



George S. Yip

Photo provided by Jia Yin

Dutch academic discusses challenges of doing global business

By Jin Zhu

The dean of the Rotterdam School of Management (RSM), Erasmus University, spoke before Chinese entrepreneurs in town last Thursday about the challenges of doing global business.

George S. Yip, who came to China for collaborative talks with Peking and Fudan University, said Chinese products overseas remain stuck with the reputation "low-priced and below quality."

"Although selling products at lower prices can result in a higher market share, this is only temporary. Creating famous brands and building a good reputation is the path Chinese enterprises should take in the global marketplace," said Yip, a former Dutch national who now holds dual citizenship in the UK and US.

In the first half of the year, 150

state-owned enterprises sought mergers and acquisitions with foreign brands.

To many entrepreneurs, this was a good move while the global economy was at a low point, Yip said. But Chinese enterprises, especially smaller ones, should ensure they are well-prepared for such a step, he said.

"Many corporate decision-makers commonly err in overestimating their capital capabilities and underestimating potential risks in the global market. And this is quite dangerous," Yip said.

The best way to penetrate the global market, he believes, is to partner with solid local companies who understand the ground situation, especially when doing business in Japan, Europe and North America.

As the dean of RSM, one of the

world's leading business schools, Yip encouraged owners of minor enterprises to earn a business degree, such as an MBA, to help them navigate the modern economic world.

Yip also expressed amazement at China's sharp economic growth, something he has followed since his first visit to the country in 1995.

He said China's rebound from the global economic recession is astonishing.

"During the past year, China's GDP has remained at 8 percent. That is amazing when the global economy experienced a severe recession," the dean said, adding that the country is leading the world out of the slump and that the rest of the world is relying on the Chinese economy's steady performance.

The article is issued from the one-to-one meeting with dean Yip on 15 October 2009 in Beijing.