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Globally Eminent Chinese Firms – Where Are They?

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ABSTRACT

The main objective of this paper is to look into multidimensional factors that underlie globalization of Chinese enterprises. We seek answers to intriguing questions: why is it that Chinese enterprises in general continue to serve as 'extended family' of established non-Chinese corporations? Why have they not exploited to a fuller extent the enormous cost advantage they already have, to expand and strengthen their market sway especially in consumer goods by direct and independent marketing? What issues, cultural, commercial, political, economic, or any other, if any, hobble innovation and the ensuing business-to-consumer direct transnational effort especially in the post Deng liberalization period? Is there a dearth of visionary and risk-taking Chinese entrepreneurs who would instead prefer the intrapreneurial model that enables them to flourish in the large domestic market? Chinese enterprises that are framing business strategies for future market accomplishments would invariably have to answer these questions wisely.

Key Words:

Extended Family

Direct and Independent Marketing

Visionary and Risk-taking Chinese Entrepreneurs

Intrapreneurial Model

Framing Business Strategy

INTRODUCTION

This paper has been written from the perspective of a typical American free market economy. While the facts (political, economic, social, and cultural) large as life, in China are not ignored, the global economy and a rational expectations outlook have provided the main viewpoint for this research paper. Given China's Deng Xiaoping market reforms in 1978 and China's desire to pull up the standards of its people to more acceptable levels found in developed countries through such a market route together with political authoritarianism, the postulate of a global market economy is deemed relevant and valid. The other premise of rational choice in decision-making both on the part of China's government and China's corporations, is also justifiable and sound for purposes of this paper. Besides, there is hardly any other option to rational behavior, other than having to deal with a bewildering variety irrational choices that cannot always be conjured up here. Thanks to such a rational outlook, China has emerged as a robust and dominant economy and a superpower nation that is in more control of itself than most other nations. Therefore, it is reasonable to believe that the same thinking and policies have an excellent likelihood of being continued.

CHINESE PRODUCT WITH A GLOBAL BRAND

There is considerable research today about the transition of the Chinese economy from a command economy into a market economy, and further a second conversion from a regional or local economy of China into its national economy, meaning that corporations within China itself would grow and mature into much larger corporations catering to the entire Chinese economy. Examples of such national corporations are some of the heroes of Chinese business such as Haier in the supply of refrigerators and appliances, Lenovo

in computers, Li Ning in sportswear, and Wahaha in beverages. (Meyer 2008.) Lenovo is in fact the erstwhile personal computer division of IBM and as such is not an original or real Chinese enterprise. Nevertheless, after acquisition in 2005, it is treated as such. More significantly, the acquisition helped Lenovo to advance along the learning curve in globalization much faster. This paper would like to take this discussion one level higher and discuss the potential and promise for (Chinese) business-to-(global) consumer (hereafter CBTGC) corporations on the world markets.

Direct marketing of a consumer good, such as for instance, a Lenovo computer or Wahaha, a typical Chinese concoction, that may be a health beverage, could definitely be manufactured at world's lowest costs in China (or elsewhere) by a Chinese enterprise. It could be made (or bottled) and distributed by a regional company locally somewhere in the world or the USA. As a matter of fact, Lenovo catering as it does to both the Chinese and American markets, has had growth rates in shipments of around 20 per cent with gross margins of about 14 percent. It had revenues of \$4.21 billion, 26 per cent of which originated in USA and 21 percent in Europe, the Middle East, and Africa. (Luk 2008)

That Lenovo is an outstanding instance of a globalized Chinese enterprise is brought out from the following comparative data pertaining to Dell and Lenovo, showing that with the exception of the percent of employees outside the home country, Lenovo is more globalized in certain respects than its competitor, Dell. The other Chinese computer, Legend, enterprise could perhaps borrow certain features of globalization from Lenovo.

-----INSERT TABLE 1 ABOUT HERE-----

FUEL AND EMISSION COSTS HOBBLE GLOBALIZATION

In terms of location, Weber's transportation costs acquire a new significance in view of somewhat sudden and steep increases in shipping costs in the aftermath of sharp increases in fuel costs. To this calculus of escalation in supply costs, one would have to factor in any new costs of new stringent standards of carbon emission that are now being enforced, or likely to be enforced when countries such as China, India, Thailand and other developing countries accept standards under a new-fangled set of rules that may follow the Kyoto protocol. Greener supply policies could eventually mean less globalization and more intrapreneurship.

The stimulus for globalization may be moderated in the days to come because of these two factors alone. However, if the economic analysis for a globalization project is still encouraging, *prima facie*, there could hardly be any issues of a commercial, political, or social nature. Wahaha is successful profit margin-wise, raking up about 16-20 percent. However, the Paris-based joint venture partner, Danone Group has charged Wahaha with creating a parallel corporation that competes with Wahaha's products and the deal between the two are under (Swedish) arbitration in Stockholm although a Chinese court has approved of Wahaha's domestic marketing policy. (Areddy 2008, Ng 2008) But for this off-putting "divorce" aspect of the collaboration, and in particular the dispute about the transfer and ownership of the Wahaha trademark, it could serve as a useful case study in globalization of Chinese enterprise.

Given the vision and ingenuity of Chinese enterprise, Chinese products with a global brand are doable, and yet have not occurred with honorable exceptions such as the Lenovo and Wahaha. On the other hand, there is no dearth of American and other multinational corporations routinely going into China in pursuit of expansion and growth in any business area, directly even on a (American) business-to-(Chinese) (hereafter ABTCC) consumer endeavor. In the area of prescription drug for instance, the British drug company, AstraZeneca has gone into remote Urumqi, capital of Xinjiang province in China, hired local sales representatives to canvass doctors and hospitals and persuaded them to prescribe Zeneca products. This has “propelled Zeneca from the sixth place to No.1 in the Chinese market last year, ahead of much-larger rival Pfizer Inc. of New York.” (Zamiska 2008). What is particularly noteworthy is that among the top 25 major exporting corporations, just four are Chinese, the others being American or European. This has meant that though the country of origin of an exported product is China, in reality it is made in China by an American or European corporation, having gone there to take advantage of lower production costs. (Meredith 2007).

Cases of global consumer goods marketing of China-made products by Chinese corporations on the global market, as noted above, are exceptional and are more likely to be in the service areas of banking, insurance, shipping, tourism and travel. For instance, China Investment Corporation (CIC) was established in September 2007 with a view to better deploy China’s huge foreign exchange reserves. CIC aspired to move away from relatively low or nil return on US treasury bonds and diversify into more gainful assets. However, this has met with a stone wall in the host countries that seem to have

apprehensions of massive Chinese investments in worthwhile companies. Political concerns in host countries have therefore led to tighter regulatory controls on such investments. (Ruan 2008) For purposes of this paper, the point is, if such an endeavor is possible in the finance and investment area, it is equally possible in other areas too, including in consumer goods. And so the instinctive sound out is: How come there are no dozens of eminent CBTGC enterprises in the world market?

LIMITED INTERNATIONALIZATION

American corporations compete with one another to get hold of markets, like Avon and Mary Kay, Coke and Pepsi, Dell and Hewlett-Packard, Burger King and McDonalds. Leave alone such rivalry, there is barely any Chinese business presence at all in the consumer goods or services area outside China. In China itself, mention should be made, however, of the television wars, camera wars, refrigerator and television wars in which local companies competed fiercely for China's domestic markets. In this sense, in consumer goods, there is hardly any Chinese business of a truly global stature. This is both surprising, given the large number of globalized Chinese enterprises and also not paradoxically, not so surprising, given the fact that prior to the decentralization during the eighties, there was not much of a corporate private sector at all in China that was allowed to follow its vision and entrepreneurship even within the spatially divided Chinese economy, not to speak about global Chinese corporations of the CBTGC kind. The initial years after the 1978 economic liberalization signify a period of Chinese businesses launching out and realizing their potentials. Ever since, scores of Chinese enterprises, even of non-Chinese origin, have been successful in terms of:

- a) Being a dependable supply source for a vast multitude of goods

- b) Being an extended family of American business such as Wal-Mart or as a franchised unit of say McDonalds or Coca-Cola or Sony
- c) Being cost-effective in the supply of an array of merchandise at perhaps the lowest prices
- d) Self-correcting swiftly for supply of contaminated pet food or flawed dolls, or substandard merchandise.
- e) Being able to operate in cross-national and cross-cultural environments very different from the standard Chinese environment they are accustomed to.

From this rapid growth and stunning success, albeit limited globalization, it would appear that there must be a modicum of enterprise resource planning (ERP) somewhere in corporate planning, enabling the convergence and integration of all global supply activity and management of associated people into a single well-coordinated China Inc entity. It would also appear as if the global organizations are also pressing into service some version of Web 2.0 and Supply Chain Management (SCM) 2.0 in order to fulfill contractual trade obligations. It is such success that triggers this discussion about why there is as yet not much progress in the emergence of truly multinational units that can take up the daunting challenges in the areas of consumer marketing. The model that Chinese corporations may follow to metamorphose into global brand corporations is sketched out in the pyramid in Figure 1.

-----INSERT FIGURE 1 ABOUT HERE-----

The growth pattern sketched therein does not by any means connote a template for all corporate evolution, but is at best a usual and normal model.

Data in Table 2 relates to Top 100 Corporations by market capitalization in China, India, S. Korea, Taiwan and Multinational corporations. The inference from it is that China's growth of global corporations has been slower than India's, which by itself is slower than that of S. Korea, Taiwan and other multinational corporations. The proportion of Indian companies operating outside the home county, the proportion assets outside the home country, and in terms of the composition of top management, Indian enterprises appear to be more globalized than their counterparts in China. Taiwan has the best record in all domains, except Top Management in which it has the lowest proportion outside Taiwan.

-----INSERT TABLE 2 ABOUT HERE-----

BETA TESTING AS 'EXTENDED FAMILY' OF TRANSNATIONALS

While this record is impressive, the question remains as to what strategy for future growth is being put together for such transnational Chinese firms. Obviously, any future plan would not permit them to merely continue to bob in the trade backwaters as extended families of other non-Chinese corporations. An ingeniously drawn strategy would mandate new paradigms of global mainstream marketing that would serve as a surrogate to globalization of newly innovated products that are quintessentially as Chinese as china, chopsticks, electronic goods, gunpowder, noodles or pork. Could such globalization of Chinese Enterprises be confined only to Business-to-Business, Business-to-Government, Government-to-Government liaison and links? Would not global trends compel the emergence of CBTGC too, if not NGO (Non-Governmental Organizations) to

consumers and perhaps, given the Chinese political set up, a whole new breed of PPP (Private-Public Partnership) too?

The transition of firms from regional or local companies to national companies in China itself could be regarded as alpha testing of venture capital capabilities. The building up of global consumer brands would demand a fundamental restructuring and reorganizing of the 'extended family' arrangement and architecture of Chinese global corporations.

Currently, it looks as if Chinese corporations are beta-testing their capabilities in the challenging field of global marketing by first serving as extended family to American and other corporations, in the process acquiring some exposure to real consumer world so that subsequently they may launch themselves full steam into consumer goods. This possibility cannot be ruled out. This experience as global enterprises would be invaluable in consumer goods marketing.

With a view to resolve some of the intriguing questions raised above, it is helpful to take a look at the likes of multinationals like Baidu, China Mobile, China Telecom, China Air, Haier, Huawei Technologies Co. (Guangdong), Sinosteel, and other globally operating Chinese business firms. While they seem to be able to achieve their business rationale, some of them appear to be relatively small and perhaps undercapitalized, relative to global units already in the global market, and seem to lack the appropriate organizational infrastructure for global eminence, if not dominance. In this setting, in sharp contrast we have global corporations that come to mind by way of examples, if not as role models: Airbus, American Express, BMW, Boeing, Coca-Cola, Dell, Estee Lauder, Google, Honda, Hewlett-Packard, Infosys, IBM, Mattel, McDonalds, Mercedes, Nissan, Proctor

& Gamble, Rolls-Royce, Sony, Starbucks, Toyota, Toys “R” Us, Yahoo, Westinghouse, Wipro and Xerox. These are global brand names popular and even trendy, in many countries of the world.

This raises an interesting question: Can global business skills acquired in serving as extended family of businesses such as Coca-Cola or Canon, Mattel or McDonalds stand in good stead in developing global Chinese corporations that would operate outside China? The obvious answer would be that such skills are not only transferable, but also, given a tweak or two, invaluable in business-to-consumer transnational business.

There are numerous successful Chinese business enterprises, albeit not necessarily of the Joint Stock company type of organization, that are financially and strategically eminent for their global exploitations regardless of the criteria for assessing their accomplishments, in particular as an integral part of the global supply chain for numerous manufactured goods from antibiotics and vaccines to cutting edge computers and electronics to rockets and space vehicles.

GLOBALIZATION SHORT-CIRCUITS S-SHAPED ADOPTION PATTERN

Apparently, it is one thing to be competent in terms of being an integral part of the global supply chain, especially for outsourced and franchised supplies, distribution, shipments and deliveries, and quite a different thing altogether to be at the cutting edge of product innovation and their commercial diffusion like in the case of Apple. China’s business reportedly is sold out on Peter Drucker’s emphasis on non-profit organizations and non-governmental PPP-type (Private Public Partnership) units as well as on innovation and

marketing, rather than on profitability. Such organizations seem to provide a good fit for public policy in China. (Anders 2008)

Process or product innovation could be engendered by both basic and/or applied research, and at times even by serendipity. Marketing can give wings to innovation and could help innovations to take off faster commercially than otherwise, short-circuiting the Ryan-Gross S-shaped adoption pattern (Rogers 2003) Chinese corporations, ever since the economic liberalization two decades ago, have been busy going over the learning curve of international business. As we saw earlier, brandless growth is not conducive for growth even within China itself, with the different market groups such as Aspirational, Established Money and others themselves putting faith in branded goods than in generic products. The demographics for consumer goods, as demarcated by Accenture are given later in this paper. It must however be conjectured that given the increase in technically qualified population, the S-shape curve is becoming more linear, with both the decrease in the initial resistance to adopt innovations and new products, as well as the straightening in the slope at the top of the S-shape.

China's corporations have not had time yet to get into global marketing of Chinese branded goods. This cannot be interpreted to mean that they are perhaps taking up a form of Chinese marketing logistics of brand-less corporate growth. Corporations may survive, but not flourish on generics. Future growth therefore can only be based on branded goods, trade marks, logos and other artifacts of product identity. There would have to be innovation, product development, product differentiation and claims to quality superiority

besides cost-effectiveness through advertising and publicity for developing global brands. The differences in environment in different countries and within regions of each country itself, can overwhelm the global market developer. There will come a time when markets coalesce, a global village would emerge and brands may get standardized. That could take decades or more. In the meantime there is no other option but to go out and launch one's own branded product and blaze one's own new trail.

It is not imperative that this or any particular pattern is followed. However, not to follow this path would be to opt for the only alternative of continuing to serve as 'extended family' of other global corporations. It therefore makes sense to strategize global marketing through innovation and branding, notching the branded product to the needs and tastes of geographical area it is proposed to enter, undertaking the tasks of marketing elaborated above and maintaining the right perspective of overall brand management.

IS BRANDING LOGISTICALLY CRUCIAL TO GLOBALIZATION?

Value-addition is the name of the game in modern business. Brands can serenade for the products they represent just like sales staff do. They earn consumer trust for the products and enhance entrepreneurial possibilities and opportunities. Business 101 teaches that strong brand names boost profitability. In contemporary business complete with internet brand web sites there is vendor-buyer two-way communications and e-commerce, contributing not a little to product upgrading and value addition.

That branding is essential is not lost on Chinese corporations. This fact was confirmed by a "worldwide study of brand building and marketing effectiveness, with special emphasis

on China.” (Accenture 2008) Six consumer segments in China were identified by this study such as Young Royals with the highest disposable incomes of all Chinese, Aspirationals who are highly brand-conscious, in particularly brands that are affordably priced and a good value, Established Money consisting of older men and women that favor brands made in China, and Patriots who prefer Chinese products out of loyalty to their countries. The recent organized public display of anger against those that disturbed the smooth passage of the Olympic fire through different countries would confirm not just the reality of the Patriot group, but also the fact that many Chinese would prefer to keep going with the current political and economic order in China rather than change it. (For a more detailed discussion see Char 2008.) What this implies is that status quo in China would be a safe bet far into the future given the fact of material predilection of the majority of people. Chinese corporations will experience more impulse and inclination to attempt the third transition into marketing quintessentially Chinese branded things in the developed economies of the world.

UPBEAT FACTORS BOLSTERING BUSINESS TO CONSUMER MARKETING

Chinese enterprise would like to earn its colors in global marketing and prove that it is second to none. The manner in which the Chinese managed to wangle the hosting of the Summer 2008 Olympics in Beijing in the thick of intense global competition from some of the strongest contenders even a decade ago when the decision is made to award the Olympics, is a tribute to China’s vision, initiative and resourcefulness. It should not therefore come as a surprise if Chinese corporations come up with their own innovations, brand them and make them global brands.

There are numerous positive features that encourage this view:

- 1) There is very close live-wire association and links between the Chinese Government and Enterprise. This helps venture capitalists in China significantly in taking bold steps, and blazing new trails, so essential in global brand promotion.
- 2) What is least observed is the possible basic changes in cultural philosophy and folkways and mores of the Chinese people that have gone through some cultural revolution and much else under decades of atheism and agnosticism. Iconoclastic management helps to start with a clean mental slate without baggage. Together with the general poverty and lower middle class status of the people, this could have directed people to put more faith in materialism, which is same as the equation:

$$H = MC/D$$

where H = Happiness, MC = Material Consumption and D = Desire. (Char 1995)

More the material consumption in relation to one's Desire, more also is the happiness and well-being, underpinning rapid economic growth of the Chinese economy. There is no significant political dissent to the point of building up into a critical mass. Focused and single-minded single party government contributes to speedier implementation of any project, be it the Olympics or the development of a global brand.

- 3) Douglas McGregor's Theory X Management style appears to be conducive for faster and despotic rule, especially where time is short, and several decades of

- economic or societal development has to be telescoped into a decade or two. The scope for cost and time overruns in projects is very little.
- 4) Nothing succeeds like success: China's size is a key factor that makes people sit up and take note unlike when you say Taiwan or S. Korea. China has been a quick study in picking up modern manufacturing processes in particular for businesses that wish to outsource their products to China, successfully becoming an integral part of the global supply chain. It is not just rumor that some 5000 ships set sail from Chinese East coast to America's West coast laden with goods produced almost exclusively for Wal-Mart. China also has the 'Factory of the World' reputation. (However, high spirits about Chinese growth normally tend to ignore that about 60 percent of China's exports are by enterprises **not** owned by the Chinese and such non-Chinese business export endeavor in relatively higher-priced electronic goods is a lot more significant at almost 90 percent (Pomfret 2008)) In this setting, how much more arduous would it be to be the purveyor of quality global branded goods? Steinfield (2002) asks questions pertinent to this discussion in his masterly analysis of Chinese Enterprise Development.

POTENTIAL ROADBLOCKS AND VULNERABILITIES

Chinese global organizations seem to believe in models of development that are more akin to domestic corporate growth models without emphasis on a global perspective in matters such as marketing, sales promotion, branding, logos, advertising and publicity. Some of the shortcomings that could hobble global brand possibilities are the following:

- 1) Management styles more resembling McGregor's Theory X (listed above under positive features) has an off-putting aspect to it: it is not productive in terms of vision, strategic advance planning, innovation and patenting, and proactive initiatives – Contrast China's environment with the freedom that executives in Silicon Valley companies enjoy. The flow of information and ideas, with all the attendant downsides, has to be free for the blossoming of even market ideas. There is considerable dismay that "King Fu Panda" is an American-produced Chinese box office hit movie. It is so thoroughly Chinese in matter and theme, and as such it should have been the brain child of some Chinese themselves.
- 2) Chinese corporations, by and large, are still on the learning curve for western management practices and technology. They are still small and young, steeped in 'boiler-plate' design and production practices.
- 3) Evidence shows that the sustainability of the (blistering 15%) rates of growth in China's economy is in serious doubt. The cost of growth in China, in terms of pollution, is in the range of 5-6% of GDP, reducing the impressive growth rates by the same rate, and making the net growth rates, not as spectacular. China goes to any length to mitigate its resource scarcity that could also be one of the factors that inhibiting continued rapid growth and eventually impact global brand development. For a detailed discussion of this aspect of Chinese economic growth please see statistical projections in Char 2008.
- 4) Yet another factor that may make it more difficult for a Chinese global brand to emerge is China's high and mighty foreign policy and diplomatic style that is more influenced by commerce, than by genuine promotion of peace and

solidarity, including a cynical disdain for oppressed people as evident in acts such as arms shipment to Zimbabwe. Earlier it sold arms to South Africa at a time when that country's Government practiced apartheid and continues to maintain a buddy-relation with the Government of Sudan accused of genocide in Darfur. Such acts create a rapacious image of China not contributing to a salutary brand image.

- 5) The momentum of an earlier start of American and other international companies could serve to preempt the development of a Chinese global brand.
- 6) The lack of western-style democracy veils problems and issues. For instance, there is now evidence that China has not been as fortunate in technology selection as India has been. Under the watchful eyes and carping criticism of corporate executives and a martinet of a government, Indian corporations have had no option but to cherry pick the relatively better of the technologies. In the absence of such disapproval at the selection stage, China has often ended up acquiring second hand or *passé* technology that is not as value-adding or not as cost effective. This could dampen innovation. India boasts of a smorgasbord diversity in technology due to micro-level decision-making at the unit level. Despite such diversity, Indian executives have demonstrated skills to integrate all operating units into a single system, another plus point of decentralized decision-making.
- 7) Chinese firms, even after transforming themselves into strong links in the global supply chain, are more business to business and thus do not perhaps experience the pressure to undertake the gamut of advertising, promotion, and other essentials of marketing. Ads as a percentage of GDP are negligible. Where such a

policy is deliberate, it may be to save them from publicity that may not be needed and could even be disadvantageous. Steinfeld offers a clue by stating that there is some “localized nature of Chinese commercial networks” leading to inbreeding of thinking amongst manufacturers and suppliers, meaning that the producers and their suppliers of inputs all seem to come from the same city or regions, thanks to the fragmentation of the Chinese economy. This could develop a somewhat ‘frog in the well’ mindset that is impervious to foreign influences, for the better or worse. (Steinfeld 2002)

- 8) There is no openness about Chinese corporations and their role or contributions. There is dearth of data regarding firms that operate globally and such privacy or concealment will do no good to their global products, if any. They also seem to be inhibited by a penchant for underplaying their own role. For instance there has been a significant increase in the purchases of resource endowments by China, in the energy area in particular, and yet organized and reliable information from the powers that be is not forthcoming, adding to enormous speculation in the derivatives market that resulted in the \$11 dollar spike in crude oil prices on June 06, 2008. And search for data about China’s corporations is hobbled by the language problem too.

Here is an example. China’s Google is Baidu and not much search information is available on Baidu’s web page, except about its own investor data. There is also a link to YouTube and others for information about the earthquake, but nothing about what Baidu itself contributed to the relief effort. Google, Microsoft and IBM contributed to relief effort for the victims of the earthquake in China’s Sichuan

province. Within five days some one half million times the search web site had been used. Microsoft helped develop a web site for the local government to help it make available its database of survivors and victims of the earthquake. IBM is installing an open-source software system for the city of Chengdu, Sichuan's capital to serve as a database on some 50,000 refugees and manage relief efforts. In this otherwise detailed report, there is not a word about Baidu, the fifth largest website in the world according to rankings by Alexa Internet. What needs to be emphasized here is that Baidu brand of information searching is not available to people that do not know Chinese. But Google is not available either for Chinese language searches, the only difference being English is more universal than Chinese.

CONCLUSION

Some of the factors mentioned above have successfully inhibited Baidu and perhaps others such as Changhang, Konka, Haier, and Legend from going forth and offering their brands to the rest of the world and becoming truly global. Only then they would be true to their salt as global companies marketing global brands. Until then, Chinese corporations will continue to be regarded as small and undersized, despite all their accomplishments in wangling the Olympics, in acquiring hydrocarbon and mineral resources to meet their insatiable appetite for them, and their significant role in promoting their country's rapid growth and pulling up hundreds of millions of Chinese out of poverty.

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Table 1
COMPARATIVE GLOBALIZATION DATA FOR DELL AND LENOVO

	Dell	Lenovo
% of Capital Sourced outside Home Country	8	52
%Company Assets Outside Home country	36	56
% Employees Outside Home Country	68	40
% Sales Outside Home Country	44	62
% of Executives not from Home Country	14	73

Source: Dietz, Orr and Xing, www.mckinseyquarterly.com

Table 2

TRENDS IN GLOBALIZATION OF CHINESE AND OTHER ENTERPRISES
(Top 100 corporations by market capitalization in 2006)

Percentage Outside Home Country	China	India	S.Korea	Taiwan	Multinationals
Sales	11	21	28	48	44
Assets	3	9	11	24	38
Employees	2	2	11	32	39
Shareholders	25	25	31	29	31
Top Management	3	4	4	2	11

Source: Adapted from Dietz, Orr and Xing, www. mckinseyquarterly.com

FIGURE 1

Figure 1 - Transitional Stages in the Emergence of Chinese Corporations as Global Brand Marketers
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