

CHINA NOW IMPORTANT INNOVATOR



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Prof. Dr. Ruedi Nützi, Director of School of Business FHNW. Photo: CK

© Well copied was yesterday. In the age of Wechat and Alibaba, Chinese companies have established themselves as important competitors and innovators in the global economy.

China has moved from copying the western world to producing their own innovations. Prof. Dr. Ruedi Nützi, Director School of Business FHNW, stressed the need to change the perception of 'made in China'. Unlike in the past, China is no longer the place to go for cheap manufacturing and labour costs. Nowadays, China is an important partner for innovation and therefore, a relevant stakeholder for the competitiveness of Switzerland.

The prejudice is wrong that China still lags behind global standards in production, Nützi claimed. Swiss companies such as Schindler have shown how high quality and Western business practices have helped the Chinese economy to grow. So far, China has 18 per cent of the world GDP.

Martin Schneider, the CEO of Brainforce AG, claimed there has been a shift from a know how to a know why economy. Economists predict that China's future will align with those of developed countries such as Switzerland: The wage gap between China and Europe will disappear by 2020. "On the one hand, China will obtain the same GDP and prosperity as developed countries," Schneider said. "On the other, the country will face equal issues such as decline of employee rates, aging population and shortage of skilled labour."

One solution that could address the issue of talent shortages is the model of interim managers. These types of managers are trained to overcome transition periods where companies are establishing new locations and benefit from fundamental experience in a certain field of business. Schneider claimed that having a stack of trained top level managers could enhance performance and innovation of a company.

INCREASED LABOUR COSTS

With the growth of the Chinese economy not only productivity has increased but also labour costs. This is not particularly a problem in the Western world. For China, however, the consequences are vast. Schneider said the global star in the manufacturing business will now compete with countries with lower levels of income. "For instance, an American fashion retailer would rather choose a supplier from Mexico than from China mainly due to faster shipment and lower manufacturing costs," he explained.

Chinese society is changing, Schneider pointed out. With the rise of the internet and the aging of society, especially the younger generation is rethinking China's work ethics. Where in the past people lived to work, the Generation Y rather works to live. There is change in the minds of Chinese people similar to current Western thinking, where the aim is to find an occupation that leads to a fulfilled life instead of merely working to survive. ● CK

KEY LEARNINGS

EVA JURIC – APPLIED PSYCHOLOGY



Tackling global challenges together

Eva Juric
Photo: CK

During the preparatory seminar, I noticed how interconnected the entire world is. Problems, which concern a particular country, can spill over to other nations. Therefore, the different countries with their own Know How's and competences have to share their knowledge and innovations to manage those challenges.

FABIAN IFANGER – MECHANICAL ENGINEERING



Knowledge as a Business Enabler

Fabian Ifanger
Photo: CK

During the Preparatory Seminar I realized that Chinese culture is very different to ours. To understand this and their behaviour is really important when doing business in China. Now I am looking forward to a great time in China with an amazing delegation.