

GE EXEC: MORE THAN PANDAS AND HOTPOT

Ma Jianing and the multinational have found a home in Chengdu

By ZHANG HAIZHOU
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Ma Jianing always had a few questions for Americans when he was in the US — “Do you know pandas and hotpot?”

“Do you know Chengdu?”

The vice-president of General Electric China said “many Americans, no matter in New York or Washington DC or on the West Coast, know pandas and hotpot, but not Chengdu.”

Ma, who spent more than two years living in Chengdu beginning in 2002, recalls that “they were always shocked when I told them Chengdu is a city with more than 20 international flight routes”.

Not only Ma believes the capital of Sichuan deserves more international attention. So does his company.

The US conglomerate opened its first ever innovation center in the world last year in Chengdu focusing on the healthcare market.

As the head of the China Innovation Center in Chengdu, Ma, has ambitious plans.

“We want to make it a center for local healthcare (in the world) and already have three products for the market.

“We also would like to see the products

from Chengdu go to the rest of the world,” he said. The healthcare division of the GE recently significantly increased its investment in rural regions in China, a vital market for the financial health of all multinational corporations.

The company sees the huge market potential in rural China, but knows it will be a big challenge for international giants to cater to the diverse needs of smaller hospitals, especially as Chinese medical equipment suppliers improve their competitive strength.

GE’s innovation center in Chengdu reflects its major push in that direction.

Up to 80 percent of GE’s healthcare equipment revenue in China comes from the upscale sector.

But the company aims to boost income from its basic medical needs division to achieve a balance as early as possible.

“We believe open innovation practices, especially the customer co-creation approach embodied in CIC Chengdu, is essential for multinational technology companies such as GE as we participate and contribute to China’s future growth,” Chairman and CEO Jeff Immelt said.

Located in the west park of the Chengdu High-tech Industrial Development Zone, the customer center combines R&D with marketing.

In addition to local healthcare, it also focuses on shale gas drilling technology, new industrial automation solutions and green energy.

“We want to let colleagues in our head-



Ma Jianing, vice-president of General Electric China

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quarters know that China is not just Shanghai and Beijing, but the west too. We hope that GE will be a frontrunner in local healthcare in western China,” Ma said.

He said the CIC Chengdu now has about 500 employees, 30 percent them local hires and another 30 percent returnees from coastal regions.

The company’s ambitions are a contrast to when Ma first arrived in Chengdu in 2002. “There was only one building (in the CIC

Chengdu’s area). Even I couldn’t eat the spicy food,” said Ma, who is from Nanjing in coastal Jiangsu province.

Eleven years later, the high-tech park has not only attracted GE, but also at other global industrial giants such as Intel, Foxconn and Dell, which help form industry clusters in integrated circuits, photoelectric displays, software, service outsourcing and electronic terminal manufacturing.

Ma has also adapted to local life.

He has even learned a lot of the Sichuan dialect from his driver and sometimes incorporates it into his Putonghua.

“Chengdu is an inclusive place,” he said. “People know Chengdu for its slow pace and come here to relax, but it’s actually also getting faster.

“Chengdu’s tempo is still a little bit slower than Beijing and Shanghai, but it’s proper,” he added.

7-Eleven finds convenient business environment

By LIFUSHENG
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Megumu Ubasako, chairman of 7-Eleven (Chengdu) Co Ltd, has made the capital of Sichuan province his home.

“I am already a local here,” said the 57-year-old Japanese national, joking that he feels like a business traveler when he returns to his home in Saitama prefecture near Tokyo every year.

His affection for the city is partly due to the family like support he received since he arrived to head the Chengdu branch of the Fortune 500 convenience store chain in 2011.

“Local authorities offered us excellent services and great support,” he said.

Ubasako recalls that the municipal government set up a group of various department heads to help the company gain a foothold as soon as possible.

“Some companies say they usually need one to two years to go through administrative procedures before they can start business. But in Chengdu, it took us less than three months.”

Xu Yali, the company’s administrative director, said “the municipal government also granted us an annual subsidy of 500,000 yuan (\$81,000) on office rental for three consecutive years and a 5,000 yuan stimulus package when we open a new store”.

Since its establishment in 2010, the 7-Eleven franchise holder for Chengdu has opened 90 stores offering more than 2,000 products throughout the city.

Combined revenues from its stores hit 150 million yuan last year.

Ubasako expects the figure to reach 180 million yuan by the end of 2013, an increase of 20 percent, faster than branches in other cities on the Chinese mainland.

One reason behind the good performance is the outlets provide tailored-made services to locals.

“People in Chengdu have a casual lifestyle. So we have established dining areas in or outside our stores so that customers can drink tea and have

NUMBERS

90
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150
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1,300
employees

meals happily, and this is a big difference from stores in such cities as Beijing,” Ubasako said.

“Of course, we would not have made such rapid progress without our hardworking local staff.”

The company has about 1,300 employees in Chengdu. Just nine are from Japan, with most from Chengdu or other cities in Sichuan province.

Now well established in the city, the company is shifting its focus to developing franchisees.

As of April, it had 13 franchised stores in the city and plans to turn half of its 90 wholly owned stores into franchises this year and 80 percent of the total by 2014.

“We invite more Chengdu people to join us and run their own stores. This will bring greater convenience to local people,” said Ubasako.

After living in Chengdu for almost two years, he said he has fallen in love with the city.

“I like Chengdu very much. As a major city in China’s western development campaign, Chengdu has seen stunning development in recent years.

“It also has a lot of greenery that goes well with the modern buildings,” said Ubasako, who worked in Beijing for



The world’s largest convenience store chain now has a big presence in Chengdu. It plans to open stores in Chongqing later this year.

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MEGUMU UBASAKO
CHAIRMAN
7-ELEVEN (CHENGDU) CO LTD

three months before he came to Chengdu. “Compared to Beijing, it is more livable. Every Wednesday after work I invite my colleagues to jog and play badminton at beautiful Sichuan University.”

“What makes me even happier is that we go to enjoy Sichuan cuisine together. I thought it was spicy when I first tried it, but now I will miss it a lot if I do not eat hotpot meals once

in a week.” Ubasako has even become something of a Sichuan cuisine expert himself, cooking huiguorou — double-cooked pork — for his two sons when they come to visit him from Japan. “They say it’s too spicy,” he said, laughing.

“But they love Chengdu’s scenery, especially the Temple of Marquis Wu and the remains of the Jinsha settlement.”



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