



AsiaBizCo, LLC(ABC), is a leading cross culture business development consultancy focusing on Life Science/IT industry and has clients in China, Japan and US. ABC has been instrumental in the successful completion of cross border business projects between US and Asian companies. These projects include product sourcing, joint product development, marketing agreements and licensing.



The Story of a Communist Entrepreneur – HuaCheng Wei

From the editor: The first time I saw him was at the San Francisco airport. He came down the escalator, one of many in the crowded area. I was a bit surprised, as he didn't look like the typical Chinese visitor. He was wearing a polo shirt, with a pair of khaki pants, your typical Westerner business casual outfit. From that first moment, he continued to stand out from the stereo type of Chinese communist bureaucrat, and impressed me as a new generation of Communist Entrepreneur.

Mr. HuaCheng Wei
Visiting NY City, Nov. 2003

Childhood:

Wei was born in 1959 and raised in Inner Mongolia. As a kid, he was the clever one who always came up with ideas and got into trouble. At age 15, after graduating from middle school, he left school involuntarily. China's Cultural Revolution has forced everyone to be out of schooling.

He worked as an adult during the next few years, first at construction sites as a labor, later, as an electrician. In 1977, China reopened the doors for young people to enter college, and held a nationwide entrance exam. He took the test, but failed.

“When I first tried to study for the entrance exam, I didn't even know what H₂O means”. Wei recounts, smiling broadly. He was distraught though back then. However, inspired by the story of the legendary Chinese Medicine man who wrote his famous book in his 80's, Wei vowed to re-take the entrance exam.

In addition to studying hard, he gave himself an ultimatum. He bought a long rope, and promised to use the rope at the end of the exam. If he passes, he will use it to tie up his belongings for traveling to the new college. If he fails, he will use it to hang himself. He used the rope for packing.

For the next 4 years, Wei studied in college, majoring in mechanical engineering. After graduation, he went to work in Shougang Steel Group as an electrician in Beijing. It was at



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Shougang, better known as Capital Steel, one of the largest state owned steel manufacturing group in Beijing, Wei started his illustrious career.

Career:

He joined Chinese Communist Party in 1987. Wei reflects proudly that it only took him 8 months to become a member of the party, whereas for many people, it could be an endeavor for many years.

Wei displayed his natural leadership early on in his career, and was made into a section leader in 2 years. From there, Wei was on the fast track, changing job, getting promoted almost every two years. From a small section leader in 1985, managing about a dozen people, Wei had risen to assume his current role of Chairman of the Board and CEO of Beijing Pharmaceutical Group Company (BPGC) in July 2002, in charge of 15,000 employees and with revenue of \$1.5 billion dollars in 2002.

His past titles include Director of Steel Distill Department in Capital Steel, Vice President of Capital Steel Institute of Technology, Director of Mechanical Engineering Department of Capital Steel, Vice President of Capital Steel, Associate Director of Beijing Trade and Economic Commission, and the Secretary of the Communist Party in City of Beijing.

Atypical from the Western fast track, however, Wei didn't choose the positions he took on. When asked how he decided his career path, Wei laughed. He used a slogan that I remember from my own Cultural Revolution days in China. "I am Party's little screw; I will function and contribute wherever the party places me".

Mr. Wei's thoughts on various topics:**On learning**

Throughout his career, Wei took on positions both in line management capacity as well as Communist Party administrative roles. Additionally, he was in charge of vastly different sectors and industries; from steel industry, to research institutions, to pharmaceutical industry. The key to his success was his attitude on continuous learning.

"I only had two years at most at any given position, so I had to come up the learning curve quickly," Said Wei. Along the way, he learned to dig for the essence and use the principle that works common to all industries and/or sectors. "Dive in, and fly out" He waved his hand, and recounted the treasured truth he learned early on from his own mentor.



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Business philosopher Jim Rohn said once, a good leader is a good reader. With Wei, it seems to be true. Perhaps his natural curiosity and deprived schooling at youth set him up for seeking knowledge from books.

Wei remembers fondly how he used to spend 10 RMB (about \$1.25) out of his 60 RMB (\$7.32) a month salary on books. One of his favorite past time for many years was to browse through books in book stores.

On Leadership & Market Strategy:

Wei is a natural leader and visionary. “I seek ways to be a few steps ahead.” Long before MBA was fashionable in China, Wei realized its value while looking for ways to strengthen his own work team.

In 1996, while in charge of one of the group in Capital Steel, he realized that the management team he is leading was weak. He approached the surrounding universities to organize training for the management team. However, the proposal was turned down by his own boss. So, he encouraged a dozen or so of people on his team to apply for the Executive MBA at Tsinghua University on their own. Along with the few that were accepted, he finished the program while working long hours.

To date, he is using much of what he learned from the intensive program. Furthermore, he continues to search for ways to be a few steps ahead of the curve.

Wei always liked the challenge of a new position. Today, the task of transform his ship, BPGC, into a financially viable organization capable of competing globally is a big challenge that Wei is taking on whole heartedly.

On SOE:

Interestingly, we can see the phenomenon of a hybrid of centrally planned economy and market driven economy in State Owned Enterprises (SOE). For instance, BPGC is mandated by the City of Beijing to reach sales volume of \$12.5B by 2005, a clear central planning directive. Yet, the approach Wei and his top management team are taking is very market driven. He is surveying the landscape, taking into account both internal forces within BPGC and external competitions from foreign companies, to come up with winning strategies.

Wei is searching for ways to build and grow a new generation of China’s largest SOE capable of competing globally. Even without going out of China, competition in the domestic market is



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already increasingly global, as many large foreign drug makers are increasing their investment in China. SOEs need to learn to compete at the global level just to survive in China.

At one point in this conversation, Wei's eyes got misty. "I feel pressured. It's like competing in a race where you are running with extra weight of a large baggage; we are burdened from the get-go". The legacy of central planning for SOEs is something Wei's foreign competitors don't have to contend with.

To transform a SOE into a viable globally competitive company that can stand on its own, think and act like an independent company means changing the way people think and act. With 15,000 employees, that's a formidable task for anyone. The challenge is also inherent in other areas, information system that needs updating, product portfolio that needs to be refreshed.

On Westernization:

When asked about his first trip out of China and his impression of the outside world?

Wei looked up: "My first trip out of China was in 1994. "Everything looked so colorful, and everything was so new. Now, after many trips to Europe, America, and other Asian countries, a foreign trip is as normal as a domestic trip."

His first exposure to Western thinking, however, started back when he was in college. Soccer was his passion in college. In fact, he spent so much playing soccer, he sometimes missed his classes. During his sophomore years, in his quest to learn to manage his time better, he happened to read 'In Search Of Excellence', and was deeply inspired. Today, he keeps abreast of the current business thinking from people like Jack Welch, and books like "From Good to Great".

Wei loves sports. He likens sports as the best way to build team. "In sports, you need to practice, in the dead of winter or the heat of summer. You build discipline and character. The captain need to survey the situation, and come up with and modify strategies for winning the game. Its' like building a company, and winning in the market place", said Wei.

Wei proudly mentioned that he wore number 5 in college on his soccer team, the same number as David Beckham. He has collected all the soccer World Cup competition video's, and studies them to predict winning teams before each new World Cup games. He applies the same passion in his search for a winning strategy for his new ship, BPGC, absorbing new thoughts from both the East and the West.



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On Collaborating with the West:

When asked about what advice would he have for American executives who is or about to do business in China?

“To keep one thing in mind at all times: the merge of East and West is inevitable. Be persistent in your pursuit of current projects.” Wei was very contemplative, staring (in his mind) way into the future, “Chinese culture puts more weight on the surface value, on the approach to a problem, and the West values the end result. It takes the outer surface and the inner core to make something whole. The whole is the ultimate state.”

“Upon studying the success and failure of foreign pharmaceutical companies that entered into China, company strategy only focusing on competing isn’t going to work in the future. Collaboratively competing is the combination that will work,” Wei further contended.

Wei is looking to align with the giants and the advanced researchers in the West for various opportunities to collaborate. He not only needs the advanced technology West has to offer, but the experience and skill set in running a modern large enterprise to stay competitive.

From the editors: We welcome you to share your comments and thoughts with us, email us at editor@AsiaBizCo.com.