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# Business Opportunity and Human Resource Development in Promised Asia

- Competitive context in Asia and implications to human resource requirement -

AAPBS

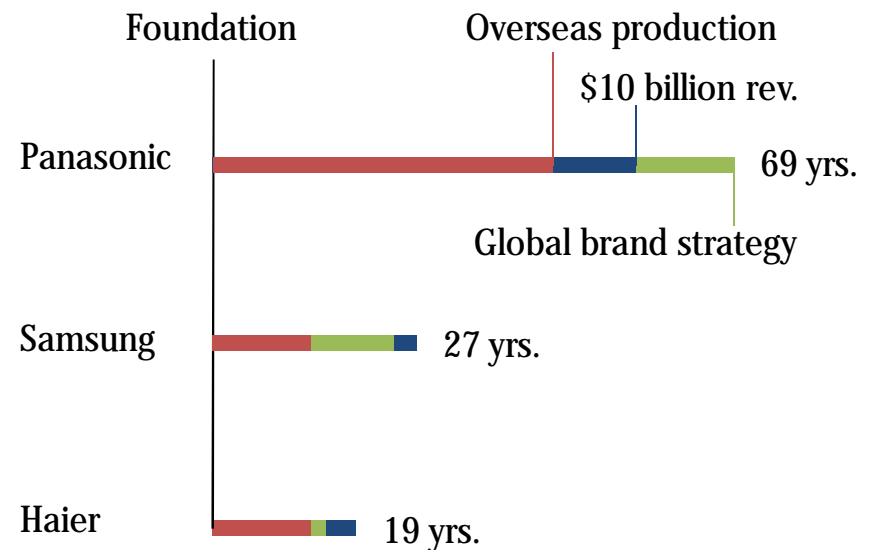
October 29, 2010

Asia is the most competitive market on the globe, where a number of global players and nimble local players compete.

### Automotive industry in China

<u>Global</u>	9mos. share	<u>Local</u>	9mos. share
1. Volkswagen	11%	1. SAIC	21%
2. General Motors	6%	2. DFM	14%
3. Hyundai	6%	3. Changan	13%
4. Toyota	5%	4. FAW	12%
5. Renault-Nissan	5%	5. BAIC	8%
6. Honda	4%	6. Guangzhou	4%
7. PSA	2%	7. Chery	4%
8. Ford	2%	8. BYD	3%
9. Suzuki	2%	9. Brilliance	3%
10. Mazda	1%	10. JAC	2%

### Globalization of Haier

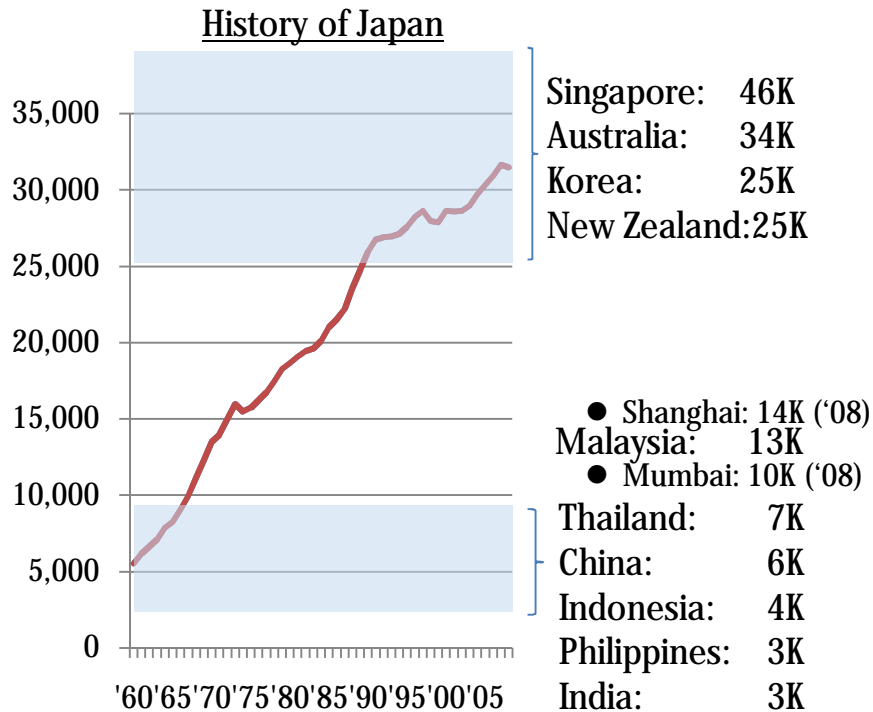


Source:: J.D. Power and Associates China Automotive Monthly Report

Adaptation of global products is not enough. In order to preempt the emerging giants, global/ regional players need to master the local innovation, as well.

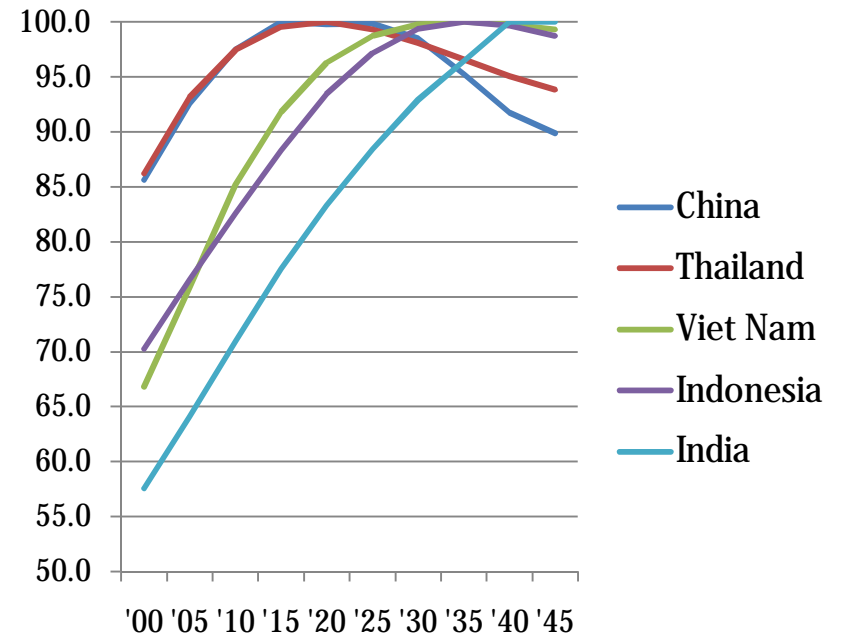
# Asia is a composite of diverse markets in various stages of socio-economic development, culture and consumer preference.

GDP per capita (PPP; 2005 international\$)



Source: The World Bank Group, World Development Indicators;  
PricewaterhouseCoopers UK Economic Outlook Nov. 2009

Working population (peak=100)



Source: UN Population Division, World Population Prospects, 2008 Revision

Size matters but is not enough. Global/regional players need to ensure collective strength while accommodating diverse needs.

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# Industry policy matters in many countries, in the early stage of modernization.

## Automotive industry policy in China

### 1994 Automotive Industry Policy

- Pillar industry to drive the national economy
- Establish large scale groups to attain critical mass
- Encourage joint ventures with foreign partners
- Restrict imports; prohibit knock-down; preferential tax for high localization

### 2004 Automotive Industry Policy

- Build world-level automotive groups; become a major production country and export
- Encourage R&D and self-property products
- Foster development of local suppliers and encourage international M&A
- Encourage development of auto credit, insurance, used car market, etc.

## Focus

- Modernization of supply capability (OEM)
- Development of integrated value chain (suppliers)
- Competitiveness of home-grown industry
- Development of mass market

## Competitive context

Controlled market

Competition among global brands

Competition among global/ domestic brands

Alignment with the local policy is prerequisite for market entry. It's also an on-going exercise in the fast-growing economies.

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# Implications to the local management and talent

## Operational Challenge

1. Master the local innovation, as well as the adaptation of global product/operations
  - Enable two way flow of innovation within the global organization
2. Ensure collective strength while accommodating diverse needs
  - The right combination of global process and distributed authority
3. Impact of policy in market formation
  - On-going alignment of strategies and policies

## Local Management

Smart executor  
+  
Innovation leader

Locally-focused  
+  
Regionally-integrated

Business acumen  
+  
Politically sensitivity

## Talent

Locally-rooted  
and  
Globally-networked

Solid executor  
and  
Good ambassador

It's competition for talent. Corporations need to rethink their value proposition to the talent...career opportunity, compensation, and transparency of operating systems.