

Shanshan Group Founder: The Secret of Success can't always be Taught in a Classroom

It is a bright Saturday morning in Beijing when we head out to the home of Mr. Zheng Yonggang, the chairman of the Chinese clothing giant, Shanshan Group Co., Ltd. Only a few kilometres away from his apartment, China's aspirations of becoming the next global superpower are on display as it prepared to host leaders and representatives from over 130 countries at the Belt and Road Forum, a key global development strategy unveiled by Chinese President Xi Jinping in 2013 that will increase Beijing's influence across the globe. Such Chinese-led global development is sure to be a boon for entrepreneurs like Mr. Zheng but there seems to be other things on his mind this morning as he picks at the plate of fruit in front of him.

One's first impression of the man is that of a person full of enthusiasm and humor. You can tell quite quickly that he likes to speak his mind regardless of whose ox is gored. When asked about US President Donald Trump and the rise of anti-globalization, he dismisses it by saying it does not concern him, adding: "It doesn't concern very busy people. If you have nothing to do maybe you should worry about it." However, he is also very pragmatic and treads carefully on more sensitive subjects, insisting that he likes to maintain a low profile as being famous brings nothing but harm.

This pragmatism is reflected in the way he transformed his company from a clothing empire to one with an investment arm and a thriving lithium-ion battery materials manufacturer. Foreseeing that China's entry into the World Trade Organization in 2001 would lead to stiff competition and a possible elimination of his clothing business by the opening up of the market to more famous foreign brands, Mr. Zheng decided he had to diversify. He decided to diversify into alternative energy not because his company had any transferable competencies or synergy with the industry but because he could sense the global shift away from conventional energy. In a lot of ways, Shanshan Group's transformation has mirrored that of China's from cheap labour and manufacturing to high tech and industrial production and, as far as I can tell, both company and country seem to be doing pretty well. As if to buttress that point, Mr. Zheng points out that his bet on alternative energy has paid off as Shanshan Group's current client list boasts the likes of Mercedes Benz and Apple.

Such strategic foresight and vision is what Mr. Zheng believes great business leaders need, not the case studies and focus on execution that he feels business schools often teach, though he readily admits their usefulness for young professionals and middle-level executives.

Personally, when he is considering a strategy, his first consideration is whether he trusts the person who suggested it. His next step would be to think if it is in line with Chinese policy and the national strategy because, as he puts it, "you don't want to go against, say, the words of heaven." Only after that does he consider the economic benefit and competitiveness of the strategy; and, lastly, the impact on society and the environment.

He is quick to point out, however, that companies should be socially responsible by giving back, especially to the most disadvantaged in society. This is one way that businesses as institutions can

improve people's lives. For business leaders, he holds the hope that when they already have more than they need, thinking about sharing their wealth with others should be human nature. Such philanthropy might even engender more trust in business leaders, instead of the image of the greedy baron out to cheat and cut corners at everyone's expense.

Quite interestingly, Mr. Zheng believes that business leaders are born and not made, while the talents they possess are innate and not taught. He asserts that he was born with the leadership skills that helped him succeed and that such talent cannot be taught at school nor learned through one's experiences.

He further outlined his recipe for becoming a successful business leader as consisting of three key ingredients: innate talent, opportunity, and great timing. The omission of any of these ingredients, in his view, could be the difference between greatness and mediocrity.

Added to the three key ingredients, he believes tomorrow's business leaders should communicate constantly with today's successful business leaders and use them as mentors. According to him, "when you encounter some challenges or questions, you have to ask not your teacher, but ask successful people."

Unfortunately, he did not have a mentor growing up. Born in 1958 to a poor family in Ningbo, near Shanghai, he longed to be rich. During that period of China's history, there were no entrepreneurs due to the central government's closed control of the economy. As such, Mr. Zheng had no mentor to look up to. In fact, he would become a member of the first generation of entrepreneurs in China after Deng Xiaoping opened up the country's market and instituted economic reforms. By his early twenties, Mr. Zheng was already the president of a cotton-mill factory, a very rare opportunity that reflected the economic times in China.

While this might seem like an unbridgeable generational gap in opportunity for young Chinese business leaders as such drastic economic reforms might not happen again in their lifetime, Mr. Zheng points to the potential for technology to transform every aspect of our lives and the complementarity between the internet and conventional industries as potentially bigger opportunities for tomorrow's business leaders if they know where to look, follow the law, and have the right ideas.

Yet another key to his unwavering belief in the future of China and its role in the world is what he terms its "core competitiveness": the Chinese people. He twice characterized the Chinese people as very smart and hardworking, noting that while in the past China leveraged its people through cheap labor costs to drive its economic growth, future growth will also come through its people in the form of their vast consumer base.

He warns that for future business leaders looking to tap into this consumer base and do business in or with China, there are a few things they must know. First, they must understand the written and unwritten laws in China as well as the local culture and value systems. Secondly, they must

develop and hone their expertise. Lastly, they must be able to leverage the large Chinese market by, for example, bringing in advantages acquired from Western markets in branding and technology to sell their products in China.

As we walk out towards the parking lot, I think of my place and that of every future business leader out there in this evolving new world order and cannot help but remember Mr. Zheng's words: "With our (China's) consumption ability, we can take over the world."