

# The International Forum in *CHINA*

*Shanghai, Hangzhou, Yiwu, Wuhan*

*May 15-19, 2006*

中国



**"There is chaos under  
Heaven, and the situation  
is excellent"  
Mao Tse-Tung**

For the outsider, what is happening in China may appear chaotic. But it is the lens through which we look that often makes it seem as such. In truth, what some perceive as chaos, many others see as an excellent opportunity. How does one successfully lead an organization in such an environment where perspectives may be so different?

## Introduction to The International Forum in China

The International Forum in China is for executives who lead a global business here, in the region or who are responsible for the strategic direction of their firms worldwide. This Forum is an opportunity for participants to learn from others who have business interests in China and how the changes taking place here in China will affect their personal and professional choices in the future.



*Dominique de Boisseson of Alcatel China and Bill Cook of Shin Caterpillar Mitsubishi discuss their businesses in China*

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.

## Shanghai - Hangzhou - Yiwu - Wuhan

**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.

**"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."**

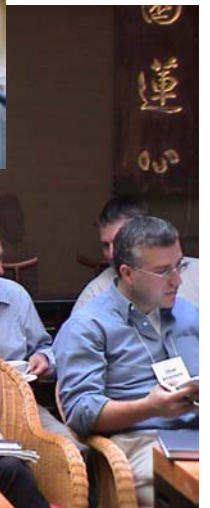
**- Luc Vandenbroucke, President,  
BarcoView, Belgium**



# 武汉



# 上海



# 杭州



**"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**

## 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 here, 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 a number of “private” Chinese companies** in Hangzhou, Yiwu and Wuhan and learn how they are dealing with their own challenges of distribution in China, cost pressures, marketing, quality control, intellectual property violations and growth in domestic and foreign markets.
- Visit a local hospital and spend time with **doctors and patients**, discuss how Western and TCM (Traditional Chinese Medicine) are being used together, and learn about healthcare issues in China.
- Discuss with **students and faculty** members in universities the challenge of preparing China’s leaders in science, technology and business and learn about their individual career aspirations.



*Carl Walter (JPMorgan Chase), Michael Alexander and Weijian Shan (Newbridge Capital) discuss the banking situation in China; participants visit the Langsha Knitting Company factory in Yiwu to speak with the CEO and his managers*

- 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 present.
- Consider the amazing development of Shanghai, in the context of Asian urbanization trends, in discussions with **developers and others involved with city management**.
- Understand the issues of China’s migration to the cities by meeting **people who started a school** for children of migrant workers in Shanghai. See how they deal with local government and address the challenge of what to do for Shanghai’s 3 to 5 million migrant workers.
- Meet **Young business managers** from different foreign companies in the interior of China as they face the challenge of penetrating China’s vast inland markets. Learn about questions of branding, distribution, personnel and intellectual property protection.
- Visit with a 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.

**"How do you think about China? What is the lens through which you look at what is happening here? First you must “know yourself” and from there you can assess what you encounter in China” - Clinton Dines, President, BHPbilliton China**



# Proposed Program and Itinerary

## *May 15: Shanghai*

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.

Shanghai experiences all the benefits and challenges of an exploding urban center. Meetings with people in hospitals, schools, social service organizations, education and the arts give participants insight into the changes taking place in the urban societies and the challenges.

As the gateway to China and the city traditionally reserved for foreigners, Shanghai also provides the right setting to consider China's relationship with the region and the rest of the world. China's domestic challenges include an aging population, rising unemployment and an increased need for energy. This is discussed with experts and people involved with these issues on a day to day basis.

## *May 16-18: Hangzhou and Yiwu*

**Hangzhou**, once the capital of the Southern Song dynasty, today is the site of one of China's best universities and many of China's new entrepreneurs. The city provides an opportunity to experience China's growing "private sector" which is made up of companies, transformed from state owned or town and village enterprises to semi private companies as well as entrepreneurs. Participants meet with individuals who have taken old and inefficient state companies and turned them around to now compete globally in manufacturing and retail. 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.

This city also provides an opportunity to explore the practice of Traditional Chinese Medicine, particularly in combination with Western medicine.

The small city of **Yiwu**, is the marketplace for those from countries all over the world who have come to buy goods from China at its source. Manufacturers of low cost, small commodities including socks, handbags, Christmas decorations, hair pieces, silk flowers, small appliances, toys etc. sell directly to traders and wholesalers from small shops and booths in either one of the three enormous enclosed markets or from the streets of the city itself.

Last year it was estimated that Yiwu's turnover was 20 billion RMB or \$2.5B (US) with exports at about \$1.5B.

In this city of trade, participants meet with leaders of private enterprises, which did not exist 20 years ago and which today are changing consumer markets around the world through their aggressive cost structures and choice of product.

## *May 19: Wuhan*

Considered to be at the center of China, where the Hanshui River meets the Yangtze River, Wuhan is the largest inland port in the middle section of the Yangtze and a major stop on the Beijing-Guangzhou railway. It is also part of China's "go west" initiative to bring economic development further into the interior. Surrounded on all sides by rich farmland, the city is quickly taking over rural areas as it expands and develops.

In **Wuhan** we meet with Chinese and foreign firms in automotives, textiles, consumer products, food, plastics, packaging and technology. University students from all over China come to Wuhan to study at one of the 47 universities in this city and will speak frankly with us about their job prospects, their home towns and their views on China and its future.

Wuhan is home to many treasures in particular a collection of Bronze bells and musical instruments from the Warring States period (482-221 BC). Viewed as part of the mandate of heaven, music played a key role in the moral development of a gentleman's character. The twelve note non-tempered scale that was created in China in 400BC is both a scientific and artistic wonder. Participants discover the secrets of this era not well known to many in the West.

The city is also a site for a discussion of the ancient thought leader, Confucius, and how what he wrote over 2,000 years ago still has relevance to understanding China and Chinese culture today.

Participants meet the owner and employees of a small machine and die shop in the center of Wuhan, which hires laborers from surrounding villages and produces plastic components for export.

The villages surrounding Wuhan provide insight into China's changing rural landscape and the social challenges brought about by China's economic reform. How displaced farmers are finding alternate sources of livelihood and what their hopes are for their children are shared in informal talks with them.

These 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.

## 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 four 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.

The 20 participants of the Forum are accompanied on their journey by a team of **expert resource people** who travel with us by train and airplane through China. They are chosen because of their extensive experience in China. They may include: Dr. Ken DeWoskin, University of Michigan; Dr. Gordon Redding, INSEAD; Dr. Derong Chen, Norsk Hydro, Beijing; Professor Tianxiang Zhan, Zhejiang University; Ms. Chiara Dai, Lexmark International, Shanghai; Professor Guy Olivier Faure, Sorbonne University and Dr. Marc Faber, Managing Director, Marc Faber Ltd, Hong Kong.

**"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, Managing Director, Shin Caterpillar Mitsubishi, Japan**

For a complete list of the other resources of The International Forum in China please contact us at [Mail@internationalforum.com](mailto:Mail@internationalforum.com)

## Shanghai - Hangzhou - Yiwu - Wuhan



Per Anders Oksum (Norsk Hydro), Marco Palmieri (Alcan) and Jan Clasen (Norske Skog) share their impressions of the Donxing Cement Company in Hangzhou

## Issues discussed by participants have included the following:

### Economic Liberalization and Reform

- What are China's priorities for future regulatory changes and economic liberalization? What new opportunities and challenges does this present for foreign companies?
- The private sector is now 50% of the economy. What is its relationship with the state sector and how is this changing? Who are the entrepreneurs and how do they find and build their opportunities?
- How are the improvements and processes in shareholding and governance leading to a meaningful transformation of State-ownership as well as China's business environment?
- 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?
- 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?
- Which Chinese enterprises are going out into the world, 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 growth opportunities are there in China's interior cities? Which companies have succeeded there 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 there are apparent challenges to this in high unemployment, unfunded pensions and healthcare and a widening gap between rich and poor.

- 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?
- What is the moral compass in China today? What defines right and wrong and what kind of society is emerging? How does this influence the leadership and management of businesses?



### Sustainability

- China's demand for energy, raw materials, commodities and metals are putting pressure on global supplies and prices. In what ways is China taking a different path of economic development than the West that considers the limits to the world's natural resources?

### 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? (for example, how will it manage its relationship with the US, if it decides to source oil from countries like Iran?)

### The Global Company and China

The forces of change which influence business in China and the region and ultimately in the world are looked at first hand in discussions with individuals and foreign companies who have now been operating in the region for decades.

- 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?
- How is China affecting what global companies must do to their operations in other parts of the world?





"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

We learn best through experiences and our views are shaped by these encounters. In developing your own perspective on China and what it means for your business and your life, what assumptions and mindsets will you try to hold on to and what will you let change?

The International Forum in China is an experience in discovery about a country in the midst of tremendous change - and what this means for its institutions, people, government and for the rest of the world.

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

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