

Life

Business: New Asian Emperors

David Wilson

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The West assumes there is one way to conduct large-scale business: on a bedrock of meticulous deliberation and education, preferably MBA level. This book seeks to set the record straight.

The interviews on which its argument rests took place from 1997 to 2008 and bounce off two momentous events: the Asian financial crisis and Sars. The authors analyse how they influenced overseas Chinese business strategy, updating a version of the book published a decade ago in the throes of the Asian financial crisis. The original volume found that Southeast Asia was a black hole for strategic information.

On the surface, the new version differs greatly: it features interviews with several other "Asian emperors" plus CEOs in Asia, Mexico and the US, new archival data and research on the informational black hole. The authors claim their findings may surprise you. Then, rather oddly, they come to a similar conclusion.

"The informational black hole remains, and the **new Asian emperors**' continue to exploit it," they say, questioning whether the book needed to be written.

Still, it covers fascinating ground, tapping the wisdom of more than 20 overseas Chinese tycoons operating in East and Southeast Asia, including the South China Morning Post's Robert Kuok. Essentially, it amounts to a primer on how the cream of Chinese business pioneers operate.

The glue, it seems, is *guangxi*: the formation of binding ties with business associates. Despite the

possible charge of crony capitalism, guangxi works. "The ability to generate trust, and to judge who among others appears worthy of trust, constitutes a true competitive advantage for the overseas Chinese in Southeast Asia," the authors write.

Another secret is the ability to see the big picture and intuitively sense winners and losers. Just look at how in the 1960s Li Ka-shing diversified from Hong Kong's biggest plastic-flower producer to become a top property developer. "Li's great ability was to look at a building or even a site and calculate how much it was worth," a former employee is quoted as saying.

Another key strength possessed by the likes of Li is passion. Many Chinese executives, including Kuok, have compared their involvement in business to playing golf, a pastime they love. Doubtless, they zoom through the 18 holes because, unlike Western rivals, ground-breaking Chinese businesses are "nimble".

Consider Singapore's Kwek Leng Beng, who took over the financial services outfit Hong Leong Group from his father, and attacked Western management as bogged down by decision-making. "Consequently, you lose speed, and as a result, you lose the deal. For example, it took us just 48 hours to tender for Grand Hyatt Taipei," the speed demon is quoted as saying.

Astute operators are highly receptive to new information. Indonesian forestry mogul Sukanto Tanoto defines the key to success as "constant learning; adapting to changing environments and continuously improving".

The authors note that the theme Tanoto pinpoints permeates all the interviews. Packed with sense, their contribution to business literature turns in at a svelte 270 pages.

New Asian Emperors makes engaging reading...

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