The Entrepreneurial Universe East and West – What we can learn from each other

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What we are going to talk about

• Entrepreneurs profiles
• The universe of entrepreneurs
  – Business environment
  – The mind set
Why entrepreneurship now?
Why entrepreneurs now?

• Social economics
  – 20-30 % of US workers are going solo, increasing
  – Capitalistic economy is gradually transforming into entrepreneurial economy
  – Health care reform makes it easier to be on your own

• Personal
  – A living skill
  – Know to evaluate entrepreneurs
  – Know how to support entrepreneurial business

• Corporate management
  – innovation strategy
Who are the technology entrepreneurs?

- Extra, extra large
- Large
- Medium
- Small
Familiar Entrepreneurs in Silicon Valley
Not so familiar Faces of entrepreneurs in the west
Rick Giarrusso  Ph.D
Managing Director
Llenroc Capital LLC.

Chairman and CEO at
Angenous Limited
Managing Director at
Decision Value
Making you succeed is our business
A one-stop R & D support company

Walter Y Mok Ph.D
Chief MIH

LIFEIT.NET
HONG KONG

中國香港
Li Ka-Shing – started home factory

- Left at age 12, became apprentice
- Lost father at age 15. Supported family, worked in watch strap company
- 17, wholesale salesman
- 18, manager
- Became general manager at 19
- Found Cheung Kong plastic company at 21
- Forayed into real-estate in 1958.
- Real-estate tycoon at 1971
- 1972, Cheung Kong Holding
- 1975, HK electric

Started home factory to assemble plastic flowers, Recruited the best. Visionary. Give you the deal that you can not refuse, come back with more ideas. Have his own business school to train manager.
Dhanin Chearavanont – customer, financier & supplier all roll into one

- CEO, CHAROEN POKPHAND GROUP
- BORN April 19, 1939, in Bangkok, Thailand
- FAMILY Married, five children
- EDUCATION Hong Kong Commercial College
- Chicken Tycoon.
- POWER POINTS An aggressive cross-border investor, especially in China. His 200-odd-company conglomerate conquers chicken, shrimp and animal-feed markets in every East Asian country. Involved in businesses of the future: fast-food franchises, convenience stores, satellites and telecommunications. Estimated personal worth: at least $5 billion.
- Introduce “Free Range” Chicken,
Commercial Location Media Network covers high-end office buildings and high-traffic shopping centers in the cities. The super-thin flat-panel television displays are installed in the elevator or at the eye-level locations by elevator bank on the ground floor or in the underground parking lobby. It broadcasts high-quality advertisements of major consumer brands in 12-minute cycle rotating throughout the day, with advertisement content renewed on weekly basis.
Evolution of entrepreneurs in the east at the beginning of the 21st century

Creative finance to VC finance
VC Funding source

• Government pension fund,
• Central government fund
• State government fund → Full employment
• Foreign VC fund + Wealthy Chinese Money
• Sea Turtle + Wealthy Chinese Money
Background of the GPs

- Majority VC firms backed by central government and state
- Majority of the GP with finance and investment background, a small % with both technical and investment back ground
- Worked with foreign investment firm then joined the Chinese firm.
- GPs in firms backed by foreign and ST, trained and worked in US before.
- Majority of GPs have no start up experience
Winning strategy

• VC + PE (Private Equity),
• Majority PE
• Before, IPO at Foreign Exchange
• Now, All RMB account
• IPO at Shanghai or Shenzhen stock exchange.
• Private VC Investment portfolio:
  >70% growth stage or pre-IPO. 10 - 20 % early stage, 20-30 % series B.
On doing business in China
Myth of doing any business in China

• China is one big market
• Relationship ($\sqrt[\wedge]{Y}$) are the most important element in business
• China is a developing country, ie country-boy mentality.
Today’s China

• Government invests heavily in science and technology.
• Has a lot of money
• Practical and pragmatic
• National pride
Government invests heavily in science and technology. Shanghai Synchrotron Radiation Facility
National pride
Practical and pragmatic
The cultural factors
That drive our behavior and value
The cultural factors in Contemporary China

• Deng Xiaoping

• Confucianism

• The great novels in China
Deng Xiaopeng said:

• Some must get rich first!

• No matter if it is a white cat or a black cat; as long as it can catch mice, it is a good cat.

a Sichuan proverb, from a speech in a meeting of the Secretariat, 1962

Ushered China into an era of free for all to make money, since 1962,
The four books of Confucius:

- Philosophy and political theory
  
  *Great Learning* __Dàxué__

- The middle way to gain perfect virtue
  
  *Doctrine of the Mean* __Zhāngyìng__

- Proper relationship between people
  
  *Analects of Confucius* __Lún__

- Moral cultivation by returning to the people's innate morality
  
  *Mencius* __Shèng__
Proper relationship between people

From the Analects of Confucius  __; Lúný_
To attain social harmony, a proper relationship and behavior between people has to be established

*five relationships* ([§≠≠€:_lún]):[4]

The Five Bonds

- **Ruler** to Ruled
- **Father** to Son
- **Husband** to Wife
- **Elder Brother** to Younger Brother
- **Friend to Friend**

*Proper behavior*

- Juniors owe their seniors reverence for nourishing them to maturity
- Seniors have duties of benevolence and concern toward juniors
Philosophy and Political theory
from the
*Great Learning __ Dàxué*
“One must bring one's affairs and relationships into order and harmony.

If one hopes to attain order in the state, one must first bring his/her own family and personal life into order through self-cultivation and the expansion of one's knowledge thorough the "investigation of things."
“One must bring one's affairs and relationships into order and harmony.

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Great classical novels of China

- *Romance of the Three Kingdoms* (ن_ق_ن_ي) (14th century) (more recently translated as, simply, *Three Kingdoms*)

- *Water Margin* (n_h_zhuàn) (also known as *Outlaws of the Marsh*) (14th century),

- *Journey to the West* (ou_ji) (16th century) also known as *Monkey*.

- *Dream of the Red Chamber* (long lou meng) also known as *The Story of the Stone*, (18th century)
The upbringing of an entrepreneur in China

• Learn by examples
• Following the directive from the superior
• Live by Confucius teaching
• Learn from the century old folk tales
The cultural factors of U. S. business

• The guiding principle is the constitution
  • The spirit is HOMERIC
  • The value is Christian
Why we start a company?
What our product would do?

• Make the world a better place
• Improve the quality of life
• Right a terrible wrong
• Prevent the end of something good.

Guy Kawasaki: 
Making you succeed is our business.

A one-stop R & D support company.

THANK YOU