, the opportunities and the real risks to sustainability.

Shanghai's infrastructure story is impressive. By 2002, \$58 Billion had been invested in roads, bridges, railways, buildings, telecommunications and public utilities. Since 2002 annual investment continues to increase by 11%. The completion of the Yangshan deep water port, the new bullet train between Shanghai and Hangzhou and the 36 km bridge across Hangzhou Bay which will be completed by the end of year will complete a triangle of infrastructure joining the port city of Ningbo with Shanghai and the city of Hangzhou. This will create a megalopolis of production, services and trade with the rest of the world. Shanghai will be at the center.

In Shanghai, participants meet with business leaders and employees of foreign (American, German, French, Singaporean, Korean and Japanese) companies operating in China. It is an opportunity to learn face-to-face from people who have led organizations in China for at least the past 10 years and who have immersed themselves in Chinese culture. Their experience and insight provide a lens through which one can view the change taking place in China today. Young people from all over China have come to find work in Shanghai. Discussions with them reveal aspirations, frustrations, hopes and insight into China's future.

China's foreign exchange reserves and its investment strategy for these as it is related to world resources, the practice of inventorying metals, price management and energy sources will be discussed in the context of what is happening here.



November 13-14: Hangzhou

Hangzhou, once the capital of the Southern Song dynasty (13th century), today is the site of one of China's best universities and many of China's new entrepreneurs. In contrast to Shanghai's state guided and foreign invested growth, this city provides an opportunity to experience China's own growing "private sector" which is made up of companies, transformed from state owned or town and village enterprises as well as greenfield entrepreneurs. Participants meet with individuals who have grown businesses catering to the growing domestic market as well as businesses that now compete globally in manufacturing. Discussion with employees of some of these companies provides insight into management philosophies, approaches to creativity and an insatiable appetite to learn and to succeed. In Hangzhou the group will explore some of the key challenges China is facing in sustainability: healthcare and public health in a post-Mao era, pensions and welfare for a growing aging population and education to fuel its workforce for the future. Each has undergone dramatic decline since the 1980's. The social safety net has all but disappeared in China. Hospitals, schools and retired workers must for the most part find their own ways

to self sustain and finance their activities without government help. Participants meet with doctors and administrators in one of Hangzhou's hospitals where both Traditional Chinese Medicine and Western Medicine are administered. Discuss with them the challenges of operating a hospital now without sufficient funding as well as the current and new health risks facing China and how that has changed in the last decade.

The future of China rests with its young people. They will supply China with its much needed talented work force as well as support the growing aging population. Meet with students from one of China's top universities as well as high school students from a key high school. Discussions take the form of one-to-one conversations between participant and student.

November 15-16: Chongqing

In the far western municipality of **Chongqing** 32 million people coexist in "two Chinas". The city has been a center for heavy manufacturing since the beginning of the 20th Century. Yet settled around its outskirts are fertile farming communities. Chongqing is also a window on the Yangtze River and the amazing transformation that is taking place in logistics, distribution systems and ports in China today. In the later 1990's, the city was granted provincial level status by the central government placing it on the same level administratively as Shanghai, Beijing and Tianjin. Chongqing is the cornerstone of China's critical Western Development Program. The central government will invest \$32 Billion in infrastructure development over the next several years and many of the projects are well underway or complete already.

Located on the Yangtze River upstream from the Three Gorges Dam project, Chongqing has also been the major recipient of the farmers and villagers who have been displaced due to flooding. The majority of the 6 million who have been resettled have found their way to Chongqing and the city expects to continue to receive 500,000 new migrants a year.



In Chongqing participants meet with government officials responsible for the planning and development of the city as well as the rejuvenation of its manufacturing based economy. Critical to Chongqing's longer term success is private enterprise and participants gain first hand insight into this by meeting with very successful local entrepreneurs.

Participants gain an outsider's perspective on what is happening in the center and western parts of China through discussions with managers of foreign companies operating here. The question of sustainability of growth is of critical concern in terms of both resources and environment. Participants meet with those involved in environmental projects and community development projects.

Here the question of the gap between the coastal areas and the west are explored and the concern over stability in China's future. The challenge of forming new communities, accessing healthcare and education are explored as people struggle to make the transition from rural to urban lifestyles and from small villages to large urban apartment complexes.

Face-to-face encounters with people from all parts of China's society, economy and leadership are considered in an individual and group project for presentation and discussion on the final evening of the Forum.

Who you meet and how you learn

- Meet **leaders of foreign businesses** in China. Share what it takes to succeed, what it is like to be in China, how to deal with governments, partners and local Chinese leadership, which mistakes to avoid and how to seek clarity on your own goals and plans.
- Visit with **leaders of “private” Chinese companies** in Hangzhou and Chongqing and learn how they are managing their own challenges of distribution in China, cost pressures, marketing, quality control, intellectual property violations and growth in domestic and foreign markets.
- Explore some of the key challenges facing China: healthcare, public health in a post-Mao era, pensions and welfare for an aging population and education to fuel its workforce of the future. Visit a local hospital and discuss with doctors and administrators the challenge of running a hospital in China now as well as the current and potential health risks facing China.



- Meet with high school and university **students** and learn about their aspirations, lifestyles, families and role models. With faculty members and teachers discuss the challenge of preparing China's next generation of leaders and workers.
- Visit **residents of a local village**, see how changes are affecting family life and community; visit homes, schools and assess the emerging values and moral compass in the context of China's history and the present.

- Consider the amazing development of Shanghai and Chongqing in the context of China's plans for continued growth. Discuss with **government officials and developers** the plans for Chongqing's infrastructure and the absorption of over 40,000 new migrants into the city each year.



- Understand China's efforts for developing the West and securing energy sources for the future. Discuss the implications of the Three Gorges Dam, the investment in the logistics and port system of the Yangtze River and the redevelopment of communities and farm lands along its banks with researchers, environmentalists and those involved in infrastructure planning and development.

- Meet **young business managers** from different foreign companies in the interior of China as they face the challenge of manufacturing so far west and also penetrating China's vast inland markets. Learn about questions of branding, distribution, personnel and intellectual property protection.
- Visit with foreigner who has been building a **foster care system** for China that has already placed half a million children from orphanages in China with foster parents in China.

Program Design

The five days of The International Forum in China are filled with interviews and encounters with all types of people in China. It is a rigorous program which travels through three cities and three provinces. The mornings and afternoons are filled with visits to companies, schools, hospitals, homes, villages etc. At least once a day, participants are given a choice of what to do and with whom they would like to meet. Some may choose to visit a small company, while others choose to visit a high school to speak with students or be part of a session on values and social change with some of our resident experts. The Forum agenda is a combination of pre-arranged meetings and visits that support the learning objectives of the program. At the end of each day, participants meet to share and discuss what they have learned during the day; and many pursue subjects in more depth with the Forum's expert resource people.

Resources: For the months prior to the Forum, participants receive a series of reading materials written by our expert resources and others as well as a list of questions to consider. They also receive a journal in which to prepare questions and objectives for their participation at the Forum.

This Forum is designed and led by The International Forum's core China team. This group of experienced experts has been creating Forums in China together since 1994 for over 450 top executives from leading companies in the U.S, Canada, U.K., Germany, France, Belgium, Japan, Singapore, Korea, Sweden, Norway, Denmark, the Netherlands etc. In addition to the International Forum team, the 20 participants will be accompanied by a selection of resource people who provide additional background and context to the experience.

For a complete list of the resources of The International Forum in China please contact us at Mail@internationalforum.com or visit our web site at www.internationalforum.com



Jean-Pierre Duprieu, Marie Florence Duprieu (France), Robert Bergqvist (Sweden) and Judy Alexander (USA) discuss the local business environment with Derong Chen (Beijing) and Huxing He (owner of a local cement company in Hangzhou) and Christel Bories (France) has her pulse taken by a Traditional Chinese Medicine doctor in Hangzhou

"A profound and focused accelerated learning experience like no other. Not just knowledge, but development of insight and perspective, both professionally and personally. The composite of the individual discussions with different business leaders provided clarity to me about what must be done to succeed in China" – Bill Cook, Director of Strategic Planning, Caterpillar USA

Issues discussed by participants may include the following:

Economic Reform and Development

- How sustainable is China's growth? What are the real risks for its future (eg. food security, pollution, water supply, public health, education, pensions and welfare, loss of trust, institutionalized corruption, the financial system)? How significantly will they play out and how will this affect the rest of the world?
- What are China's priorities for regulatory changes and reform? What new opportunities and challenges does this present for foreign companies?
- The private sector is now 50% of the economy. What are the challenges that these business face? How are they dealing with rising labor costs, increasing taxes, corruption, and cost of materials?
- What is the real value of manufacturing in the world today and why is being the "workshop of the world" not a sustainable position for Chinese companies? How are they moving up the value chain?
- What new issues are arising in the area of "intellectual property," not only in China, but also in its export markets? How are global companies identifying and managing this challenge now? Will "Made in China" recover from recent counterfeit food and corruption scandals?
- In what ways are Chinese companies globalizing? What have they learned and how do they compete?
- What progress is China making towards a service based economy? What is the significance of this for China's future development?



- What is the outlook for China's sustainability in terms of economic growth and social stability? What role is the Western Development Initiative designed to play in this?
- What is the significance of Chongqing's role in the future of China and the \$23 Billion to be invested in infrastructure there? What improvements have and are being made to logistics, distribution systems and ports on the Yangtze River and how will this affect the economy of the interior? Which companies have succeeded there thus far and why?

Political and Social Reform

To date, economic reform has been a priority while political and social reforms have not. Yet the sustainability of China's economic growth is dependent on social stability and some sort of participation in the future of China.

- What would successful political reform look like in China?
- What changes have been made to the rule of law which are meaningful and separate from the communist party? What of the protection of essential civil liberties such as speech and rights of association?
- There is a growing deterioration of trust in personal and professional relationships and corruption in China has become institutionalized. What is the moral compass in China today? What defines right and wrong and what kind of society is forming here? How does this influence the leadership and management of businesses, how they interact with each other and with the rest of the world?

Sustainability

- China's demand for energy, raw materials, commodities and metals are putting pressure on global supplies and prices. In what ways is China managing the pricing and supply of these key resources for their development? How will this play out globally?
- China is losing arable land rapidly to desert and farming land in many parts of China is being taken over by urbanization or infrastructure projects. How will China's quest for food security influence the rest of the world?

China and the World

- What does China view as a priority in ensuring regional stability? Where are the challenges?
- The rising costs of resources will ultimately put pressure on China's economy and society. What new alliances will it seek to ensure stability in the future? How will it address new conflicts that may arise from these choices?

The Global Company and China

- How are global companies structuring their organizations across East Asia? How are they integrating cultural differences across the region and aligning their organizations towards common objectives? How are they managing their operations in China differently now after years of mistakes and learning?
- How do the concepts of ownership, networking, assets and the structure of the firm differ between China and other Asian systems as well as the West?
- In what ways do these differences affect the behavior of Chinese enterprises when dealing with foreigners? How can a foreign company recognize these cultural differences in how it manages its operations in China?





An exceptional chance to learn through not only listening to resource people but also discussing issues with them and other participants. It also gives us many chances to experience the culture by touching and feeling it by visiting various sites. All of the participants are qualified people from around the world. You have a chance to meet them, talk with them and learn from them. No other forums or seminars can give us the high quality and value as the International Forum can."

*- Ken Ito, President and CEO,
Fuji Xerox Information Systems, Japan*



The International Forum creates programs which challenge leaders to learn more about themselves and the world outside their organizations. Our programs combine an in-depth and on-the-ground learning experience of markets and societies in the world that are of strategic importance to participants, while also providing a time for introspection and learning about oneself as a leader. Programs like The International Forum in China emphasize learning from other leaders in many disciplines either through encounters with them or in hands-on experiential learning. The International Forum has been creating Active Learning experiences for leaders all over the world since 1988, with over 500 leaders of corporations attending.

For more information or to register for this Forum please contact:

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