

转机

中国企业如何转危为机
(英文版)

Favourable Turn

How Chinese Enterprises
Turn Adversity into Opportunity

徐志毅 盛焕烨 主编



上海交通大学出版社
SHANGHAI JIAO TONG UNIVERSITY PRESS

转 机

——中国企业如何转危为机

(英文版)

Favourable Turn

—How Chinese Enterprises Turn Adversity into Opportunity

徐志毅 盛焕烨 主编

上海交通大学出版社

内 容 提 要

2008年发生的美国次贷危机,引发了国际金融危机,中国企业如何面对现实,转危为机?本书分为综述篇、转型篇、创新篇和调整篇等4篇,由上海数十位不同行业的大中型企业老总,结合自身企业实际,撰文分析阐述了在国际金融危机背景下,企业如何采取措施,转危为机。

本书对于企业管理者、研究者具有重要的参考借鉴作用。

图书在版编目(CIP)数据

转机:中国企业如何转危为机:英文/徐志毅,盛焕烨

主编. —上海:上海交通大学出版社,2010

ISBN 978-7-313-06581-0

I. 转... II. ①徐... ②盛... III. 企业管理—研究—中国—英文 IV. F279.23

中国版本图书馆 CIP 数据核字(2010)第 116015 号

转 机

——中国企业如何转危为机

(英文版)

徐志毅 盛焕烨 主编

上海交通大学出版社出版发行

(上海市番禺路 951 号 邮政编码 200030)

电话:64071208 出版人:韩建民

常熟市梅李印刷有限公司印刷 全国新华书店经销

开本:787mm×960mm 1/16 印张:15.25 字数:250千字

2010年6月第1版 2010年6月第1次印刷

印数:1~3030

ISBN 978-7-313-06581-0/F 定价:32.00元

版权所有 侵权必究

Congratulations on publication of *Favourable Turn—How Chinese Enterprises Turn Adversity into Opportunity* by Quality Management Center of Shanghai JiaoTong University

Nurturing Senior Professional Managers
Transforming Mode of Enterprise Management



President of Shanghai JiaoTong University
a member of the Chinese Academy of Sciences

March, 5th, 2010

MIT Sloan, Leaders for Manufacturing Program professor, IAQ academician
Shoji Shiba (司马正次)

Apply Breakthrough Managerial Principles to Tackle the International Financial Crisis

司马正次


April, 2010

Prologue



In the past few years, Shanghai Quality Management Center and Shanghai Modern Enterprise Management Research Institute have joined hands and published several books, shifting from introducing overseas management theories to probing into management theories with Chinese features. In 2005, *Modern American Total Quality Management* was translated and went to press, introducing the prevailing management theories abroad. In 2006, a book entitled *Strategies—Production and Manufacturing Decide the Future of China*, which puts forward suggestions on Chinese macro-economic policy-making. In 2008, another book named *Breakthrough—New Concepts of Modern Enterprise Management* incorporates oversea management theories into management practice in China. Currently, a new book called *Favourable Turn—How Chinese Enterprises Turn Adversity into Opportunity* will soon go to print, in which theories, exploration and symmetrization, complete with a number of successful examples are touched upon, fully elaborating how Chinese enterprises faced the challenges and moved ahead, and thus turning the tide against the crisis.

Ever since the outbreak of the global financial crisis, experts and scholars from different nations have predicted that the economic trend would take the form of U, V and W, and even of L, with a prolonged sluggish growth or even shortage of growth which has been bothering Japanese economy for the past

Favourable Turn

—How Chinese Enterprises Turn Adversity into Opportunity

twenty years. Under such circumstances, Chinese enterprises, directed by the central government, took proactive measures to tackle the economic turmoil and to get their business out of trouble. As a result, the economic indexes went up. Mr. Ni Guoliang summed up how Shanghai Jialemei Timber Co., Ltd made a smiling curve in spite of the global financial disaster. This is just one of many a example that the Chinese entrepreneurs face the problems and risks with faith and courage.

The book *Favourable Turn—How Chinese Enterprises Turn Adversity into Opportunity* consists of four chapters, namely, Overview, Transition, Innovation and Adjustment. Adversity can be reversed only by transition, restructuring, transformation and reform, which is elaborated and analysed. The articles are of the following eight features.

First, a relatively thorough analysis of the current crisis is made, represented by two articles *Favourable Turn—Reflections Made one Year after the Financial Crisis* and *A Cross-country Comparison and Views on Transformation of Chinese Economy in Post-crisis Era*, which are written by Mr. Jin Guozhi and Mr. Lin Ming respectively. These articles not only probe into the causes, development and adverse effects of the international financial crisis but also criticize fiercely the decaying capitalism and so-called elites in the Wall Street. Meanwhile, the authors air their view on prospects of the world economy.

Secondly, it represents the Oriental Management philosophy. The articles like *Value and Strategic Practice of Modern Enterprises under the Guidance of Oriental Management Philosophy* by Ms. Wang Hong, *Innovative Marketing Strategy: Cultural Marketing* by Mr. Wang Guozhen and *Crisis Management and Essential Qualifications for Professional Managers* by Li Zhengli are impressive in the way that they promote the Chinese culture and wisdom.

Thirdly, emphasis is laid on the technological innovation, which is reflected in the following articles like *Enterprise Technological Innovation* by Mr. Tong Tianxiong, *Chance favors the Prepared Mind* by Mr. Yang Hanlin, *Accelerate*

Product Development by market and technology linkage mechanism by Ni Zheng and *Improving Self-directed Innovation Capability & Promoting the Enterprise's New Development* by Mr. Zhang Yaozhang and Shi Liang. The key to tackling the financial crisis is technological innovation, which is inspiring for the enterprises in their exploration and practice.

Fourthly, the articles such as *Acceleration of Enterprise Economy Transition* by Mr. Qin Jian, *Transformation and Changing Energize the Business* by Mr. Hu Gongming concern about how to revitalize an enterprise. *Make Provision for Rainy Days While Resting Secure Turn Adversity into Opportunity in Hard Times* by Yang Zhengrong points out that accelerating the economic transition is a must task, given the current situation. The articles are poised to offer guidance to the domestic enterprises.

Fifthly, innovation in management is touched upon. The articles like *Technological Innovation and Upgrade management* by Mr. Zhu Guangzhong and Mr. Xiao Haojie, *Opportunity—Holding to Going global* by Mr. Yang Zhongyi, *Smiling Curve in the Financial Crisis* best combine theories with practice made the enterprises, which may serve as good cases of management.

Sixthly, reform in the state-owned enterprises is showcased in the papers like *Recreation of Value through Adjustment and Integration* by Mr. Tan Fengqi, which is evaluated as a good paper in the training course of the Senior Professional Managers. The article describes how a state-owned enterprise implements the reform. The argument is persuasive and powerful, showcasing how advance and withdrawal alternate in the process of the economic reform, and it acts as a good and inspiring example.

Seventhly, low-carbon economy is advocated. The papers, for example, *Striving to be a Vital Force in New Energy with Technology-leading strategy* by Mr. Qi Xinping, *Stick to Reduction in Carbon Emission and Say hello to Low-carbon Times* by Zhang Fuyong, talk about how to develop green economy and reduce emission in the process of production, which sheds light on the fact that the Chinese enterprises have taken action to reduce carbon emission after the peak

Favourable Turn

—How Chinese Enterprises Turn Adversity into Opportunity

conference in Copenhagen.

Finally, it gives a profile of growth in the service sector. Mr. Shen Shide and Mr. Li Rongqiong write *How a Tourism Enterprise Thrives in the Current Economic Crisis* and *Seize the Opportunity in the Process of Development Strive for Innovation in the Management of Logistics* respectively. There are many new fields worthy of exploration.

All the articles are more of the entrepreneurs' pursuit in theoretic study than of their practice in business operation. They are so thoughtful and in spring that the entrepreneurs from home and abroad may find it worthwhile to read about and share their views with each other.



March 25th, 2010

Ms Wang Zongguang, professor of Shanghai Jiao Tong University, Ph. D supervisor and a member of the 9th and 10th National Committee of CPCC. She used to serve as party secretary of Shanghai Jiao Tong University. Currently she is honorary director of the Academic Council of Shanghai Jiao Tong University and honorary director of SCQM.

Preface



In September 2008, the world economy plunged into the severest financial crisis ever since the Great Depression. The crisis is unprecedentedly shocking in terms of its size, extent and scope. Surely, Chinese economy mainly weighed down by reduction in demand,

overcapacity, some struggling companies and industries, a sharp rise in the unemployed and the slack economic growth was not exempted from the impact. The Chinese government took decisive action just in time to adjust the macro-economic policies featuring expanding the internal demand particularly consumption demand so as to strike a balance between speed and structure, quality and efficiency. A package of policies, stimulated by the government control and the market, were implemented and constantly refined in the hope that relationship between the economic growth and well-being of the people would be promoted. As a result, the economic downturn was drastically reversed. China is a responsible country, making its due contribution to recovery of the global economy.

The financial crisis poses the greatest challenges to the Chinese enterprises, however, it is actually a blessing in disguise. In the face of the financial disaster, Chinese companies find it more difficult to change their way of doing business and to adjust the economic structure, due to the restraints resulted from the environmental conservation and the daunting pressure from the international economy and competition in technology. Therefore, it is high time that Chinese

Favourable Turn

—How Chinese Enterprises Turn Adversity into Opportunity

enterprises formed alliance to cope with the crisis by adjustment, integration, value recreation, technological innovation and better management. Only in this way can the goal of going global be ultimately achieved. There are many interesting stories of success concerning how a number of domestic enterprises strive hard to get themselves back on the right track, thus reversing the economic downturn and gaining the momentum once again. The accomplishments are so impressive that the terms such as “China boom” and “Chinese Mode” constantly hit the headlines of the newspapers and other media.

The Americans used to taking their Chinese counterparts as students, lecturing or even criticizing us about the way business should be done. However, not only the developed countries but also the developing ones make a field study in our country. Last year, we received the delegations from Brazilian and German enterprises. With the approach of the World Exposition, we are sure to welcome more friends from abroad. The Brazilian and German companies are planning to send another delegation to Shanghai on a short-term training basis.

Therefore, we compile a book entitled *Favourable Turn—How Chinese Enterprises Turn Adversity into Opportunity*, in both Chinese and English versions. The book introduces the successful experiences of the Chinese enterprises, promoting the dialogue between the Chinese entrepreneurs and their foreign counterparts.

The book provides precious insight into the causes, characteristics and countermeasures of the global financial crisis. Meanwhile, it also shares the successes of a group of Chinese enterprises, of which HuaYi Group, WuJing Chemical Corporation, Shanghai Automotive, China Travel Services Group, Shanghai Branch experienced economic transition. The companies like China Petroleum Apparatus Co. Ltd., Turbine Manufacturing Factory, Casting and Forging of Hong Guang Electric Power Plant made great achievements in the area of technological innovation and management. Besides, Shanghai Coking Corporation and Shanghai Wire and Cable Corporation are among the companies which made structural adjustment. Some enterprises advocate low-carbon

emission, represented by a wind power equipment manufacturer and an insulating materials plant. Others like Shanghai University of Engineering Science and Shanghai NO. 1 Musical Instrument Company lead the way in promoting the Chinese tradition and culture. Still others, for example, Shanghai Marie Pigment Company, seize the opportunity to go global.

Though we have summed up our successful experiences, we are clearly aware of the fact that it is not our character to give up in the face of difficulty whereas we learn by heart that pride comes before a fall, which is typical of the Chinese enterprises. In the post-crisis era, we shall continue our efforts to step up the economic development, to hold fast to the golden opportunity arising from the global economic restructuring and to give priority to the strategic goals. With a clear goal in mind, we make adjustments in order to grow.

So far, it is yet not certain that the global economy has recovered from the crisis. However, the economy is bound to be back on track with the passage of time and persistent efforts made by the countries throughout the world. In retrospect, we learn a lot from the turmoil.

“Favourable Turn” refers to opportunity that goes hand in hand with a crisis. Once the problems are cured, there comes possibility of making a change for the better on the ground that an opportunity is detected and then seized. This rule can be applied to any enterprises, whether it be a global financial turmoil or other crises.

In order to overcome a crisis, an enterprise shall take a positive attitude in public and take proactive strategies and measures to cope with it, with the help of the media, the government, social groups.

Besides, an enterprise shall alert to new opportunities. Take this financial crisis for an example, according to the statistics, Chinese enterprises made 73 acquisition deals between 2008 and July, 2009, totalling 18.8 billion U. S. dollars, among which China Petroleum ranks first in terms of value, with its acquisition estimated at 4.778 billion U. S. dollars. When it comes to the number of acquisition, China Nonferrous Corporation comes first, with four transactions

Favourable Turn

—How Chinese Enterprises Turn Adversity into Opportunity

made.

It naturally follows that an enterprise should enhance its competitiveness by technological and managerial innovation so as to turn tide against the crisis. Productivity will be raised when the external resources are utilised to their full capacity and a target market is specified and seized, there comes an opportunity.

The world is full of challenges and opportunities. We can ill afford to be conceited because of a mere success. A truly good entrepreneur is expert at seizing an opportunity and get over the obstacles, turning adversity into opportunity by consistent practice. Hopefully, this book will offer readers much inspiration in the sense of making a turning point.



March, 25th, 2010

Mr. Xu Zhiyi, professor of Shanghai Jiao Tong University, professor of Shanghai University of Engineering Science, senior engineer, director of SCQM, chairman of Shanghai Modern Enterprise Management Research Committee, a member of the 8th CPC , a member of the 9th National Committee of CPCC. Prof. Xu once served as director of Shanghai Economic Committee.

Mr. Sheng Huanye, professor of Shanghai Jiao Tong University, Ph. D supervisor. Now he is vice director of the Academic Council of Shanghai Jiao Tong University, president of SCQM, vice director of Shanghai Modern Enterprise Management Research Committee, a member of Chinese Character Information Society, a standing member of Shanghai Computer Society, a council member of Shanghai Science Association and an overseas member of German Information Society. Prof. Sheng is a former member of the party committee of Shanghai Jiao Tong University and vice president of Shanghai Jiao Tong University.

Contents

Value and Strategic Practice of Modern Enterprises under the Guidance of Oriental Management Philosophy	Wang Hong	1
Enterprise Technological Innovation	Tong Tianxiong	9
Crisis Management and Essential Qualities for Professional Managers	Li Zhengli	22
Favourable Turn—Reflections Made One Year after the Financial Crisis	Jin Guozhi	31
A Cross-country Comparison and Views on Transformation of Chinese Economy in Post-crisis Era	Lin Ming	56
Acceleration of Enterprise Economy Transition	Qin Jian	74
Make Provision for Rainy Days While Resting Secure Turn Adversity into Opportunity in Hard Times	Yang Zhengrong	85
Chance Favors Only the Prepared Mind	Yang Hanlin & Yu Jie	97
“Smiling Curve” in Financial Crisis	Ni Guoliang	103
How a Tourism Enterprise Thrives in the Current Economic Crisis	Shen Shide	111
Striving to be a Vital Force in New Energy with Technology-leading Strategy	Qi Xinping	118
Accelerate Product Development by Market and Technology Linkage Mechanism	Ni Zhen	128
Innovative Marketing Strategy: Cultural Marketing	Wang Guozhen	139

Favourable Turn

—How Chinese Enterprises Turn Adversity into Opportunity

Improving Self-Directed Innovation Capability & Promoting the Enterprise's New Development	Zhang Yaozhang & Shi Liang	152
Seize the Opportunity in the Process of Development Strive for Innovation in the Management of Logistics	Jenny Lee	161
Transformation and Changing Energize the Business	Hu Gongming	171
Recreation of the Value through Adjustment and Integration	Tan Fengqi	180
Technology Innovation and Management Elevation	Zhu Guangzhong & Xiao Haojie	198
Opportunity—Holding to Going Global	Yang Zhongyi	208
Stick to Energy Conservation & Emission Reduction, Say Hello to “Low Carbon Time”	Zhang Fuyong	216

Value and Strategic Practice of Modern Enterprises under the Guidance of Oriental Management Philosophy

Wang Hong

The financial crisis that happened once in a hundred year hit the world hard, with economic recession and even depression prevailing over the world. However, China is the very first country that has tided over the difficulty and assumed the responsibility of a great powerhouse. In the post-crisis period, how will Chinese enterprises focus on creating value, enhancing and improving management under the guidance of the overall strategies with the hope of turning crisis into opportunity? Such an important issue is worth probing into and discussing both in the academic field and in the enterprises.

Ever since the establishment of People's Republic of China, especially since the economic reform, western management theories, to some extent, have contributed to development of Chinese management theories and practice. In fact, successful application of Chinese management theories owes a lot to the magnificent and sophisticated Chinese cultural heritage. Research on Oriental Management is so extensive that it is like a hundred flowers blooming at the same time. In this context, Oriental Management, which incorporates the ancient philosophies on management into the modern ones, western management skills into the oriental ones, serves to strengthen the ties among the staff, offer guidelines to enterprises' restructuring, have an insight into the context of an

Favourable Turn

—How Chinese Enterprises Turn Adversity into Opportunity

enterprise and establish a brand-new administration order. Therefore, Oriental Management is beneficial to the social progress.

Management is always conducted in a specific cultural context, and formation of management philosophies and selection of management modes are also traced back to a specific cultural background. Oriental management is deeply rooted in renowned Chinese culture and tradition, drawing inspirations from Confucianism, Taoism, Legalists, military strategists, Molist School. Integrating Chinese management, western management into oversea Chinese businessmen management practice, Oriental Management puts forward three core values, namely, human orientation, morality first, serving the people.

Ever since the economic reform and opening up policy in China, modern western management theories have been put into use extensively in business operations and social activities. However, the sad truth is that modern management theories fail to advance in a all-round way. Consequently, a series of tough problems have not been solved even though the past years witnessed a rapid advance in technological innovation.

The fundamental causes can be summed as follows. Western management theories attach importance to research on tactics, but they do not truly probe into management targets and methodology. The possibility of crises looms larger as western management science and theories develop. A solution can be sought for after a close study of Oriental Management theories.

Oriental Management philosophy stresses on Tao (a great way). Tao is interpreted as management philosophies, ideas and thoughts. The saying that Tao is the way that can be told but an unvarying way. The core of Tao is strategy-making. It also lays emphasis on strategies. As a renowned strategist Sun Zi once said, the best way to beat one's enemy is to hold a upper hand in planning, which is described as making strategies. The oriental strategic management contains the following aspects.

Firstly, holistic and systematic feature of management. As a rule, Chinese culture is holistic and systematic by nature, and it also acts as a foundation of