

# Together

Cheung Kong MBA Newsletter

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Issue no. 31

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## Professor Zheng Yusheng Highlights Differentiation Strategy of Cheung Kong GSB

“Differentiation is the key issue I emphasize to my colleagues at every meeting”, Professor Zheng Yusheng said in the exclusive interview with Quan Qiumei, the senior correspondent of China Business News (第一财经日报), a leading financial daily in China.

Professor Zheng reiterated that mission of Cheung Kong GSB is to develop business leaders for Greater China and beyond, but not merely to train professional managers for multinational companies. He told the reporter: “China’s future depends on private companies in which industry leaders will emerge.” In China, the scarcest resource is not capital or labor in general, but talent. With more and more domestic companies seeking to go abroad, the problem will become even more serious. Therefore, China needs leaders with both global perspective and local knowledge.



“So, should students just focus on the starting salary when they compare offers in the red-hot job market? No, they must look at jobs as platforms for future growth and choose based on where their potential can be best developed!” Professor Zheng said emphatically.

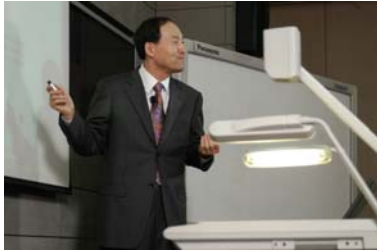
Professor Zheng laments that the media focuses on the starting salary of MBA graduates as the best measure of return on of their investment in education. “However, money is not the only one criterion for success, and if a businessman focuses exclusively on short term money, that is dangerous. Financial reward is the consequence of an entrepreneur’s success, but not the cause,” said Professor Zheng. At present, Cheung Kong does not participate in any business school rankings because the criteria of most rankings have nothing to do with the long term mission of Cheung Kong GSB.

Cheung Kong places great importance in the humanities for both MBA and CEO students. Leading scholars such as Tu Weiming of Harvard University regularly lecture for these courses.

Another key point of difference from other schools is being founded on the basis of “faculty governance”. This means professors make all key decisions at the school. This aligns the interest of the faculty with that of the school to create a world class institution with a lasting reputation.

Original management insights are the competitive edge of Cheung Kong GSB. Most of the faculty is native to China and can integrate the best of global management theories (often developed in the US) with current realities in China. Professor Zheng cites an example: “When I taught supply chain management at Wharton, limiting yourself to the retail industry is sufficient because most of American manufacturing had already moved to lower-cost countries. In China, the situation is totally different. How could you expect a US professor to give guidance for Chinese students on the issue? Impossible.”

“Cheung Kong is at the right place at the right time. Seizing the opportunity as China emerges as an economic superpower, Cheung Kong provides a unique solution for the needs of China’s enterprises by cultivating the business leaders who will make a positive difference in the world”, Professor Zheng said with a smile.



*Prof. In-Mu Haw*



*Prof. Yaru Chen*



*Prof. Liao Jianwen*



*Prof. Yan Aimin*

## **Cheung Kong '07MBA**

### **Courses in December 2007:**

Marketing Management  
*Prof. Zhao Hao*

Statistics for Decision Making  
*Prof. Liao Jianwen*

Organizational Behavior  
*Prof. Yan Aimin*

Managerial Accounting  
*Prof. In-Mu Haw*

### **Courses Offered in January 2008:**

Statistics for Decision Making  
*Prof. Liao Jianwen*

Organizational Behavior  
*Prof. Yan Aimin*

Managerial Accounting  
*Prof. In-Mu Haw*

Business Strategy  
*Prof. Brian Viard*

### **Extra-Curriculum**

China Seminar (Jan. 7th – Jan. 18th)  
Carlson School of Management

## Emotional Intelligence for Career Success

Lili Zeng, the senior consultant at the Career Management Center of Cheung Kong GSB, lectured to the MBA '07 class on the importance of emotional intelligence to career development.

After discussing students' previous understanding of emotional intelligence, Lili Zeng cited the definition of BarOn Emotional Intelligence (EI): EI is a set of skills that determine how effectively we understand and express ourselves and relate with others, as well as cope with daily demands and pressures. She also quoted the saying of Tom Peters, the author of "In Search of Excellence", that success in business today is 15% technology and 85% emotional intelligence.



To demonstrate EI in action, the students were asked to work in teams to build a free-standing structure, using only the provided straws and tape. The team who can make their construction the highest is the "winner." As expected with this theme, the result is less important than the process. The exercise highlighted the various ways people function in teams and demonstrated which behaviors contribute to success, and which do not.

Along with the lecture, students learned more about the components of EI: intrapersonal, interpersonal relationship, stress management, adaptability and general mood.

Through the lecture, most of students said that they gained a deeper understanding of self-regard, emotional self-awareness, stress tolerance and impulse control. In the future, this will give them greater flexibility, optimism, and hardiness in the face of challenges.

Students were fully convinced that understanding emotional intelligence will improve their ability to lead—an essential ingredient to personal development.

### Fosun Group Comes to Cheung Kong GSB for MBA Recruitment

Representatives from Fosun Group, China's largest diversified private conglomerate, came to Cheung Kong GSB's Shanghai campus to recruit MBA students on December 12, 2007.

After the brief introduction from Zhao Lijing, the assistant director of Cheung Kong MBA program, Liang Xinjun, vice chairman of Fosun Group and Cheung Kong EMBA alumni, gave a short presentation to the assembled audience of Cheung Kong MBA students.

Mr. Liang, began by reviewing Fosun's history, business, investment strategy and mission.

According to him, Fosun will continue to focus on those industries that will contribute to and share the development of China. Thanks to the nation's strong economic growth, there are many opportunities in many industries for Fosun to seize.

However, Mr. Liang took pains to emphasize the fact that Fosun invests not only in assets but also in entrepreneurs. Fosun values the risk-takers who have clear goals and who can lead a team to realize those goals. In other words, Fosun looks for those who, despite having experienced frustration and setbacks, were able to eventually overcome those obstacles.

Mr. Liang also shared Fosun's philosophy on how to improve the performance of target companies post-acquisition: through "cost controls," "innovation," "brand promotion" and "industry best practices."

Fosun has made acquisitions in a number of different industries, including steel, pharmaceuticals, mining, property, retail and finance. In light of these acquisitions, Mr. Liang stressed that Fosun will continue to improve the competitiveness of those companies and transform them into the leading companies their sector in accordance with the differentiation strategy he and his colleagues learned from Cheung Kong GSB. Regarding the future of Fosun, Mr Liang emphasized that the company will strive to ensure corporate transparency, strengthen its competitiveness and maintain its sense of social responsibility.

Yao Zhiwei and Peng Jie, two Cheung Kong MBA students, asked whether Fosun will support those who want to start business. Mr. Liang responded by saying that Fosun has no plans to move into the venture capital field at this time, but they should think about Fosun after their business has been established.

Mr. Liang concluded his presentation by noting that though Fosun is not yet a great company like GE or Goldman Sachs, he firmly believed that Fosun's perspective and determination will enable them to reach the high standard set by these forerunners in the near future.



## Cheung Kong GSB Hosts MBA Roundtable

Cheung Kong GSB hosted a roundtable discussion on MBA programs in its Shanghai campus on December 14, 2007, in cooperation with Kellogg School of Management and Chinese Professional Net, a career services company.

To begin, George Wang, the founder and chairman of CPN, reviewed the state of MBA career development in China. He discussed with the audience why many local industries still do not appreciate the full value of the MBA, despite the enthusiasm of investment banks and consulting firms in hiring so many MBA's.



Later, Profesor Zheng Yusheng, the associate dean of Cheung Kong GSB, gave his views on how Cheung Kong GSB differentiates itself from other business schools. Instead of focusing solely on training managers for multinational companies, Cheung Kong also cultivates business leaders for local Chinese companies, in particular private companies. Professor Zheng reiterated that compared to the US, China is in a different stage of development and needs to leapfrog through innovation. The greatest constraint on this is not capital, but talented business leaders with both global perspective and local knowledge.



Dr. Zheng continued in saying that future business leaders should think beyond mere financial remuneration when they compete on the job market. Long term success comes from leaders who dare to place social responsibility and personal integrity as their highest values.

Lili Zeng, the senior consultant at the career management center of Cheung Kong GSB, discussed the approach that "Teaching someone how to fish is better than giving him a fish." MBA students are often confused by too many choices. She said the most successful method is to help the students discover and hone their comparative advantage, then find the most suitable position.

### **FT Asia Director Visits Cheung Kong GSB**

"Do newspapers have a future?" is the question of the day. Recent articles in Time Magazine and The Economist have both grappled with this challenge. Diana David, regional director for circulation and business development of Financial Times Asia, visited Cheung Kong GSB to talk on this pressing topic.

Mrs. David cited the varied challenges of shrinking circulation numbers and a very competitive advertising market, as well as the rise of other news sources such as the blogosphere. While these challenges are formidable, newspapers have reason to

hope if they avoid complacency and adapt to changing circumstances. According to Mrs. David, predictions of doom have been proved premature many times in the past, and only time will tell.

Paper newspapers will be with us for many years yet. Online access and other electronic forms will continue to be convenient for some users in some situations, such as at the office. However, there is simply no technology that can compete on cost or convenience when commuting on the subway, waiting at the airport, or relaxing on the sofa.

As for the rise of the blogosphere, Mrs. David argues that because of the high costs for gathering, organizing, analyzing, and communicating high quality information, blogs could never replace the value-add provided by newspapers. Most importantly, newspapers like the FT or The Economist over a century of history to establish their reputation for accuracy and insight, this credibility cannot be easily duplicated.

In response to a student's question on FT's China coverage, Mrs. David emphasized the importance to readers of understanding China's rapid development over the past 30 years. In setting priorities on which stories to cover, FT editors pay no attention whether the news is 'positive' or 'negative', but rather whether the story matters or has large consequences in the wider world. From corruption scandals to stock market booms, if it is important, FT covers it. Mrs. David concluded her talk encouraging students to keep up with the news like she did at during her time at Columbia Business School, no matter how busy their MBA curriculum, because only by grasping the larger context of events, can business leaders made good decisions.

### **About the Speaker**

Diana David is the Regional Director of Circulation & Business Development at the Financial Times. She has more than 15 years experience in media, consulting and private equity working with the likes of Time Warner, Bertelsmann and British Telecom. Diana has an MBA in media management from Columbia University.



## Cheung Kong MBA Students and Alumni

### **Cheung Kong MBA Celebrate Christmas with a Party**

In spite of the stresses and pressures of coursework, the passion of Cheung Kong MBA students cannot be restrained. Recently, they organized a party to celebrate Christmas and show off their talent and creativity.



Ready for a Night on the Town!



Stylish and Elegant!



Christmas Rock Concert!



Watch out for the hammer!

# Cheung Kong MBA Students and Alumni

## Learning from Family

**Eric Ceng    Cheung Kong '07MBA**

Textbooks and Professors are not the only sources of learning and knowledge at Cheung Kong GSB; the 'family' of friends and fellow students here constitute another avenue through which I can learn and grow.

Last Wednesday December 12, Cheung Kong GSB invited Mr. Liang Xinjun, a vice-chairman from Fosun Group to give us MBA students a presentation about his company's success. Fosun Group was founded 15 years ago by 5 Fudan undergraduate students. Today it is a conglomerate with a market value



exceeding RMB60 billion. In his presentation, Mr. Liang pointed out that through finding companies with great potential like Yu Garden and Nangang, and bringing in excellent management, Fosun can derive over 20% annual growth. What are the key reasons behind this figure?

In my opinion, their strategy of finding and acquiring quickly expanding industries and companies is a major factor. Another factor would be Fosun's location in China, which has experienced tremendous growth in the past 30 years and is projected to grow at the same rate or higher in the forthcoming decades. Indeed, some say that it's a shame to manage a Chinese company that has anything less than an 8% growth rate.

But is being in China always good to corporations? Pre-acquisition Yu Garden was a traditional shopping mall that employed double the number of people needed. If GE and Jack Welch were faced with this type of situation, all of the Yu Garden employees would probably be graded into

A, B or C types, and half would be fired within a year. But Fosun, knowing this sort of strategy will not work in China, decided to use a different tactic. They, extended the mall's opening hours until the late evening, expanded the area of operations by 50%, and franchised new stores of Yayi Gold and Shanghai snacks, all without additional employees.

Examples like these make me agree with Mr. Liang's argument that Management in Emerging markets is quite different with Management in US or Europe. Business leaders, managers, and professors in China need to think about developing, executing and summarizing management practices that fit the culture of this country.

After Mr. Liang's presentation, my classmates and I discussed his arguments. Some said Fosun derives most of its revenues from real estate and was just showing us some beautiful slides. Others argued that Fosun was merely taking advantage of the fast growth of Chinese stock market, just like many other companies who had done the same in recent years. Still others argued that Fosun's model was more like GE or a Private Equity fund, therefore necessitating long term strategic management.

The lesson I drew from this experience is that we should not draw any quick conclusions or make snap judgments. Since coming to Cheung Kong GSB, I have tried to keep an open mind and think carefully about every idea I come across.

At Cheung Kong GSB, there are a lot of opportunities to exchange ideas with visiting executives and classmates who have firsthand experience in managing businesses and leading teams. Before I joined Cheung Kong GSB I knew I would be surrounded by such talented and experienced individuals, but I underestimated how much I would be able to learn from them on a daily basis.

**Cheung Kong MBA  
Academics**

**Cheung Kong '07MBA  
Courses Offered in January,  
2008**

**Statistics for Decision  
Making**

*Prof. Liao Jianwen*

**Organizational Behavior**

*Prof. Yan Aimin*

**Managerial Accounting**

*Prof. In-Mu Haw*

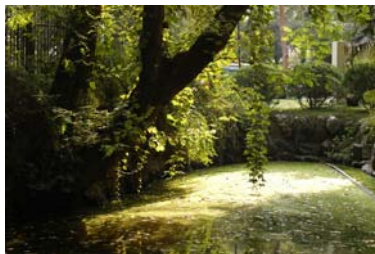
**Business Strategy**

*Prof. Brian Viard*

**Extra-Curriculum**

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**Marketing &  
Admissions**

**The 2008 East-West MBA  
All-Star Case Challenge**

**Date:** January. 4-5, 2008

**Venue:** Grand Ballroom 2,  
Grand Hyatt, Beijing

**CMC**

**Upcoming Company  
Recruitment**

**Manulife Financial**

**AXA**

**Philips**

**Anheuser Busch**

**Doosan Group**

**Siemens China**

**Oliver wyman**

**Fosun Group**