

June 2014

ceo

The magazine for decision makers

Asia



pwc

LIAO – in faraway thoughts

Hannes Schmid



Three art genres merge in the series of works entitled “For Gods Only” by Hannes Schmid: the art of Chinese street opera, the art of Chinese calligraphy, and the art of photography. For several years, Schmid accompanied the opera ensemble and photographed their performances intended solely for the gods. The result: 138 works, one of which bears

the Chinese logograph “LIAO”, meaning “in faraway thoughts” – the front-page image for our latest issue of *ceo* Magazine.

Read more about Hannes Schmid, his connection with Asia, and his creative work as a photographer (page 22).

Urs Honegger
CEO PwC Switzerland



Asia has more to offer than just growth potential. Those who step back and take a broader view of the Far East will discover a more nuanced picture and new horizons.

How “far” actually is the Far East today? In this issue of our ceo Magazine, we take a closer look at that question. For centuries, the Orient has had a mystical, magnetic attraction for us “Occidentals”. That it harbours huge growth potential is a well-known fact. Switzerland maintains lively business and trade relationships with Asian countries; our annual trade volume with China alone totals almost 18 billion CHF.¹ Tourism also represents a close bond we have with the Far East: each year we welcome some 1.3 million Asian tourists to Switzerland, not to mention that close to 50,000 Swiss citizens live in Asia and roughly 118,000 Asians in Switzerland.

The latest issue of our international study entitled “Annual Global CEO Survey” makes it clear that global prosperity will increase dramatically over the next 15 years, especially in Asia. Shanghai, for example, is already today as wealthy as Holland. Thus it comes as no surprise that many CEOs of world-class enterprises see attractive Asian opportunities in areas such as culture, leisure time and healthcare. The demographics are also in an upward trend, albeit not a consistent one: over the next two generations, China will lose 150 million workers, while India gains 317 million.

But: a purely statistics-based assessment comes up short. After all, how well do we actually know the Asian continent? How do we shape our relationships? And what can we learn from each other? In effort to find some answers, we asked personalities with various national, professional and social backgrounds to offer us in this ceo Magazine their view of the Far East and its relationship with Switzerland. Each of the interviewees is highly familiar with the two cultures, as they have been totally immersed in both of them for years. Their opinions and experiences reveal a differentiated picture of a multifaceted corner of a world we think we already know.

This issue of ceo Magazine is our way of opening up new perspectives for you in terms of the Asian continent. Its intention is to hone your current perception of Asia by means of unusual impressions and views, as well as to inspire you to dream up new ideas. In that spirit, we wish you an inspiring read.

Urs Honegger

¹ Source: Federal Department for Foreign Affairs (EDA), total trade volume 2012.

China and Japan: What does the future hold?

“Which country will be of greatest significance to the growth of your business over the coming twelve months?” Confronted with that question, more than 1,300 CEOs¹ throughout the world were of the same mind: China as well as Japan rank amongst the Top 5 in terms of importance. Which industries are the most promising and where the challenges lie are pointed out by PwC Switzerland’s Asia experts, *Felix Sutter* and *Erik Steiger*.

Felix Sutter, you’re an expert on China; Erik Steiger, you’ve known Japan for years. In your opinion, what are the most significant changes that have taken place in these two countries over the past ten years?

Felix Sutter: In China, the country’s strong economic growth has changed society – it spawned internationalisation. The population’s language skills and understanding of the Western way of doing business have improved significantly.

Erik Steiger: In Japan, you get the sense that today many large companies and SMEs have become clearly more globalised.

Going forward, which industry segments will be of particular importance?

Sutter: Sustainable energy is currently the trendiest industry out of the desire to stem environmental pollution. Research and development is also being strongly supported, as are the biosciences – including healthcare and care of the elderly – along with precision engineering.

Steiger: In Japan as well, those industries that are focused on life per se and geriatric care in particular will grow at an above-average pace. The topic of green energy will also be of great relevance.



Felix Sutter

PwC China expert

felix.sutter@ch.pwc.com

ch.linkedin.com/in/felixsutter

What are the major challenges that lie ahead for China and Japan?

Sutter: The over-ageing of society, high energy prices and the education system. In general, reforms are in the making to ensure sustainable growth in the coming decades – for example, in the retirement benefit system, where the effects of the one-child rule need to be dealt with.

Steiger: The demographic trend poses a considerable challenge, as does the more pronounced yet necessary opening to the rest of the world. Over time, the government debt burden and dependency on foreign energy suppliers could also become problematic.

What is your best tip for maintaining a successful relationship with Asian business partners?

Sutter: You should take your time, operate discretely and not allow yourself to be pressured by internal milestones when at the negotiating table.

Steiger: What’s important is building a relationship in which both sides are on a par with each other and both can profit. Also, the negotiating partner as an individual must be placed on a pedestal much more than is the case in Europe.



Erik Steiger

PwC Japan expert

erik.steiger@ch.pwc.com

ch.linkedin.com/in/eriksteiger

¹ Number according to the “17th Annual Global CEO Survey” by PwC.



06 **Masakazu Nakamura**
Japan's Sunstar Suisse S.A. is conquering the rest of the world from the shores of Lake Geneva.



12 **Erwin Stoller**
How Swiss textile machine manufacturer Rieter is making headway with its Asia business.



18 **GV Prasad**
Which prescription for success has India's Dr. Reddy's Laboratories Ltd. written for the pharmaceutical industry?



22 **Hannes Schmid**
This photographic artist is a traveller through times and worlds.



28 **Frank Schellenberg**
300 words suffice to process the invoices in any language – so says the CEO of Swiss Post Solutions Vietnam.



36 **Claudia Masüger**
How this Swiss entrepreneur has changed the Chinese wine market with her chain of Cheers shops.



42 **Jürg Fedier**
Oerlikon's CFO is convinced that transactions with Chinese buyers can be beneficial for both sides.



46 **Sunita Kunsanthia**
With her bespoke clothing company Sunita Suits, this native of Thailand has established a firm foothold in Switzerland.



52 **Hanspeter Brunner**
The Asia Head at Swiss private bank BSI about the unique aspects of private banking in China.



58 **Jasmin Moser and Claudia Garati**
With well@work yoga, two yoga instructors teach managers how to recharge their fuel cells.



64 **Fabrice Moscheni**
Japan is considered a tough market – Fastcom Technology S.A.'s CEO found out first hand.



68 **Martin Hirzel**
The CEO of Autoneum knows well that, in Asia, a bit of small talk in the local language can't hurt.

34 **That thing with the sticks – and other useful tips**

74 **The photographers for this issue**

75 **PwC in Asia**

75 **Imprint**

“Compared to Switzerland, Japan is indeed very homogeneous.”



A Japanese company in Switzerland is conquering the rest of the world: Masakazu Nakamura, CEO of Sunstar Suisse S.A., explains how his company gained entry to the white space, why Sunstar is no longer listed on an exchange, and how the company's founder invented the toothpaste tube.

Text: Sandra Willmeroth
Images: Markus Bertschi

Why did Sunstar Group relocate its headquarters from Japan to Switzerland in 2002?

The key reason was our decision to position the company globally. Until the 1980s, we were essentially only present in the Japanese market. Ten years ago, the Group was still generating more than 80 per cent of its revenues there. But the economic growth in Japan was and still remains rather modest. So it was clear: if we wanted to grow further, we needed to globalise the business. And if one wishes to globalise, one must collaborate with creative, intelligent and educated people from around the world. A global thrust like that cannot be accomplished just out of Japan. Thus as a central location for a worldwide strategy, Switzerland was already attractive out of geographical considerations alone. Naturally the stable political environment, independent currency and company-friendly tax regime also argued in favour of Switzerland.

When did you personally first visit Switzerland?

That was 35 years ago. It was my first business trip outside of Japan.

Also at the behest of Sunstar?

I have been employed by the company for 40 years now and never worked elsewhere (laughs).

What was the first link with Switzerland?

At the time, Sunstar was still focused on licensing – a strategy that we ultimately abandoned because the licensing business was not conducive to the sustained growth of a company. But it was an initial step in the direction of globalisation. Back then, the first Swiss company whose products we licensed for Japan was La Prairie. So I took a train from Cointrin and visited to the company's headquarters in Montreux.

What surprised you the most about Switzerland?

That such a relatively small country has four official languages. Compared to that, “big” Japan is indeed very homogeneous. Other than that, though, Switzerland met my expectations rather precisely: a clean, beautiful country with breathtaking natural surroundings and polite people.

When did you take up residence on Lake Geneva?

Since 2007, I have spent most of my time here. 2007 was a decisive year for Sunstar, a turning point in the history of the company.

In what way?

Via a management buyout, we delisted our stock. Sunstar wanted to expand more rapidly and grow through acquisitions in addition to organic growth. To accomplish that, management needed a free hand. It's not always easy to explain strategic decisions and make them palatable for players in the equity markets. Hence the decision was taken to go private.



Masakazu Nakamura is CEO of Sunstar Suisse S.A. and heads the company's global consumer goods business. He started out as a chemical research employee in the product development unit of Sunstar in Japan before the company offered him the opportunity to study dentistry at Buffalo in New York. After his studies, he first returned to Japan and later went back to the USA, where he took over as head of a Sunstar subsidiary in Chicago. In 2002, he was assigned as Chief Human Resources Officer of Sunstar Group and then promoted to CEO. He has lived in Switzerland since 2007.

“If one wishes to globalise, one must collaborate with creative, intelligent and educated people from around the world.”



*“We have
changed from
a defensive
to an offensive
strategy.”*

Sunstar Suisse S.A., based in Etoy (Canton Vaud) on Lake Geneva, is the headquarters of Japan's Sunstar Group and its global consumer goods business. Sunstar was founded in 1932 in Japan and today is active in the oral care and health & beauty areas as well as in the motorcycle and chemical industries. The two technical divisions are part of Sunstar Engineering Group, which has its own headquarters in Singapore. Sunstar Group is present in 16 countries and sells its products in more than 90 markets, with a workforce of close to 4,000 individuals. 80 people from 18 different nations are employed at its main offices in Etoy. In 2012, Sunstar Group generated revenues of 1.404 billion CHF.

sunstar.com

That's unusual; most companies take the opposite route – they start out private and later go public.

It was of course a difficult decision. Obviously it is simpler to obtain financing via the equity market than doing so on a private basis. The new owners at the time took on a heavy debt load. But management wanted to be free to chart a long-term, sustainable course. We have changed from a defensive to a growth strategy and our success today speaks for itself. In the past six to seven years, we have done good work and are now at a point where the central issue is no longer simply paying down debt but instead investing in the company's future growth.

So is a return to the public market conceivable now?

That depends primarily on the economic environment in which Sunstar operates. Perhaps we will go public again sometime in the future, but certainly not in the next several years.

What was Sunstar's most recent acquisition?

The takeover of Degradable Solutions S.A. (DS) in Zurich-Schlieren, a spin-off from the University of Zurich. The company is specialised in the production of bone-regeneration materials. These products are applicable not only for dental but also orthopaedic areas. For example, they have developed screws for the fixation of fractured bones. The screws disintegrate over time as the bone graft takes hold, thereby eliminating the need for a second operation. We also acquired a German company named Interbros two years ago. That company is producing so-called soft pick which is no.1 market share globally.

How does the company DS fit into Sunstar's portfolio?

This approach to bone regeneration is to strengthen our core dental professional business. It is challenging, but it will be able to create a new medical business.

Sunstar has two consumer goods divisions – Oral Care and Health & Beauty Care – as well as two other technical units devoted to motorcycles and chemicals. How does all of this fit together?

Everything started in 1932 with the technology dimension. Company founder Kunio Kaneda, a very creative and inventive man, built up the business on the basis of a special rubber compound that was contained in tubes and used to repair bicycle tyres. But the fascinating part was not just the rubber compound, but in particular the practicality of the tube. That gave rise to the company's other business areas.

Did I understand you correctly: Sunstar actually invented the toothpaste tube?

Well, yes. Kunio Kaneda invented these metal tubes and then started to think about what else they could be filled with. He had no particular knowledge about how to produce toothpaste, but he quickly realised that a toothpaste tube would be much more convenient to use than the tooth powder which was common at the time in the Japanese market. And so things took their course. He started to manufacture further products associated with oral care. Today, our assortment ranges from preventive products such as toothbrush and toothpaste to oral pharmaceuticals including antibiotic ointment. In parallel, we have also continued to develop the technological business units at Sunstar Engineering Group, which is headquartered in Singapore. There, we produce materials such as industrial adhesives for the automotive industry, as well as brakes and other components for motorcycles.

In your opinion, which markets offer the greatest growth potential for consumer goods?

My ten-year goal is to generate 50 per cent of our revenues in Japan and the remainder in other countries. Geographically viewed, today roughly 60 per cent of our sales are attributable to Japan, approximately 20 per cent to North and South America, 15 per cent to EMEA (Europe, Middle East and Africa) and the remaining 5 per cent to Asia, including China. Our highest growth rates are being recorded in South America, Northern Africa and, above all, China.

Despite China's waning growth dynamism?

We have been trying for 25 years to open up the Chinese market. Our first attempt was via a joint venture with a Chinese pharmaceutical company in which we held a 49 per cent financial interest. At the time, the Chinese government imposed very stringent restrictions: a foreign company was not allowed to own a majority stake in any Chinese entity. Under those circumstances it was not easy to conduct the Chinese business from Japan. In short: we failed. But ten years ago, we were ultimately able to enter the Chinese market directly.

What did you do differently the second time around?

We concentrated on only a few selected products outside the mass market – in contrast to our competitors, such as Procter & Gamble and Colgate, we are focusing on the top of the consumer pyramid. We do not offer the market just another commonplace toothpaste but instead high-quality antibiotic therapeutic products for periodontal disease. We are focusing on the dental professional business. Due to aging society oral health and systemic health such as diabetes are becoming more popular. Approximately 1.4 billion people live in China. If only 10 per cent of the population buy our products, that represents 140 million customers. Our business in China is not yet a tremendous revenue generator, but our local annual growth rates in excess of 35 per cent are indeed impressive and show that we are on the right path with our strategy.





The dental hygiene segment of the consumer goods industry comprises everything from preventative articles such as toothbrushes and toothpaste to pharmaceutical products.

“The pace of transformation is dizzying.”

Swiss textile machine manufacturer Rieter is pressing ahead with its Asia business. Board chairman *Erwin Stoller* is especially impressed by the drive and commitment of the young local populace. What significance does Switzerland still have as a manufacturing location?

Text: Editor *ceo Magazine*

Images: Markus Bertschi, Rieter

Mr Stoller, Rieter is currently in the process of investing a total of 140 million CHF for additional production plants in China and India. And for that, jobs are being lost in Switzerland. What disadvantages does Switzerland have as a place for heavy industry?

You expect me now to complain about high costs. But in my opinion, that is not the problem. Switzerland is taking itself out of the game if we continue to limit entrepreneurial leeway, as has happened a few months ago via a popular vote. Just because certain managers act egoistically doesn't mean that one needs to change the entire system.

Which trump cards does Switzerland as an industrial centre still have up its sleeve?

Many of our important customers want to have machines that are “made in Switzerland”. They are convinced that the best quality comes from here.

Is that impression correct?

Our goal is to achieve the same quality standard at each of our production facilities throughout the world, so the basic concept for our machines is uniform, regardless of where they are manufactured. The specific models, however, vary depending on the degree of automation desired by the customer. We no longer say “made in country X”; we say “made by Rieter”.

Erwin Stoller
Immediately after graduating from the Swiss Federal Institute of Technology in Zurich with a degree in mechanical engineering, Erwin Stoller (66) started his career with textile machinery manufacturer Rieter. As of 1992, he was successively in charge of the company's two main divisions, first the “Textile Systems” and then, as of 2002, the “Automotive Systems” unit. In 2008, he was elected Chairman of the Board and one year later, as “Executive Chairman”, also became Head of the Group Executive Committee. In 2011, he engineered the stock exchange listing of the company's Automotive division under the name of “Autoneum”. At the turn of this past year, Erwin Stoller ceded his dual mandate and now devotes his efforts solely to the function of Board Chairman.





“In China, the government has taken a targeted approach to ‘importing’ foreign technological know-how.”

Rieter

This manufacturer of textile machinery and components is one of Switzerland's oldest and most tradition-rich companies, with its roots harking back to 1795. Today, Rieter is a global leader in its industry and, as the only provider to do so, covers the processes involved in spinning mill preparation as well as the four established final spinning processes. The company serves close to 8,000 customers and is present with 18 manufacturing plants throughout the world, including China, India, Uzbekistan and Brazil. In the last two years, Rieter has been investing heavily in expanding its production capacity in India and China. In 2013, the company had a workforce of roughly 4,650 and generated revenues of 1.04 billion CHF.

rieter.com



“I wish Europe a healthy dose of this belief in the future, as well as the same decisive will to knuckle down that prevails in China and India.”



Shop floor in Changzhou, China

What then was the rationale for your production capacity build-up in India and China?

We had to overcome customs and transport costs as additional hurdles to doing business. From the viewpoint of a group enterprise, we are reluctant to open new facilities because it adds to the complexity of our organisation. Equally spoken, China and India today collectively have roughly 65 per cent of the installed global weaving capacity and we want to gain market share there. At Rieter, Turkey has been the most important market for years and years. There, we have a very strong position in the market and now see tremendous potential to achieve the same in China.

Thus trade barriers are rather the reason for your setting up operations in Asia ...

Over the past 20 to 25 years in China, we have observed how the government has taken a targeted approach to “importing” foreign technological know-how. In the textile industry, we were never that much in the crosshairs because we were not considered to be all that significant. But once local competitors started to bring their machines to the market, the trade barriers spiked.

So is it only your customers' desire that keeps you in Europe?

No. The top specialists for the further evolution of textile technology are being educated in Europe, especially in Germany. We need those people. In Switzerland, there are practically no significant training centres of that nature anymore.

Since when has this trend been under way?

Until 2007/2008, we had no particular problem supplying equipment from Europe to the markets in India and China. But in response to the financial and economic crisis, various countries started to protect their manufacturers by means of higher import duties. We still have two products that are not affected, simply because no local manufacturer can offer them.

How are things developing for Rieter in India?

We have been there since 1964. At the time, we started out with a local partner and trained the people so that the quality was right. Three years ago, we disbanded the partnership and today have to admit that we helped build up our biggest competitor.

Where do you stand on the free trade agreement that is currently being negotiated between India and Switzerland?

We are going on the assumption that such a treaty would be helpful for us. Especially in the components area, we supply key parts to India and China as well as to competitors. If those products were to be hit with burdensome tariffs, we would be at a tremendous disadvantage.

What impresses you the most when you visit China and India?

In China, you can literally sense the incredible drive. The pace of transformation is dizzying. The young people are very ambitious. In India, there are more discussions and suggestions on how things can be done better, and occasionally that consumes more time. I wish Europe a healthy dose of this belief in the future, as well as the same decisive will to knuckle down and get the job done.

Given the significance of the Asian markets, will Rieter bring more Asians on board for top management positions?

The sales markets are no reason to change the management team. We are currently observing a revival of textile production in the USA. Today, China is the dominating market, but I question whether that will still be the case in 20 years' time. Our industry tends to experience a major shift every two decades or so.

Are there areas where Rieter can learn from China?

When I was there on a visit, one of our Chinese managers told me that we should get moving with our decisions at headquarters, otherwise the competition would overtake us. I was impressed by his frankness. And we in fact are trying to shorten our decision-making paths.

Can the Chinese learn something from us?

Yes; for example, the development of innovative products. On one hand of course, creating knock-offs of existing products was the name of the game there for many years. But equally spoken, it also took Europe a couple of centuries until this ability to innovate came into being thanks to good university structures and our dual educational system. Europe's other trump card is to be found in the intercompany collaboration

with suppliers. Development, execution and the overall timetable are in sync. Relationships often evolve over years, and a certain loyalty materialises between the partners. In forging partnerships between Rieter and its suppliers, our initial approaches in China and India show that there is still considerable room for improvement. What frequently lacks there is an awareness of how confidential partner plans need to be treated.

When will the saturation point for textiles be reached amongst endusers?

Not any time soon. In the USA, annual per capita yarn consumption currently stands at 40 kg; in Europe, it is 30 kg. China's average is 10 to 12 kg, while India is only at 6 kg. The yarn consumption increases in step with the living standard.

Do you see any new technologies on the horizon that could dramatically change the textile machinery industry?

The basic concepts for our machines were invented in England close to 200 years ago. The approaches have been refined since then, but the fundamental principle remains the same. We, too, ask ourselves when the time might come for a revolutionary development. We fail to see anything in the making, and that worries us a bit.

How often must the owner of a spinning mill invest in new equipment?

The units have to be replaced every seven or eight years, but perhaps only certain components. We of course attempt to set the pace with our innovations. For a medium-sized spinning installation with 20,000 spindles, the customer needs to reckon with an investment of close to 12 million CHF. The largest installations cost 50 to 60 million CHF.

“Switzerland is taking itself out of the game.”

“Just because certain managers act egoistically doesn’t mean that one needs to change the entire system.”

Is there a trend towards developing cheaper machines, but ones that need to be replaced more frequently?

There has been pressure in that direction, but it is easing. In China, the government recently called for the current number of 110 employees per 10,000 spindles to be reduced to something like 60 employees. An automation leap of that magnitude can only be achieved through better technology.

Why this shift to higher quality?

In a spinning mill, the raw material is the greatest cost factor. Inexpensive machines abrade more raw material and consume more energy. For that reason, it pays to invest in higher-quality machines.

Mr Stoller, you have spent your entire career – 37 years of work – at Rieter. What has kept you there so long?

It has always been an exciting experience. Naturally, outside offers came my way during those years. But each time they did, I had just taken on a new challenge within the company and felt that it was not the right time for me to go. I don’t regret one day I have spent with Rieter.

Rieter is currently investing a total of

140 m CHF

for additional production plants, mostly in India and China.

Annual yarn consumption per capita:

- USA: **40 kg**
- Europe: **30 kg**
- China: **10–12 kg**
- India: **6 kg**

In China, the current number of

110 employees

per 10,000 spindles is to be reduced to something like

60 employees.

A medium-sized spinning installation with

20,000

spindles costs ca.

12 m CHF.

Switzerland: Reddy-made for success.

One of India's largest drugmakers chose to locate a number of its operations in Switzerland. CEO of Dr. Reddy's, *GV Prasad*, recently spoke with *ceo Magazine* about doing business in Helvetia, about the 'next big thing' in pharma and why he returned to India after studying in America.

Text: Eric Johnson

Images: Dr. Reddy's Laboratories Ltd.

Why did you choose Switzerland as the location for Dr. Reddy's European headquarters?

About four years ago we decided to put in Basel not only our European headquarters but also our global operations for IP, risk management and management of the value chain across subsidiaries. We chose Switzerland for three main reasons: First, it is a good place to attract talent. The ecosystem for pharma has been well developed by companies such as Roche and Novartis. Second, a lot of our customers and business partners are in or near Switzerland. Third, Switzerland is very business-friendly and tax-friendly.

Your European headquarters were formerly in the UK. Was the relocation difficult?

Moving people from one location to another always raises some challenges. One of them was Switzerland's high cost of living. But the challenges were not extraordinary.

How was Dr. Reddy's received in Switzerland?

People were very welcoming. It's an international place, they are open to any nationality, and the cultural differences are enough to be interesting but not so much as to be problematic. The Swiss government – at all levels – is very helpful to businesses; this is a refreshing change to the attitude of most countries' governments. I see Switzerland as on a similar footing to Singapore and Dubai in their ease of doing business.

What have you learned from doing business in Switzerland?

Even in a high-cost economy, excellent products can be made at very high efficiencies. Switzerland's manufacturing industry is truly world class; they use information technology in remarkable ways.

Do political relations between India and Switzerland affect your operations? For instance, what about the Free-Trade Agreement that is being negotiated between India and EFTA (Switzerland, Norway, Iceland and Liechtenstein)?

We don't feel that in our day-to-day operations. Indian-Swiss relations are going well, we think, and we don't get involved at a more detailed level.

In your view, what is the 'next big thing' that will impact your business and its sector? Is there something coming along that will revolutionise your industry?

In pharmaceuticals, technology is the big thing already. That will continue to be so in the coming decade. We're at a point in history where three areas of technology – information (computing), communications and biology – are intersecting in some incredible ways. Personalised medicine is real, genome sequencing costs have fallen dramatically, hi-speed computation is real, connectivity is far better than ever before. All this is creating an environment where some really big things are happening.



GV Prasad

The CEO of Dr. Reddy's, one of India's largest pharmaceutical companies, was born and raised in India but earned his bachelor's degree in Chemical Engineering in the USA, from the Illinois Institute of Technology in Chicago. He went on to complete a master's degree in Industrial Administration at Purdue University, also in the US. Prasad is widely credited as the architect

of Dr. Reddy's successful global generics strategy. He envisioned newer business platforms like the Custom Pharmaceutical business and Specialty Pharmaceuticals and is dedicated to building the innovation side of the business. Over the course of three decades, Dr. Reddy's has grown from a small drugmaker in India to a global pharmaceutical player with revenues of 2.2 billion USD in 2013.

Dr. Reddy's Laboratories Ltd.

From its start some 30 years ago as an API manufacturer Dr. Reddy's Laboratories Ltd has grown into one of the largest pharmaceutical companies in the subcontinent. Major markets include India, USA, Russia-CIS and Europe apart from other select geographies within Emerging Markets. Bulk of its revenues comes from generic drugs. Dr. Reddy's offers a portfolio of products and services including APIs, custom pharmaceutical services, generics, biosimilars and differentiated formulations. Major therapeutic focus is on gastro-intestinal, cardiovascular, diabetology, oncology, pain management and anti-infective. With 2.2 billion USD revenues, the company employs more than 17,490 associates worldwide representing 25 nationalities and around 2,980 associates based outside India. Its European headquarters are in Basel.

drreddys.com



Dr. Reddy's has made its success primarily in generic drugs, which account for a bit more than 80 per cent of total revenues. Will that be the case forever?

In the short term, we will still do most of our business in generics and APIs (active pharmaceutical ingredients, which are manufactured for a third party that then formulates, markets and distributes the end product). But from around 2020 onward, we will see a much larger share of the business coming from biosimilars – also generics, but not small molecule drugs, biosimilars are post-patent drug substances made by or derived from a living organism – and from our own proprietary products.

What is your view on exclusive rights to drugs, to intellectual property?

IP is a very important part of this business. So, too, is the role of generics. If it weren't for generics, there would be far less innovation going on in proprietary pharma. If it weren't for proprietary products, there would be nothing for generics to follow. So there is a yin and yang to proprietary innovation and growth in generics. When it comes to IP, each country has its own opinions. For instance, India judges some European patents to be lacking in innovation. However, I think there is an emerging global consensus as to what is innovation, what is IP, and that this consensus will continue to grow.

Nearly 40 per cent of Dr. Reddy's revenues, more than twice as much as from any other region, come from North America. What was the key to succeeding as an Indian company in an American market where there are not many successful Indian companies?

The success was in not positioning ourselves as an Indian company. We are a global company, with manufacturing in Europe, Mexico and elsewhere. We have research & development at places such as Cambridge in the UK, Leiden in the Netherlands and Princeton in the USA. We've always operated as a global company; we've accepted global standards and practices from the very beginning. That has created some additional costs to what we'd otherwise incur, but it has also opened up so many more opportunities. The trade-off was completely worth the extra investment.

You studied in the United States, but then returned to India for your career. Did you consider staying in America?

No, because I came from an Indian family with significant business interests in India. I wanted to be part of that. I always intended to be an entrepreneur. When I returned to India some 25 years ago, there were shortages, government controls, high taxes and import duties, and not much consumer choice. Maybe only two to three automobile brands were available. Now, except for the crowds, India is much like many other countries around the world. I'm very optimistic about India's future.



A life in transit.

Photo artist *Hannes Schmid* is a time traveller – throughout the world.

Text: Claudia Wirz

Images: Marc Wetli, Hannes Schmid

A young woman – let's call her Kim – is all dolled up, beautiful and has a broad smile that melts your heart. Like a top model, just more cheerful and without the airs of a superstar, she poses in front of the camera to present her printed T-shirt. It depicts a large stylised heart, pierced by a similarly Daliesque dirk. A modest necklace and bracelet round out the image. The light's right. The photographer can get to work.

In her life so far, our smiling Kim has had little to laugh about. She lives in one of the world's most politically and economically enfeebled countries: Cambodia. A gigantic rubbish dump is her home – a home she shares with dozens of families. Apart from the refuse, poverty and misery here, there's practically nothing else to be seen or had. Kim is a wastepicker; perhaps at some point she'll get a job as a seamstress for a few cents an hour. She has little other choice, and certainly nothing that will get her further along in life.

During the day, stoic laughter is to be heard; but when the night comes, so does death. Typhus, tuberculosis and other diseases afflict the inhabitants of the rubbish dump, be they youngsters or adults. They're plagued by noxious gases and foul water;

sharp objects regularly cause injuries. From the state, all they can expect are usurious interest rates for microcredits; otherwise nothing. War-ravaged in the past, this country is the archetype of the loser in the move towards globalisation. Just the rubbish, not the prosperity, ends up here.

The power of the pixel

For the man behind the camera, that's not okay. Kim is posing for Swiss photo artist Hannes Schmid and his latest work that bears the name "Concerned Photography". These are black-and-white pictures that go more than skin-deep. They show the lot in life of Asia's poorest; no holds barred, but without a moralistic bent. This is the visual language of an insider, someone who knows the locals intimately, who has experienced their world first-hand. By having seen, smelled and tasted it all, his desire is to use the power of the pixel to make a difference in



Hannes Schmid

Swiss photo artist Hannes Schmid first glimpsed the light of day in Zurich (1946) but has been deeply rooted in Switzerland's Toggenburg region ever since his youth. His career in photography got its start after he completed a craftsman's apprenticeship in South Africa. Hannes Schmid initially gained a profile by producing travelogues, but his international renown ultimately arose from his imagery of the Marlboro Cowboy. Between 1978 and 1984, he accompanied more than 250 rock bands. The ca. 70,000 photos he shot during that time have been shown at various exhibitions and reproduced in book form. Apart from his commercial assignments, Schmid has also realised an array of artistic projects. When he's not on the road, Schmid lives with his Singapore-born wife and two children in the vicinity of Zurich.

hannesschmid.ch





Kim, a Cambodian, poses for Hannes Schmid's series of works entitled "Concerned Photography".

changing these deplorable conditions, and to that end he has also founded a relief organisation*.

Whenever Hannes Schmid tells his photographic tales, he also becomes part of the story. Not that he does an Alfred Hitchcock via a quick cameo before the camera. No; first he has to live with the people he photographs and practically become a member of their family in order to understand their concerns, joys, pains and everyday life. That's the only way the photographer can avoid the fate of being considered an outside gawker. Only so can the images be genuine, unposed.

That's Hannes Schmid's deepest conviction, regardless of whether he's photographing some of the world's greatest rock stars or depicting the plight of the unfortunates in Asian slums. Years can pass before he gets to know yet another new world and shoot his first photo. "The image itself doesn't interest me", Schmid never tires of emphasising; his fascination comes from getting to where the image is – regardless of how difficult, dangerous and/or uncomfortable that might be. So it comes as no surprise that a rickety hut with no walls whatsoever and a floor full of holes, situated at the fringe of a rubbish dump, becomes Schmid's temporary hostelry. Zero stars, just like the neighbours.

***For Schmid,
the camera is
something
like a key to the
core of people.***

.....
1 www.smilinggecko.ch



With the organisation "Smiling Gecko", Hannes Schmid is patron to children in Southeast Asia, especially in Cambodia.

From the Toggenburg out into the big wide world

Hannes Schmid has never shied away from leaving the comfort zone. Even today, at the age of 67, he shows not the slightest sign of fatigue. When talking about his latest Cambodia project, which is still in its infancy, he does so with true passion. Over the decades, Schmid has continuously segued into new worlds. In his own words, he lives a life in transit. Back in the '60s when everything began, the young man could have simply opted to stay in Switzerland's Toggenburg region, where he spent a pleasant childhood and learned the electrician trade.

His roots are still there to this very day, but in his early 20s he embarked on the life of an adventurer – initially in South Africa, where there was demand for skilled craftsmen.

It was more by coincidence(s) than design that Schmid made acquaintance with a camera. As an autodidactic photographer, he wended his way through the legendary, multicultural "District Six" in Cape Town and quickly discovered that the camera is something like a key to the core of people – provided that you sync and link with your vis-à-vis and shed any voyeuristic inclinations. Hannes Schmid does that with heart and soul.

That was also the case with the "Stone Age people" of the Dani and Lani tribes in Papua New Guinea. The fate of American political scion Michael Rockefeller, who had gone missing in this area in 1961 and was subsequently declared legally dead, piqued Hannes Schmid's curiosity. He wanted to follow the trail of Nelson Rockefeller's youngest son and experience the world in which he was last seen. Did the American, who was underway with a film crew, fall victim to crocodiles, a shark or perhaps even cannibals?

This multi-month expedition through the mystifying world of the Danis and Lanis was also a journey back in time. A Caucasian photographer bearing a camera and rolls of film, delving into a culture that has no notion of what a crock pot might be, yet is rumoured to conduct cannibalistic rituals – now that can really be deemed adventurous. But Hannes Schmid doesn't view himself as adventurer. Because each journey, each of his images, is precisely composed and meticulously prepared. What may appear to be a snapshot has in fact been planned well in advance. Photographer Hannes Schmid is a perfectionist; one who can wait.

Just the way he did it back in the '70s when he eased his way into the world of rock stars. Nobody got closer to them than Hannes Schmid, because as usual he was not interested in just a quick snapshot. He rather preferred to go skiing with the members of Barclay James Harvest and Abba in the Toggenburg.

The lucky charm of coincidence

It was by sheer coincidence that he came across this particular theme – but then again, happenstance has always been at the root of Hannes Schmid's works. In Singapore, he chanced upon a Chinese opera troupe who played only for gods and spirits. For human eyes and ears, this type of performance was taboo. The audience seats remained empty; after all, spirits can't be seen. Only years later was the time ripe for the first shooting. There are worlds of difference between the haunting nature of this black-and-white series of photos and the dramatic colours of the "Marlboro cowboy" image which Hannes Schmid had shaped for a decade, ultimately creating an American icon.

Asia – the world's factory

He has left America behind him; Africa and the wilderness, too. For Schmid, who is married to a Singapore woman of Chinese descent and has two young children, Asia is "the Globe Theatre" for the major actors these days. Asia, the world's factory; a place that is growing relentlessly and developing rapidly. A continent with hundreds of millions of people who want to work and learn in order to create prosperity for themselves and the entire world. "If we want that these people still work for us tomorrow, we need to take care of them today," says Schmid. That's how he also justifies his humanitarian commitment to the disenfranchised people in Cambodia.

For the grand opening of the new, gigantic airport in southern China's metropolis of Shenzhen, Schmid created an installation with 18,888 red plastic chairs. There they are again: the empty seats at the "Opera of the Gods"! Eight is considered a lucky number in China. But Schmid's personal symbolism goes deeper. He views the plastic chair as being emblematic of the Chinese economic miracle. To his way of thinking, it should be depicted on every Chinese banknote. Cheap plastic enabled China to become the second-largest economy in the world. And the plastic chair is just the beginning, that's for sure.

Hannes Schmid is a driven individual, and that drive comes from passion. "Those who no longer have passion," he says, "are already as good as dead." Thus it's no wonder that he can't put his head around the concept of "retirement": for him, the very word is roughly equivalent to "cemetery".

“If we want that these people still work for us tomorrow, we need to take care of them today.”



"BU – an act of opening the temple doors": an image from Schmid's "For Gods only" series.

***Asia is the Globe Theatre for
the major actors these days.***

Invoices in German, processed in Vietnam.

A counterintuitive approach to language skills has opened a serious niche in clerical outsourcing. The lucrative idea came to creator *Frank Schellenberg* over the course of his winding career path.

Text: Eric Johnson

Images: Christian Berg

Maybe someday robots and computers will take over completely, but for now, most companies still have a lot of repetitive secretarial chores that must be done by people.

Enabling or disabling SIM cards for mobile phones, handling purchase orders and invoices, updating catalogues, answering inquiries generated by sales promotions – these are typical tasks outsourced from developed to developing countries.

The classic connection is colonial. Former American or British protectorates – say, the Philippines or India – serve English-speaking regions. Latin America works the back office for Spain. Morocco handles paperwork for France. Yet, what happens when the outsourcer's language either never was party to conquest, or its imperial legacy has waned? The non-OECD world tends not to have many speakers of, for example, Danish, Hungarian, Italian or Polish – even German, for that matter.

One solution is to recruit or to train exotic-language speakers in areas of low labour costs.

That, however, can end up being as expensive as keeping the work in-house. So Frank Schellenberg dreamt up another way: you might call it the 'max-min' method, meaning maximum effect at minimum knowledge. This CEO of a clerical outsourcing operation realised that his staff need neither master the outsourcer's language nor even speak it rudimentally. "To issue or to check an invoice written in German," Schellenberg explains, a non-speaker "requires knowledge of only about 300 words in German. That specific vocabulary is enough to do that specific job."

This insight applies equally to most other tongues as well. Applying it to non-colonial languages has led to an ongoing boom at his company. Over the past decade, the firm has grown 25-fold to a current level of

1,200 staff at two main locations in southern Vietnam.

Vietnam? Why Vietnam? The answer lies in Schellenberg's personal history, which is a classic case of how chasing opportunity meets unintended consequences.



The 'max-min' method: maximum effect at minimum knowledge.

*Raised in the former communist state of East Germany, **Frank Schellenberg** earned an engineering degree from Schiller University in Jena before moving to Munich to work in publishing. In early 2000, he moved to Ho Chi Minh City (formerly Saigon) in Vietnam, when he started a number of small businesses. He now heads an outsourcing firm with over 1,200 employees that has since become a wholly owned subsidiary of Swiss Post Solutions.*

spsvietnam.vn

Communism, more communism

Opportunity was generally missing in Schellenberg's land of birth, the now-defunct communist state of East Germany. After doing an obligatory military stint and earning an engineering degree from the well-respected Schiller University in Jena, he escaped to the West in 1989, just months before the Berlin Wall fell and the two German states began reuniting. He found his way to a software publisher in Munich, where he spent most of the 1990s working on WYSIWYG (what you see is what you get) applications for a German publishing house.

By the decade's close, he was looking for a change of scenery. "My mind-set was to move away from Germany," Schellenberg recalls. "With the Internet, the world was growing smaller, so I wanted to get out and see more of it." After a nascent venture in South America failed to pan out, he jumped at the chance offered by yet another German publisher: to do business development for a year in Vietnam. In early 2000, after the height of the 'Internet 1.0' bubble, he packed his bags and headed for Ho Chi Minh City.

Any possible worries about returning to a communist system disappeared quickly. Vietnam highly values hard work and enterprise; the former Soviet satellite has developed its own distinctively capitalist dogma. "You'll still see the hammer and sickle emblem here," says Schellenberg in reference to the classic Marxist-Leninist symbol, "but it's just as likely to be fixed to the front end of a late-model Porsche."

Growth by moving around

At first in the former Saigon he ran a small news agency. While there, he was approached by the Bavarian National Library with a non-reporting assignment: to transfer a hard-copy book into XML. This opened his eyes to the world of clerical outsourcing. Before long he had gone into business on his own, helming a company called DIGI-TEXX. Soon it had a staff of 15 to 20 working out of his mid-metropolis home.

Space was getting ever tighter, so an offer from a budding business park – Quang Trang Software City – was gladly accepted. Located 20 km outside the city centre, Quang Trang offered brand-new business infrastructure, including mainline Internet connections



Today, Frank Schellenberg employs a total workforce of 1,200 at two locations in southern Vietnam.



and a host of tech-heavy neighbours. The resulting combination led to Schellenberg's epiphany – the max-min method. One part of its success depends on 'intelligent software' and massive consumer data-bases that automate the out-sourced processes as much as possible. The other part depends on enthusiastic employees willing to learn the '300 words' of various languages.

It really is a focused skill. "If these employees were asked in the target language 'How are you?,' he observes, "they wouldn't be able to answer." Nonetheless, it is enough words to do the job without encouraging job hopping. "If we recruited people with fuller language skills, they would feel underused. They'd soon be bored and looking elsewhere for work." Not that the max-min method is actually boring; Schellenberg likens it to puzzle solving. In any case, it is not a conventional application of conventional linguists.

“Vietnam highly values hard work and enterprise.”

No collar, still clerical

Schellenberg's first big outsourcing customers were in his native Germany. So big, in fact, that in 2004 one of them, direct-marketer GHP Group, tried to buy a majority stake in DIGI-TEXX. The final decision was to found a new BPO (Business Process Outsourcing) company named GHP Far East. In 2008 an even bigger fish, logistics and outsourcing provider Swiss Post Solutions, swallowed up GHP Group along with its Vietnamese operations. Integration took some time; finally in 2013 the Vietnamese company was renamed Swiss Post Solutions Vietnam, to show the affiliation with its ultimate owner.

For the future, Schellenberg is bullish. His next major target is Japan, which currently outsources back office issues to hundreds of thousands of clerical workers in Dalian, a peninsula just west of the North Korean border in China. Noting how China's cost base has climbed and its political frictions with Japan have increased, he says now is the right time to penetrate the rich Japanese market it serves.

Meanwhile, the wanderer has put down roots. Schellenberg has married a Vietnamese national, and they now have two children. He is in Ho Chi Minh City for the long haul. Even so, he has not needed to master the language to succeed in business. The locals speak English well (as does he), and are keen to put it to use. "To get by in everyday life here," he deadpans, "300 words of Vietnamese are enough."

“Vietnam, the former Soviet satellite, has developed its own distinctively capitalist dogma.”

Another Asian economic wonder

“The opportunity in Vietnam is similar to that in post-war Germany,” declares Frank Schellenberg, “simply enormous.”

Incomes are still small, the minimum wage in Ho Chi Minh City (Vietnam) is at about 1,600 USD per person per year, some 45 times lower than in Switzerland. Road transport is infamously jammed, parts of the education system are stuck in a time warp, and bureaucracy sometimes can stifle. But these negatives, he insists, pale in comparison to Vietnam's positives.

The South Asian power has a willing workforce 50 million strong that boasts a 95 per cent literacy rate. Young – the median age is only 28 years old (compared to 42 in Switzerland). Connected, too – nearly half the population has Internet access, and there are more mobile phones than people. Political uprisings are rare to non-existent, and the social-legal environment is business friendly.

Personal income taxes are relatively high, but higher-earners can be compensated with options or shares, which are taxed at lower rates. Foreign investors can buy full control of local enterprises, without local partners, and repatriate full earnings – at a fixed rate to the US dollar – out of the country. “Vietnam's government will basically stay out of a foreign business's way,” says Schellenberg, “much more so than in other countries in the region.”

Minimum wage in
Ho Chi Minh City:

1,600 USD
per person per year

Median age in Vietnam:

28 years

That thing about the sticks – and other useful tips

From coming to grips with chopsticks, to recognising veiled messages, to the correct way of addressing your vis-à-vis: to a certain extent, visiting Asia can be an otherworldly experience for Westerners. Some worthwhile dos and don'ts for your next trip to China and/or Japan.

Text: Editor ceo Magazine



Small gifts nurture a friendship

China and Japan

- Be mindful of the quality and origin of your gift: for example, opt for nicely packaged, high-quality specialities such as Swiss chocolate or top-notch champagne.
- If you're giving gifts to an entire group, make sure to present the first one to the highest-ranking person.

It's all in the timing

China and Japan

- Patience is a virtue – also in Asia. But sometimes a hefty portion of it is required of a Western visitor. Even though it might be difficult to do: suffer through the seemingly endless periods of silence in a negotiation; use the time for your own contemplations.
- Punctuality is expected. In Japan, it might even be better to arrive ahead of the agreed time.
- However, in China it's not unusual that the time of a meeting or the participants change at short notice. Don't take it personally. It could be that official duties were the cause of the change – or it's just a matter of negotiation tactics.



Everything on a single card

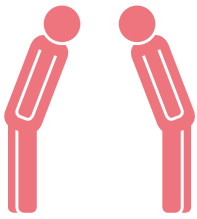
Japan

- The Japanese ritual of exchanging business cards (*meishi*) has meanwhile become well known in the West. Unless a very pronounced hierarchical gap exists between the attendees, everyone exchanges cards. When you present your card to your counterparty, hold it with both hands by the upper corners and take the partner's in exchange. Keep the new card on top of your own cards and don't put it away in the direct presence of your counterparty.

Right of way?

Japan

- Those of lower rank allow the higher-ranking person to go first. The same applies to younger versus older persons.
- Traditionally, a Japanese wife walks or stands behind her husband. However, a businesswoman from the West is not subject to this gender-specific rule. Nonetheless, cleverly allow a third person to introduce you, including your titles, functions and competencies.



Bowing

China and Japan

- These days, a handshake is considered the normal way of greeting Western visitors. So in most cases, a bow isn't necessary.

At the negotiating table

China and Japan

- Important: greet the highest-ranking person first.
- That person then opens the meeting and usually also makes the closing remarks.
- If a meeting is not being held in English, take along an interpreter who, apart from the language per se, also understands your company and the culture of your Asian business partner. Otherwise you could miss out on some hidden messages.

“What was your name again?”

Japan

- Determining which Japanese form of address to use isn't exactly an easy thing. When do you say “-san” as an appendage to your counterparty's name? Does that also apply to women? And what's the difference between “-san” and “-sama”? Our recommendation: simply stick with “Mr” and “Ms”. For the top manager of a company, you may perhaps choose to say “Mr President”.

China

- Which is the first name and which is the surname? This question can crop up occasionally especially when it comes to Chinese names. A tip: On Chinese business cards written with the Latin alphabet, the surname is usually placed first. Thus “Li Er Peng” should be addressed as “Mr Li”.

Successful negotiating

Japan

- Allow the highest-ranking representative of the Japanese group to get down to business.
- Speak understandably: slowly, well-articulated and in short sentences. Forgo metaphors: Japanese think in different imagery than Europeans.
- Present your case factually and avoid self-praise.
- Listen precisely and nod as a sign that you're paying attention – and be patient: time wins out.

China

- In China, tough negotiating is interpreted as a sign of strength. But make sure that in the process you don't insult your counterparty. Remain polite, show some humour, but don't veer from your position too early on.
- Smiles and nods are a sign that you're being listened to – but they don't necessarily constitute approval.
- Decisions can be taken very rapidly – already at the negotiating table for that matter. But don't be surprised if they are “revised” after the fact. It's not unusual that this is merely a negotiating tactic.

Leave a lasting impression

China and Japan

- Regardless of whether or not you're satisfied with the results of your discussion – always save face. Keep your poise and express your thanks when you leave.



What to do at business lunches/dinners...

China and Japan

- Make a short speech or propose a toast in honour of your host.
- Don't be surprised if your Japanese host invites you to an after-dinner stop at a karaoke bar or nightclub. This is a way of testing whether a male guest is an adequate business partner.

... and what you should look to avoid

China and Japan

- When eating with chopsticks, the following are absolute no-gos: crossing the sticks, laying them down separately, sticking them vertically into the rice bowl, spearing food or gesticulating wildly with them.
- Even if the various dishes appear to be strange: never make a disgusted face and refuse them; rather, try them all. Even if they don't suit your fancy, they're always good for an anecdote or two.



“In China you need to be faster, more professional and more creative than the competition.”

With her expanding wholesale wine business and a chain of wine shops in Beijing, *Claudia Masüger* is in the process of changing China's wine market.

Text: Claudia Wirz

Images: Cheers

Ms Masüger, in 2008 you came to China with just a case of samples. Today, you're a wine wholesaler in Beijing, operate a chain of shops with already 16 outlets and more than 90 employees, and each month you import something like 70,000 bottles of moderately-priced wine and bubbly from all around the world. How did you manage to pull this off?

With clear focus, unyielding perseverance, hard work, an understanding of a different culture, lots of passion and thanks to an outstanding team of people!

Why of all places did you pick China?

It was more by coincidence than design. I was looking for adventure, and China struck me as being a huge and attractive market.

The wine market has been booming in China for a number of years now. Is there a kind of gold-rush fever in your field of business?

Yes, your gold-digger allusion hits the nail on the head. Many companies want to get a foothold in China. It's an emerging market with enormous potential, but also many risks and tremendous challenges.

In China, the local dining culture doesn't exactly fit with the European way of savouring wine. For example, people are not really inclined to linger at the table once the meal is finished. So is the current wine boom in China more than just a passing fad?

With our Cheers chain of wine shops, we're addressing a young, modern and open-minded target group. The generational evolution in China is bringing about countless changes. Wine consumption is still in its infancy but is increasing at a torrid pace. Young Chinese adore this new trend and are adopting it into their lifestyle.

Claudia Masüger was born in 1971 to a traditional wine purveyor family which has been in that business for four generations. When Claudia Masüger first came to Beijing, she immediately recognised that a potential market for reasonably priced wine also existed in China. She has been General Manager of wine purveyor MQ Wines since 2008, and right from the start was quick to bring a Chinese partner on board. In order not to be reliant on Chinese distributors who charge exorbitant prices also for plonk, Masüger founded the Cheers chain of wine shops, which she now oversees as CEO. The chain is expanding rapidly and addresses a young, price-conscious clientele.

cheers-wines.com





*“For the Chinese,
it’s a great compliment
to be copied. ”*



Each month, Claudia Masüger imports

10,000

bottles of still and sparkling wine to China.

Claudia

“I don’t believe that Chinese wine will become a major topic in Europe.”

Which types of wine do the Chinese like?

The young crowd is very open to the new. In our shops, they can try all sorts of wine. We offer many degustation parties where we can introduce the Chinese to the complex world of wine in an amusing and understandable way. It’s important that each of them acquires their own special taste. We also demonstrate to them how wine and dining can be combined, and at which occasions and events we in Europe consume still wines or sparkling wines. It’s great fun to acquaint a fascinated target group with our wine know-how and products.

What role do social media play in your business?

We work very intensively with the Chinese versions of social media. Weibo, Weixin and Youku are important tools there for getting the attention of young people. We set great store in the power of video-marketing. In all of our shops, we show our weekly homemade videos which give customers insight into our company culture, even as they impart specialised know-how in a modern and amusing way. Our motto is “Cheers makes you smile”.

How has the Chinese palate for wine evolved since 2008?

Chinese people’s taste for wine is only beginning to develop. In the past, they mainly bought and drank wine for prestige purposes – usually with business considerations in the back of their mind. The focus was of course on French wines. Our Beijing chain of shops has changed the wine market because our moderate prices and uncomplicated style makes it possible also for young people to get to know wine. Our customers drink wine for private purposes, because they have fun doing it. And as is the case all over the world, they start out with the sweeter, fruitier varieties.

You once mentioned that Swiss wines don’t sell very well in China. Do the Chinese have something against us?

Much to the contrary: Switzerland is very popular in China! But Swiss wines are relatively expensive and not very well known.

Will the free trade agreement between Switzerland and China change anything in that regard?

The free trade agreement will be advantageous for us only in about ten years’ time, given that

the tariffs will be lowered in gradual steps. At present, Swiss wines account for a mere fraction of our sales. For that reason, the FTA is not yet of importance to our company.

China itself is one of the world's largest wine producers. Do imported medium-range wines even have a chance there in the longer run?

Chinese vintners are fast learners but what's mainly lacking here is the passion. Until now, there have been only a handful of really fine wines from China. Most of them are blended with European wines so the flavour can be improved. Also China hasn't yet introduced any specific wine legislation. Sales of imported wine are increasing with each year that passes, and there is still a lot of upside potential. One of the reasons why Chinese prefer a domestic wine is the low price. With our pricing strategy at Cheers, we've changed that. We offer good-quality imported wines already at the equivalent of 4.30 CHF.

On the flipside, how great do you think the demand for Chinese wine might be in the European market?

I don't believe that Chinese wine will become a major topic in Europe. But of course it's certainly of interest to give it a try once.

For your wine business, you brought a Chinese partner on board at a very early stage. How important was this move in terms of your success?

For the B2B dealings with MQ Wines, having a Chinese partner was a crucial step. In China, negotiating requires a unique skillset. Also, a Chinese individual brings important relationships to the table. However, for our retail shops, this partnership is of little relevance: Cheers is mainly run by foreigners. The important thing is to have good lawyers in your camp.

That of course has to do with the Chinese business practices that at times can drive Western business people up the wall. Cheating, adulterating, faking and copying are part of the daily business docket. How do you cope with such challenges?

We have a lot of experience in that. Not only have our wine labels, business cards, websites and logos been copied, but also our entire business approach. Our wine shop concept has already been "borrowed" a number of times, including the employee uniforms, pricing strategy, shop layout, VIP forms, marketing initiatives, etc. The Chinese staff were pleased: for them it's a great compliment to be copied. But for us foreigners, the very thought is disconcerting indeed. This is one of the reasons why it's important to have competent lawyers on board. In China, you need to be faster, more professional and more creative than the competition. We attach great value to the product range and customer service at Cheers. But the most important factors are the employees themselves and their focus on our core values. It's precisely this in-house culture that can't be copied, and it's what has made us so successful.

To foster the match-deciding relationships, in other words "Guanxi", hectolitres of wine flow in China. Isn't that a bit trying after a while?

In the early phase of building up our B2B business, the "obligatory imbibing" was in fact rather distressing and required getting used to – but it was a key to success. In our shops, we talk directly with the end consumer and drink wine only when it's fun to do so.

“The free trade agreement will be advantageous for us only in about ten years' time.”



Cheers addresses a young, modern circle of customers – be it on a face-to-face basis in its shops, or via social media (e.g. weibo.com/cheerswines).

Do you also take an occasional sip at home?

I like to drink our products together with friends, employees or our customers – very civilised and with great gusto!

Where will the Chinese wine market be in ten years' time? And where will you stand?

The Chinese wine market will grow in leaps and bounds. Our goal is to open a total of 888 Cheers shops in China. In the summer of 2014, we'll start with the franchising.



«In China, the important thing is to have good lawyers in your camp.»

“We have something to offer to the global market.”

As a significant milestone in its portfolio consolidation efforts, Swiss technology company Oerlikon sold in 2013 a portion of its textile segment to China's Jinsheng Group. Chief Financial Officer *Jürg Fedier* is convinced that transactions with Chinese buyers can be a great win for both parties. He doesn't perceive this as a sell-out of the homeland but rather a natural evolution within the framework of globalisation.

Text: Editor ceo Magazine

Images: Markus Bertschi, Oerlikon

In the past several years, Oerlikon has undergone a turnaround that is unparalleled in the manufacturing industry. On the brink of disaster in 2010 due to a burdensome debt load and the global recession, the company today ranks amongst the top performers in its peer group. From a meagre equity capital ratio of 11 per cent at the end of 2009 to what is now an impressive 51 per cent; from net debt of roughly 1.6 billion CHF in 2009 to almost 1 billion CHF in net liquidity today – the figures speak for themselves.

The company's portfolio of holdings has been fine-tuned over the past three years. The result: reduced risks and less cyclicity. In connection with this strategy, Oerlikon divested as of 1 July 2013 approximately half of its textile segment, namely the business lines involved in manufacturing textile machines and components for the processing of natural fibres. The reason: the company's desire to focus on the more profitable and stable manmade fibres business. The buyer of the natural fibres operations: China's Jinsheng Group.

“It was no coincidence that Jinsheng Group won the deal”, says Fedier today. Oerlikon has worked successfully in China with that company for quite some time. Jinsheng was not yet in the textile machinery business at the time, so the transaction made sense for both companies. Fedier explains: “Jinsheng Group was also the only Chinese bidder interested in making a complete takeover and anchoring the business in Asia.”

Several necessary detours

Nonetheless, negotiations with the Chinese bidder progressed in a way that diverged vastly from the norm. “In our discussions with the representatives and advisors of Jinsheng, we needed to take a very circuitous route”, recalls the CFO. In certain instances, the talks slogged on and on. Right up to the conclusion of the deal, new points were constantly being put on the table.

“We were conducting negotiations and had the feeling that both sides could come to an agreement on at least something. Already the next day, the matter was brought up again in a different form”, says Fedier. Westerners are accustomed to focusing on one goal, coming to agreement, and then implementing the contract. But that approach hardly functions in negotiations with Chinese partners. Even after the deal was sealed, discussions about the interpretation of the contracts continued. “That's the way things go in negotiations there. It also has to do with the Asian culture. For Occidentals, this can be a daunting challenge”, Fedier is convinced.

Jürg Fedier, born 1955, has been Chief Financial Officer of Oerlikon since 1 January 2009. Following the departure of former CEO Michael Buscher in March 2013, Jürg Fedier took over as head of the company on an ad interim basis until Brice Koch was introduced as CEO at the start of 2014. Before joining Oerlikon, Fedier was CFO at Ciba Specialty Chemicals from 2007 to 2008. Earlier, he held various posts at Dow Chemical, including functions in the USA and Asia. Fedier holds a degree from the Zurich Business School and completed international management programmes at IMD in Lausanne and the University of Michigan.



Apart from the cultural peculiarities, he also attributes the differences to what under circumstances can be Chinese businessmen's lack of experience on the international stage. "I had less difficulty with the negotiations because I had already lived seven years in Asia," says Fedier. Also helpful was the fact that both Oerlikon and Jinsheng Group had in their own negotiating teams representatives from the cultural circle of the other side. This is a very important element: both parties then have the necessary background insight at their disposal – because there is always the danger that one partner could unintentionally affront the other during negotiations. "If you've insulted your counterparty in any way, it takes a relatively long time to get the talks going again," Fedier knows.

A company steeped in Swiss tradition becomes Chinese

With the sale of Oerlikon's natural fibre business to Jinsheng Group, a tradition-rich Swiss enterprise was transferred to Chinese hands. The relevant activities pertain to business units of the former eastern Switzerland industrial giant Saurer. "This is a natural evolution within the framework of globalisation", according to Fedier. China is trying to gain access to raw materials, but also to technologies. This is a process that will likely continue and even intensify in the years to come. So a "sell-out of the homeland", as goes the buzzword in various circles, is something the Oerlikon CFO sees as inapplicable in this regard. He is convinced that, "The entire discussion is emotionally laden. The Chinese are doing nothing else than we are when it comes to taking advantage of an opportunity to expand globally." On the whole, Fedier even views this as a positive development. "Swiss companies have something to offer to the global market. We need not be ashamed when our products and services are coveted abroad."

Especially since such a transaction could also result in new opportunities: via Jinsheng Group, Oerlikon expects to have even better access to the local market for man-made fibres. Employees also benefit from this close interlinkage with China. They have the opportunity to familiarise themselves with a different culture and make a career with that knowledge in their rucksack. And to that extent, Oerlikon's closer "knit" with China contributes to a broadening of horizons at the company. Fedier: "In any case, the sell-out polemic is a much too one-sided view of the matter."

"It's no longer possible just to produce cheaply in China. The wage inflation is staggering."

Heightened sensitivity to patent protection

Fedier has a similarly pragmatic stance in terms of protecting intellectual property. Like many Swiss companies, Oerlikon conducts its Research and Development work mainly in Europe and launches its newest technologies here. Only at a later date are they released for the broad market. But Fedier doesn't fear a loss of know-how. "If you want to participate in a market like China, you also have to be willing to contribute knowledge to the deal. At a certain point in time, you're out on a limb in the marketplace."

Nonetheless, this Swiss enterprise also fights for its rights in China when things come down to patent violations. In the meantime, a heightened sensitivity to this issue has arisen there. "We've determined that we are increasingly in a position to enforce our rights," says Fedier. This is also attributable to Chinese companies' expansion outside their own borders. Many of them, like Jinsheng Group, have invested heavily in know-how and now have numerous protection-worthy technologies. "Patent protection and enforcement of the related rights are therefore carrying an increasing amount of weight at Chinese companies. As a result, the entire industrial complex benefits."

No end in sight for the boom in China

In any event, this focus on Asia has paid off for Oerlikon. In the meantime, the company generates roughly 30 per cent of its revenues in China. The boom in the Middle Kingdom has played a significant role in the company's turnaround. "We've been represented in China for half a century because the country was and will be in the future the largest market for the textile industry", says Fedier. Today, 80 per cent of the worldwide textile output is processed there. China can be expected to reach the same level of significance also for other segments of the manufacturing industry. Fedier sees great opportunities for Oerlikon in its other business lines: the coatings specialist Oerlikon Balzers, vacuum pump manufacturer Oerlikon Leybold Vacuum, as well as the company's Drive Systems segment.

In terms of China as an importer, Fedier sees no end to the boom, given the immense size of the domestic market. However, he is more sceptical about China's ability to become the workbench of the global economy. "It's no longer possible just to produce cheaply there. The wage inflation is staggering", Fedier knows. China has invested huge amounts of money in infrastructure. Now the government is trying to keep the qualified workers from going elsewhere. "One should keep a sharp eye on this situation in the labour market." In light of the rising wage costs also in India, an increasing number of globalised companies are shifting their activities to Vietnam, Cambodia or Indonesia.

Nonetheless, Fedier still foresees a successful future for China: "It won't really matter whether growth comes in at 7.8 per cent or only 7.5 per cent – those are still enormous growth rates." What remains important, though, is that China makes no grave fiscal or financial policy mistakes.

Oerlikon is an industrial enterprise active in the machinery and equipment sector. At the end of 2013, the company had a workforce of close to 13,000 individuals at more than 150 sites in 34 countries. Alone in Asia, it has 60 locations. Since 2011, Oerlikon has redoubled its focus on Asia and expanded its presence especially in China and India. In the Middle Kingdom, the company has approximately 1,500 employees and generates 30 per cent of its total revenues of 2.9 billion CHF. The Group comprises five segments: Manmade Fibers (services and processes for chemical-based fibre production), Drive Systems (gear and transmission systems), Vacuum (vacuum systems), Coating (surface coating solutions) and Advanced Technologies (product solutions for semiconductor and nanotechnology applications). At the end of January 2014, Oerlikon announced that it will acquire the Metro surface technology division of Sulzer for roughly 1 billion CHF. Oerlikon's largest shareholder is Renova, a Russian company owned by Viktor Vekselberg.

oerlikon.com

30%

of Oerlikon's revenues are generated in China.

80%

of the global textile output is processed today in China.



“My heart beats to Swiss time”

Savile Row – except in Switzerland, with a touch of Thai thrown in: so goes the formula of Sunita Suits. Fuelled by the bi-national spirit of its founder, the bespoke clothier has climbed a steep learning-curve from strength to strength.

Text: Eric Johnson

Images: Markus Bertschi

If Sunita Kunsanthia were one of those Russian ‘matryoshka’ dolls, the inner and outer parts would be different. Its exterior would be a petite beauty of South Asian mien. The name, Sunita, is very common among women of her father’s homeland, India. The graceful features and accent betray both her Thai mother and an upbringing in Thailand. Yet the doll’s core would exude a place half a world away in middle Europe: it would be unmistakably Helvetic.

“My heart beats to Swiss time,” says the Zurich-based couturier in fluent “Schweizerdeutsch” (Swiss German), explaining that her notions of punctuality, quality and equality, planning and security are far more in line with the norms of Bern than of Bangkok. She unabashedly likes the solidity, the stability of Swiss life, and has no plans to settle elsewhere.

At the same time, she is also very Thai – in more than just appearance – enjoying its food and music, speaking the language and understanding the people’s customs and psyche. “The ways of thinking can really be quite different,” she says, contrasting Switzerland with her land of birth. Approaching things Swiss-style there, or Siamese-style here, can be a recipe for failure.

Bridging two cultures

Which explains, at least in part, why her venture in custom clothing has been such a success. Sunita Suits, a bespoke tailor, is now well-established as the personal suitor of Swiss financiers, businessmen, television presenters and bridegrooms. It has a string of chic shops, some 50 staffers and an impressive (private) income statement. Graduating to that, from a part-time-at-home undertaking, had more than a little to do with being able to bridge the cultures of both countries: Switzerland, where her suits are sold; and Thailand, where they are made.

*Born in Thailand to an Indian father and a Thai mother, **Sunita Kunsanthia** moved as a teenager to a northeastern Swiss village where her mother had married her second, local husband. After an apprenticeship in fashion sales and several jobs in telesales, she founded a men’s bespoke tailoring service that sources its clothing from Thailand. Sunita Suits now has several shops throughout Switzerland and turns over more than 1 million CHF annually.*

sunitasuits.ch





Thai one on

Not that Sunita is one of those people who knew from an early age what career path she would take. Indeed, when she arrived almost 20 years ago at the age of 14 to live with her mother and Swiss stepfather in the rural hamlet of Mammern (north of Frauenfeld, on the shore of the Bodensee), she was consumed with more pressing challenges. First was learning a completely foreign language. Second was adapting to life in a community 10,000 times less-populous than her native Bangkok.

The former was mastered quickly; the latter not so much. By her own admission, Sunita struggled to adjust to being the only Asian girl in the village and to small-town Swiss life. Moreover, like many young teenagers anywhere, she could not see the point behind much of her schoolwork, so gave her studies only moderate effort.

When she started an apprenticeship, however, almost overnight that diffidence morphed into confidence. At a luxury boutique in Schaffhausen, Moda Massimo Quirici, Sunita discovered not only an inborn talent for sales, but a deep desire to succeed in business by really trying. Before long, she had vaulted herself into a new, plum job at a well-known, international corporation based near Zurich. “It gave me the possibility of living part of the year in Thailand, where I still had family and friends,” she remembers, “and the rest of the year in Switzerland – a perfect combination.”

“If the price for a suit is too low, Swiss people often will question the quality.”

Unfortunately, the company was none other than Swissair. Only months after she joined in 2001, the airline suffered its now-infamous ‘grounding’, which also grounded Sunita’s dream – at least for a while. She went back into sales, this time for a telemarketing firm in Feldmeilen, flogging subscriptions to newspapers and magazines. Despite quick success, the pay and conditions still couldn’t match those at Swissair, so she was steadily on the lookout for something better.

And so it began

One day she happened across a newspaper advertisement of tailor-made shirts selling for 140 CHF. “I can beat that!” she vowed, with a better quality and price. And true it was, because her birth father’s clothing factory in Thailand would be able to deliver the goods. So she jetted off to his workshop, then based in Phuket, for a crash course in couture. A week later she returned to Switzerland with her capital goods: a measuring tape, a personal computer and five books of fabric swatches.

Like many budding enterprises, hers was initially a nights-and-weekends job run from home. Her first customers were colleagues at the telemarketing company, followed by a string of executives at a Winterthur branch of UBS. The big breakthrough came in 2004, when freebie newspaper “20 Minuten” puffed her services. Boom, the phone began ringing off the hook, soon she opened showrooms and went full-time.

Couture club

Her secrets of success? Some of them were generic, while others were more specific. Foremost among the latter was and still is the ability to work effectively in two cultures.

With Swiss customers, for instance, that means charging full price. Although Sunita’s suits are a steal by comparison to their off-the-rack challengers in Switzerland or their bespoke competitors in London, she had to learn not to undercharge. Paying for value is the normal expectation of Swiss people, she observes. If the price is too low, they often will begin to question the quality (whereas people from some cultures will simply be pleased at having made a good deal).



With her Thai production workers, more subtlety is demanded. “They don’t like to be told what to do,” she notes. Management is more an art of suggestion than a series of commands. Additionally, nuances of language are absolutely critical when it comes to fitting something as intimate as an individual suit. More than once, Sunita’s communication skill has rescued precise details that otherwise would have been lost in translation.

As would be expected, Sunita Suits has seen challenge and change. The Phuket factory was nearly wiped out by the Asian tsunami of 2004. As her father became too old to manage the Thai operations, Sunita bought him out in 2011 and assumed direct control of production. Sometimes orders go awry. Perhaps most notable was a contract to make uniforms for a traditional tambourine-and-pipe troupe in Valais. A series of production mishaps prodded Sunita to spend five months in Bangkok overseeing corrections.

She takes it all in stride. The Valais order was a loss-maker, but, she retorts, in the end the customers were satisfied, and it opened a door into the lucrative niche of uniform-making. Not just a lucrative subsector, but also a brilliant marketing vehicle. “When they wear my uniforms,” she notes, “they advertise my capabilities.” So – expect to see more of the same.

“In Thailand, management is more an art of suggestion than a series of commands.”

Success by Sunita

One might call them a Clothier’s Conclusions, or a Tailor’s Testament. Whichever, Sunita Kunsanthia has learned some valuable lessons of B2C entrepreneurship, ones she’s willing to share.

- **The customer is always right** – although some patrons can be devilish, for instance rejecting a suit they had explicitly specified, it is best to swallow hard and not dispute. “If I do fight, the customer will bad-mouth me,” Sunita says, “which will hurt my business even more than taking back the suit on return.” She has, though, switched from payment-upon-receipt to cash-in-advance for all purchases.

- **Generosity pays** – Sunita’s manufacturing team in Thailand enjoys wages and benefits well above the local norms, plus a guaranteed minimum compensation. This breeds fierce loyalty. Even though two-thirds are freelancers, nearly all are in with Sunita for the long haul.
- **Don’t overanalyse it** – with an unconscious nod to Malcolm Gladwell’s ground-breaking book ‘Blink’, Sunita salutes the wisdom of simply getting on with an idea. “If I’d listened to the nay-sayers, for that matter if I’d realised at the time some of the challenges of running a business,” she reflects, “I’d have stopped before I started.” And that, her customers will surely agree, would have been a shame.

“In my mind, the evolution that has transpired in Beijing is close to miraculous.”

Hanspeter Brunner, Asia Head at the Swiss private bank BSI, talks about the unique aspects of private banking in China, the surging prosperity in Asia – and his first flat in Beijing.

Text: Editor ceo Magazine

Images: BSI Bank (Singapore) Ltd.

Marcus Mok, Getty Images

Mr Brunner, you were named “Asian Private Banker of the Year” in 2010. What does a private banker need in order to be successful in Asia?

For one thing, a good education. And that doesn't necessarily mean a post graduate degree in banking and finance. One of our best staff members is a female nuclear physicist. A combination of solid banking know-how and a broad-spectrum education means added value for clients.

And in addition to that?

Experience. The majority of our Asian clients are successful entrepreneurs who've worked hard to accumulate their wealth – from rags to riches. These people understand risks and they appreciate the true value of prosperity; after all, they've also known poverty in their time. I can't allow an unexperienced person to service people like that. We therefore need a good mix of seasoned professionals and younger employees. It also requires a natural inquisitiveness. We have to know who our clients are as well as their needs and plans. That's the only way we can offer them made-to-fit solutions.

Asian private banking clients are considered to be well informed, not to mention less risk-averse and younger than the typical European clients.

That sums it up pretty well. The lion's share of Western wealth is “old money” that has been passed down for three or four generations. The fortunes in Asia are still controlled by the first generation. This means that there is a more intimate understanding of risks and opportunities. Compared to clients from the West, those in Asia are much more directly and actively involved in trading securities for their own account. They also have a greater appetite for alternative investments.

Providing regular advice also involves higher costs, right?

The costs in Asia are clearly higher than in Europe. The business model is different here and there are only a limited number of ideally educated people for the job, and that automatically leads to stiff competition for talents.



Hanspeter Brunner, 61, has held the post of General Manager BSI Asia since October 2009 for the Swiss private bank BSI, a subsidiary company of Italy's insurance giant, Generali. Brunner has almost 30 years of experience in the banking sector, 20 of which alone have been spent on the ground in Asia. Prior to joining BSI, Brunner started his career with Credit Suisse in 1972 and then moved to RBS Coutts International in 1997, where he initially headed the company's Private Banking Asia unit before being named CEO of Coutts International.





How do you cope with those higher costs?

We've structured our organisation as efficiently as possible. Also, as a newcomer to the market, we are concentrating on the higher end in order to deploy our resources in a targeted manner.

What are your feelings about the cultural differences?

Generally speaking, people and their behaviour are very much the same all over the world. If you're reasonably perceptive, you shouldn't have much of a problem here in building trust and doing business. Nonetheless, the cultural differences need to be respected. For instance, it's logical that clients from regions like India, China and Southeast Asia are serviced by employees who have the same cultural background – they understand the customs, religion and language.

How significant is the "Swissness" aspect in your business?

Swissness is very important. It's emblematic of reliability, know-how, continuity and stability. Then of course there's the aspect of discreetness, which will continue to play a crucial role also in the future. Switzerland has a long-standing tradition of private banking. It will take years until the local and regional providers catch up in this regard.

But won't these advantages fade in the years to come?

Yes, undoubtedly. We by no means should underestimate our competitors. They'll take on the traits that today are considered "Swissness".

How do Asian banks get along with the regulators?

The supervisory authorities in Singapore and Hong Kong are very professional and essentially comparable with their European counterparts. Our relationship with them is very constructive.

BSI is not a prominent name in Asia. How do you intend to achieve your goal of almost doubling your client assets under management by 2015?

In the meantime, BSI has risen into the middle ranks of the Asian private banking sector. Four years ago, we had 50 employees; today we have a workforce of almost 350 people. This size strikes me as being optimal. We're large enough to offer a competitive range of services, yet small enough to establish and maintain close personal contacts with our clients.

How does the know-how transfer from Asia to Europe function?

People learn from each other. Today the trend in European private banking is in the direction of transparency. Here, we could learn from Asia, where transparency is already the norm to the greatest extent.

Aren't untaxed assets in Switzerland wending their way towards Singapore?

Singapore and Hong Kong are also not interested in dealing with untaxed wealth. I suspect that in the past only a minimal shift took place and since then the tendency has come to a standstill. For BSI, that was never an issue and in any case it will become increasingly difficult to hide one's wealth – and that is as it should be. Of late, word has it that the Singapore private banking market will be larger than that of Switzerland in just a few years' time. I'm more of the mind that Switzerland will remain a dominant player in global private banking for a long time to come. But the gap will likely become narrower.

“In banking circles, the potential of Asia was recognised early on. But the sheer speed at which the region would ultimately develop was hardly imaginable.”

What does that mean for the future?

Firstly, Hong Kong and Singapore will remain Asia's key financial centres. They'll take on a role model function and attract financial experts from around the world. Secondly, in the next five to seven years, Asia will overtake Europe and America in terms of private banking volumes. And thirdly, the entire industry will become increasingly transparent by force of the OECD and G20 directives.

Asia has been growing rapidly for years now. How did you personally experience the economic boom?

I was sent to Beijing in 1985 as a young banker. At the time, the city had just one international hotel. Except for diplomats, there were no flats available to foreigners. My wife and I lived for three years in the same hotel that housed the local offices of Credit Suisse, my employer at the time. With images like that in the back of my mind, the evolution that has transpired in Beijing is close to miraculous. Today, China is the world's second-largest economic powerhouse. And for me, it's a privilege to have had the opportunity to experience something like that.

Did this transformation surprise you?

In banking circles, the potential of Asia was recognised early on. But the sheer speed at which the region would ultimately develop was hardly imaginable. In Asia, there still prevails a very dynamic drive to narrow the economic differences between East and West.

We have it too good?

Well, yes, actually. One may not forget where China stood 30 years ago. In 1985, the average Chinese worker earned 400 dollars a year; at the end of 2012, that figure was roughly 3000 dollars. Of course it's easier to achieve a huge gain when you're starting from a low level.

What chances do you give the region for the future?

The degree of saturation today is clearly higher. Also here in Asia, people want more social security, minimum wages and job protection. That boosts costs in the emerging nations and ultimately slows economic growth to a certain extent. India, China and Indonesia are escaping their status as global workbenches and becoming stand-alone economies. Domestic demand will continue to increase sharply and that will change the economic lay of the land.

How high do you think the risk of a correction is in Asia?

Corrections are part of life in any economic region, and Asia is no exception. At least one threat for a correction in China looms in the real estate market. Should global interest rates rise by one or two percentage points, that would undoubtedly have a negative influence on real estate prices in general. But the risk of a real estate crisis for example in Hong Kong or Singapore is being countered by regulations that specify the maximum loan-to-value level that banks can finance a given property. Another danger lies in China's shadow banking system. Here, it's a matter of lending institutions that wheel and deal outside the traditional banking system and therefore can hardly be monitored by the authorities. But the biggest long-term challenge I see comes from the structural changes in the social system. Nonetheless, the way China, India and Indonesia have so successfully mastered the massive changes they've experienced over the past two decades gives me strong reason for optimism in terms of the future.

“In just a few years, our competitors will have taken on the traits that today are considered ‘Swissness’.”

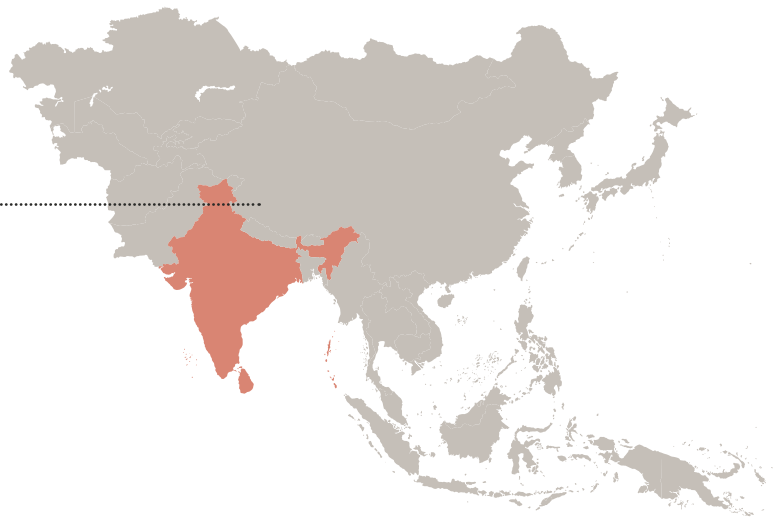


“Generally speaking, people and their behaviour are very much the same all over the world. If you’re reasonably perceptive, you shouldn’t have much of a problem here in building trust and doing business.”

BSI, formerly Banca della Svizzera Italiana, was founded in 1873 in Lugano. It is one of Switzerland’s oldest banks and specialises in private wealth management. Since 1998, the bank has been a wholly owned subsidiary of Generali Group, one of the world’s leading insurance and financial services companies. BSI commenced activities in Hong Kong already in 1981 and its Singapore office was opened in 2005. The bank has pursued a clearly defined growth strategy in Asia since 2009.

bsibank.com/de/Group-sites/Singapore

Totally relaxed



Yoga was “invented” around 500 BC as a meditation technique for Indian “holy men” who renounced worldly life in search of oneness with the Divine. The modern Occidental interpretation of yoga has nothing to do with self-denial or asceticism; it’s a matter of energy. Yoga instructors *Jasmin Moser* and *Claudia Garati* explain why they believe yoga, despite having diverged from its traditional roots, is still a valid discipline and also ideally suits managers who want to boost their energy levels while not distancing themselves from reality.

Text: Editor ceo Magazine
Images: Markus Bertschi,
Getty Images

Ms Moser and Ms Garati, why should one practise yoga?

Jasmin Moser: I can only talk for myself, but as an extremely performance-oriented person I found my life to be totally dominated by work. I ignored my body and didn’t even take notice anymore of when I was hungry. I was in a “hamster wheel”. Then, more by coincidence than design, I attended a yoga session and afterwards felt pleasantly calm and collected. Through yoga I’ve learned to let go and today am more balanced and happier.

That sense of peace is something you can get from a walk in the woods, at a church service or by playing music – and it doesn’t cost a thing!

Claudia Garati: Yoga is a pathway to your inner self. Naturally you can find a similar path by taking a stroll in the woods. But in my opinion, yoga goes further. Various scientific studies have come to the conclusion that yoga has a positive influence on the autonomic nervous system. It helps you to gain balance and top up your energy tanks.

well@work Yoga

With well@work Yoga, Claudia Garati and Jasmin Moser offer yoga courses and workshops especially suited to corporate managers and employees. Their yoga techniques are adapted to the given individual and enable that person to achieve healthy, peak performance on the job as well as a balanced lifestyle.

For her part, Claudia Garati worked in the banking business for 15 years. In New York, she trained to become an internationally certified yoga teacher and since then has been giving lessons for more than eight years.

Jasmin Moser studied business administration and has been with PwC in Zurich for seven years now. She completed her initial training for yoga instruction in 2009 and ever since has been giving lessons mainly in a business environment. In 2013, she completed a follow-on Yoga Alliance instruction course in Stockholm.

“I wouldn’t necessarily say that yoga has become suitable for the masses, but instead suitable for life.”

www.well-at-work.ch





Yet the term “energy” in this context is an esoteric one and not a scientific one.

What do you mean precisely in this regard?

Garati: I mean that, apart from the relaxation yoga affords, it also has a measurable effect on physical and psychological ailments such as back pain and burnout. You breathe calmly and smoothly, which in turn influences the cardiovascular system favourably and reduces stress. And that makes body and soul feel right with the world.

Moser: Previously, I worked at a 100 per cent rate. These days I’ve reduced it to 70 per cent and during the remainder of the time I give yoga lessons. I’m convinced that today, regardless of the reduced work rate for my company, I’m a better employee than before. What I practise on the mat is something I take along with me in everyday life.

“Naturally there are people who view yoga as some kind of Olympic discipline.”

And that’s really only thanks to yoga?

Garati: Yoga can be a building block in accomplishing that. But I don’t limit myself to just yoga – there are other techniques such as qigong and shiatsu that have their justification and flow into my overall activities. I also like to discuss the matter with sceptics. In fact I think a certain degree of scepticism is even better than effervescent enthusiasm. In our yoga sessions, we try to discover what the individual participants need in order to simply let go, get back to actually perceiving their body for what it is and shedding the tension. Sometimes that’s possible with very simple methods.

The roots of yoga stem from the deep religiosity of a small group of Indian “holy men” who are distant both in terms of time and culture. There’s not much of that spirituality left in today’s yoga. Rather it has become a lifestyle product suitable for the masses.

Doesn’t that bother you?

Moser: I wouldn’t necessarily say that yoga has become suitable for the masses, but instead suitable for life.

“I think a certain degree of scepticism is even better than effervescent enthusiasm.”

Yoga is intended as a means for relaxing and depressurising. How does that fit in with the athletic zeal many people exhibit also when it comes to yoga?

Garati: It's true that lots of participants want to be the fastest and best even in terms of yoga. In such cases, I try to decelerate those people, calm them down. Here, the tone of voice of the instructor plays a key role, just the way normal teachers perform an important function. Naturally there are people who view yoga as some kind of Olympic discipline. The others just want to get to peace with themselves and leave the stress behind. We take the latter line of approach.

So yoga is healthy? A high-profile study in the USA recently caused an uproar in the yoga world by offering empirical evidence that yoga in certain instances can lead to grave injuries: herniated discs, spinal sprains, knee damage ...

Garati: If you practise yoga within "normal" bounds it is indeed a healthy endeavour. But where else would you expect than in America, "power yoga" has become very popular. We're seeing a "push-push" attitude behind that trend. In other words, do yoga to get even more "push". If you practise that kind of yoga, you'll need a season ticket to your physical therapist's office. To our way of thinking, yoga means getting to know and accept your personal limits. But of course there are always people who intentionally want to test their limits and even go beyond them.

An entire industry has been built around yoga – from schools, to consultants and DVDs, all the way through to "proper" attire – the whole thing has been commercialised. Isn't that at odds with the essence of true yoga, which actually seeks nothing other than inner contemplation?

Moser: Correct, there is that contradiction in our line of work. Yoga is not a matter of commerce. It needs no books, no special clothing – essentially, it needs nothing other than a mat. Of course we can't offer our lessons without earning something for our effort, but getting rich by doing so is not our objective. Here, too, we seek balance.

Do women and men have different pretensions with regard to yoga?

Garati: Yes. Our observations are that men and women experience yoga in dissimilar ways. Men tend to seek the tangible results – they want to feel something, like sore muscles on the following day. Women are more inclined to entertain the intangible dimension. We mainly offer yoga instruction to people in management positions and at companies where a lack of time is part of the daily docket. For that reason, we focus on customised individual programmes.

Does yoga have the stuff to change the world?

Moser: It changed mine. Yoga has given me more energy and flexibility, as well as greater awareness of my person and the world around me. And for me, yoga also has a lot to do with giving and taking. My students learn from me, but I learn just as much from them. Sharing energy and getting a lot back in return – that's what I try to accomplish in my everyday work environment.

Yoga: an Indian path to self-awareness which has evolved into a global mass movement

Yoga is a philosophical teaching that harks back to the 5th century BC in India. The original texts described a series of spiritual exercises for discovering the path to self-awareness. Only in the 20th century did yoga turn into a mass movement, whereas in this new manifestation greater emphasis has been placed on physical exercises.

In the past ten years, the discipline has experienced a veritable boom. In Zurich alone, there are now more than 100 yoga schools. Worldwide, an estimated 250 million people practise yoga. The first school in the Western world was established in 1918 in the USA.

Meanwhile, yoga has also arrived in China, a country which has its own traditional relaxation techniques such as qigong and tai chi. Today, roughly ten million Chinese (especially women) practise yoga.

250 m

*people throughout the world
practise yoga.*

82%

of them are women.

*The first yoga school in the
Western world was established in*

1918

in the USA.

“The shortest distance between two points in Japan is a curved line.”

The Japanese market is a tough nut to crack – especially in the technology area. *Fabrice Moscheni*, with his company Fastcom Technology, learned first-hand what it takes to gain a foothold in Japan and how valuable the label “Made in Switzerland” can be in Asia.

Text: Sandra Willmeroth
Images: Markus Bertschi



Mr Moscheni, to borrow from Frank Sinatra: If I can make it there – i. e. Japan – I'll make it anywhere – i. e. throughout Asia.

Do you agree with Frank?

Not necessarily. It's actually not always an advantage to have Japan as a base if you want to open up other Asian markets. For instance, we had a project set up in the Philippines and thought that our Japanese partner could handle it well. Our customers were not exactly of the same mind.

Because there exist prejudices against the Japanese?

Let me put it this way: Japan cannot disavow its belligerent past, and other Asian nations are not exactly enthusiastic about Nippon – and the feelings are mutual.

How then did it even happen that you and your company, Fastcom, established a satellite operation in Japan?

Japan is a very large economic power player – more than 125 million people live there. Despite all reservations about Japan, it's actually a very interesting market, not least of all because it can open the door to other Asian markets. So it was clear to us that we wanted to be represented there.

How did you discover your business partners in Japan?

We got to know them at a trade fair in the UK.

How important is the Japan business for your company?

The sales aspect is of lesser significance; rather, the location is strategic and very important over the long run. It takes years until a foreign company can gain a foothold in the Japanese market. Trust has to be built up, and that takes time; contacts have to be made and nurtured. Japan is a very conservative country and the market is tough; especially in the technology area, Japan is highly competitive.

So in retrospect, you would have preferred to set up shop in China or Korea rather than in Japan?

No. Japan is obviously not comparable to a European country; the culture and customs are completely different. But the business ethics are similar to ours, in contrast to China where a totally dissimilar mentality prevails. For example, in Japan there is considerably less risk of being copied. It's a solid market which, granted, is not growing at the torrid pace to be seen in China, but it offers a more reliable business environment.

“It’s actually not always an advantage to have Japan as a base if you want to open up other Asian markets.”

In which other Asian markets do you want to be represented?

At present, we have projects under way in India and the Philippines, and despite all the difficulties we still view China as a good candidate for us. Our efforts are mainly focused on the big cities where there’s the most pressing need for our security technology.

What justifies that need for your systems?

Masses of people! People who work in an office building and for whom selective access to the building needs to be ensured. An access control system is built on three levels. First comes the identification of the person, for

Fabrice Moscheni, born in 1967, has two sons and lives in Lausanne. He studied physics at the ETH Lausanne, where he earned his doctorate in the field of video software. Prior to founding his company, Fastcom Technology S.A., he lived and worked in the USA and also spent a year in Japan.

example by means of a badge or biometrics like a fingerprint. Then you have to be certain that only the identified person gains entry – we call that “singularisation”, which is accomplished by means of our SMACS system. It prevents an unauthorised, unidentified second or even third person from “tailgating” their way into the security zone. The third and final step is a response based on the first two steps: either the door opens, or an alarm is set off.

So your system essentially does what a conventional turnstile accomplishes?

A turnstile is a mechanical means of singularisation. Our system is much more secure, inconspicuous and flexible. It requires just a few sensors under the ceiling and therefore fits in unobtrusively with the architecture of any building.

Does the system scan every detail of the body?

The sensors measure only the body and verify whether the body mass matches that of the identified person – this is a totally anonymous process.

Is such a system useable worldwide? For example, Asians tend to be rather short and Scandinavians rather tall.

Our systems are based on intelligence. When a person attempts to enter, the system recognises whether their physical dimensions match the stored profile. This is unobtrusive and absolutely reliable.

Does the label “Made in Switzerland” help you in Japan?

Switzerland has a very good reputation in Japan, and being able to write “Swiss made” on your products is certainly not a disadvantage. It’s not the be-all and end-all, but it helps.

They say that, in Japan, having the right contacts is more decisive for business success than having the best products. Do you also see it that way?

More than anything, the quality must be up to scratch. Naturally it’s easier to build a business if you have good contacts and know the decision-makers personally. But if the product is inadequate, those contacts are worthless. Ever since the beginning of the Meiji Restoration¹ in the late 19th century, the Japanese have always wanted only the best. At the time, they travelled throughout the Western world and copied the best for their own purposes. And their eye is always on quality.

.....
1 The Meiji Restoration refers to the time at the end of the 19th century when Japan – imitative of Western archetypes – introduced a new political system and totally revamped its society.

That’s one thing they have in common with Swiss tradition. Are there any other parallels?

Both countries come up short in terms of domestic natural resources – but they nevertheless have developed into leading economic powerhouses. Until the 19th century, Switzerland was very poor. Back then, many Swiss emigrated in effort to escape the poverty. Only with the industrial revolution did that change. Thanks to efficient work habits and a high level of productivity, Switzerland then rapidly became a prosperous nation. The same was the case in Japan. In fact the country has reinvented itself two times: the first time when it opened up to the world in the late 19th century, and the second time after World War Two when the country was completely devastated. But the Japanese rebuilt their Land of the Rising Sun and ultimately became one of the world’s leading economies. In both nations – Switzerland and Japan – there is this iron will to improve, work hard and create value and values.



“It takes years until a foreign company can gain a foothold in the Japanese market.”



The singularisation systems require only several ceiling-mounted sensors and therefore fit in unobtrusively with the architecture of any building.

Fastcom Technology S.A. was founded by Fabrice Moscheni and Stefan Fischer in 1998 as a spin-off from the Swiss Federal Institute of Technology (EPFL) in Lausanne. The company started out as a provider of proprietary recognition software for image and video processing, won the CTI Start-up Label in 1998, and placed third in the Swiss Economic Forum's year 2000 awards granted to the best young entrepreneurs in Switzerland. Today, Fastcom Technology is globally active in two areas: single-person entry systems for high security access control, as well as engineering services for data processing and data protection.

fastcom.ch

One year to Japan and back

Fabrice Moscheni knows Japan from first-hand experience: after completing his studies, he lived and worked for one year in the Land of the Rising Sun. What especially memorable impressions did he take home with him?

The community counts

"The Japanese are very group-oriented. There, people don't define themselves as individuals, but rather as members of a group. There is practically no such thing as one's own private sphere. You work for your company, live with your company and even go on holidays with your company. When I was working for Fujitsu at the time,

I lived together with other unmarried male employees in company-owned housing. And there you stay until you get married, at which point you and your wife can move into your own house. This defining of oneself in terms of a family or company is also reflected in the Japanese language – one always relates the wording to a reference group."

Saving face

"Japanese never say straight out what they want; they must always save face. They also never say 'no'. And you need to understand that – these are mannerisms which, like all their other behavioural codes, are deeply rooted in the Japanese culture."

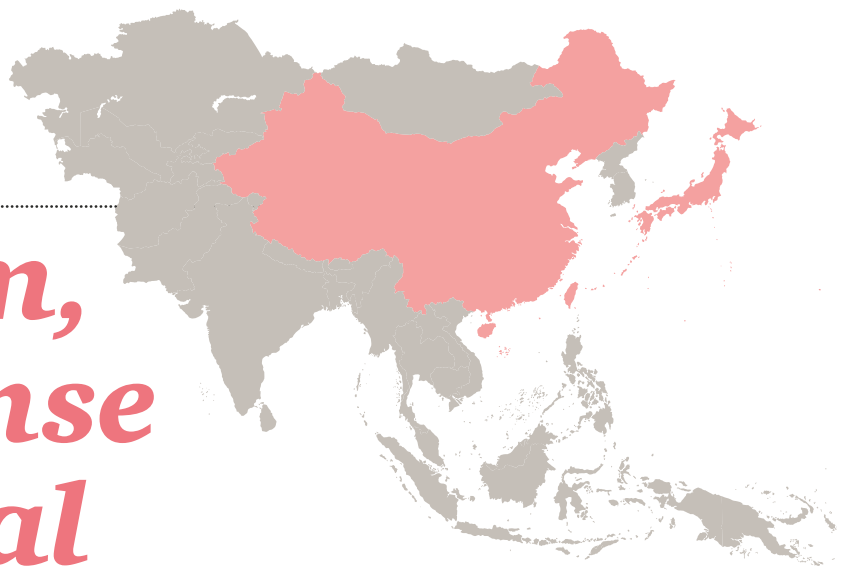
Initial stumbling blocks

"During my time in Japan, I made many blunders! For instance, I of course also had

meals together with the guest family who hosted me during my first few months. But the food was so unusual for me that I had no clue which titbit I could stomach or not. At first, I ate the garnishes that decorated the actual main dish. It took me a couple of days and some incredulous glances until I realised what I was doing wrong – because of course no one would have pointed out my improper behaviour.

This, too, has something to do with saving face: a Japanese person would never tell you that you're doing something wrong. In Japan, one communicates and interacts differently than in Europe. The shortest distance between two points in Japan is a curved line – never a straight one."

Pragmatism, business sense and personal relationships.



Martin Hirzel, CEO of Swiss automotive component manufacturer Autoneum, describes in an interview those things that impress him the most about Asia – and the reasons why not only having the right contacts can be crucial to success in the Asian market, but also how a bit of small talk in the local language can't hurt.

Text: Editor ceo Magazine

Images: Autoneum

Zǎo shàng hǎo, nǐ hǎo ma.

[Good morning, how are you?]

Hen hǎo, xièxiè. [Fine, thank you.]

How well do you speak Chinese?

During my studies, I learned Chinese out of pure interest. Ultimately, I was able to apply the language directly throughout my seven-year stay in China. I can make myself understood quite well verbally.

How important is it to know the local language?

It's a sign of respect vis-à-vis your host country. And it goes down well if you have a mastery of small talk in the local lingo. But of course you can also be successful without knowing the Chinese language.

Via joint ventures, Autoneum is active in Asia not only in China but also in Thailand, India and Indonesia. What have been your experiences until now?

We don't pursue an explicit joint-venture strategy in Asia but instead produce mainly in our own factories – for example, in China. The select joint ventures we're involved in are essentially cooperative undertakings

with our long-standing Japanese partner, Nittoku. We've been working together with them for more than 45 years now.

And that arrangement affords you access to the Japanese auto industry?

Via our joint ventures with Nittoku in Asia and North America, we supply Japanese carmakers throughout the world. That arrangement alone is accountable for more than 20 per cent of our revenues from Japanese customers. For a European component supplier, that's a relatively large amount and it shows we took the right route in our choice of a joint venture partner. Together with Nittoku, we also conduct joint research and development projects, with the results naturally accruing to the benefit of all our customers; and that means also the major automobile manufacturers in Europe and the United States.

Wouldn't it have been simpler to buy a Japanese supplier outright?

What's decisive here is that Nittoku is a Japanese company and is perceived as such by customers. With a takeover, we'd jeopardise precisely that advantage of our cooperation.

Martin Hirzel, born in 1970, was named CEO of Autoneum in April 2011. Since the spinoff of Rieter's Automotive Systems division in 2011, Autoneum has been an independent company and is listed on SIX Swiss Exchange. As head of the SAMEA business group at Rieter, Martin Hirzel was already a Management Board member of the company's auto-related business. From 2000 to 2007 he worked for Rieter in Shanghai, first as General Manager of Rieter Textile Systems China, and from 2005 as head of the China business unit of Rieter Automotive Systems. Martin Hirzel holds a degree in business economics. He studied at the Zurich University of Applied Sciences and completed the General Management Program of Harvard Business School.









Underbody heat analysis by means of an infrared camera.

Autoneum is the global technology leader in acoustic and thermal management solutions for vehicles. Headquartered in Winterthur, the company develops and assembles components and systems for the interior floor and engine bay of automobiles, as well as heat shields and underfloor shields. The company's customer base includes many of the world's largest automobile manufacturers in the target markets of Europe, North America, South America and Asia. Autoneum is present or represented by its joint ventures and licences in more than 20 countries across the globe. Of its worldwide workforce of approximately 9,600, five per cent are employed in Switzerland.

autoneum.com

Just recently, you entered into a new joint venture in Thailand.

In response to the increasing demand from Japanese automakers, several years ago we joined Nittoku and a local partner there in a cooperative undertaking. Last fall, we established yet another joint venture for the supply of components to non-Japanese automobile manufacturers. Thailand is a very exciting growth market in Asia and it's still dominated by Japanese carmakers. But in the meantime, the US auto industry has also discovered the country.

Of what significance is Thailand to the automotive industry?

The volumes there are modest compared to the more than 20 million cars produced each year in China. But the output in Thailand is steadily on the rise and predictions are that the country should reach an annual production rate of almost three million vehicles by 2019.

How did you personally experience the boom in Asia?

Looking back, I consider it a privilege that I had the opportunity to be in China during the first decade of the new millennium – a country that was transforming itself and where prosperity was emerging, but also where society had to redefine itself. That was a life-changing experience for me.

How so?

The pragmatism and business sense of the Chinese impressed me. What's more, I learned to appreciate the "personal relationships" dimension of business.

How does that manifest itself in everyday Asian business life?

There's no such thing as normal "everyday Asian business life" – it varies just as much as the individual Asian nationalities. In China, it is frequently the case that considerable mistrust exists in terms of state institutions and the legal system. For that reason, during negotiations one relies much less on contracts than on personal relationships. Hammering out a contract is not necessarily a straightforward thing but instead more like a ball game where the parties toss the ball back and forth. And the match-winning dimension is how you catch the ball, pass it back and keep the game going. It's less a matter of the precise wording of a contract; rather, it's the way in which the parties discuss things with each other.

How does a Westerner cope with that situation?

You need people who have an affinity for Asia and are familiar with the local customs from first-hand experience. But that also harbours a risk: if for some reason there is a change in management, that can lead to discontinuities in business dealings – because many employees there are mainly loyal to their boss and not necessarily the company.

What do you need to watch out for when doing business in China?

By no means may you belittle an employee in front of other people. Also, your tone with business partners shouldn't be too direct. We Swiss have little problem with that because we attach value to politeness. Another aspect is the rapid pace of happenings in China – that can be a challenge.

Where is that noticeable?

It's a matter of the speed at which things are implemented. In this regard, all it takes is a look at the infrastructure: how in the shortest amount of time roads or underground lines are built. That speed is indeed impressive and it applies as well to the automobile industry. It has grown at an astoundingly fast pace from being just a few joint ventures with German and American carmakers into what today is a gigantic industry populated by Japanese, Korean and many Chinese manufacturers.

Do you sense that hurried pace also in day-to-day business?

Absolutely. When a purchasing manager places an order in the morning, he expects to receive an answer by the afternoon. And it's entirely possible that a decision will already be taken by dinnertime. We Swiss are not accustomed to that rapidness.

So the Swiss could learn a thing or two from the Chinese in this regard?

Yes. And the same applies when it comes to the optimism, desire to win and motivation that the Chinese demonstrate on the job.

Equally spoken, which Swiss business practices do you miss in Asia?

The disciplined order, structures and process orientation.

How do you make sure that no unwanted outflow of know-how occurs?

Innovations are a strategic priority for us. Our Research and Development facility at headquarters in Winterthur conducts fundamental research; this is where the new products and technologies are dreamed up. However, we do have several decentralised R&D centres around the world, one of which is in Shanghai. There, the innovations for customer projects are adapted for regional application.

Do you take any special security measures?

Sensitive technologies need to be defined precisely and, if necessary, patented. But the decisive factor here is the employees: they have to feel like they're part of the Autoneum family. Then I have no concerns about their coming up with the wrong ideas.

The automotive supply business is a real penny-pincher. Margins are hair thin and you can't afford any mistakes. How does that aspect influence your investments in new facilities?

We choose only those locations where we can supply a number of customers or projects. Any other way would be too risky. At new locations, we frequently start small in leased plants and with only a few employees.

Where do you see the greatest growth opportunities in your business?

We've defined two growth markets. One of them is Asia, where we currently generate less than ten per cent of our total group revenues. So a lot of growth potential is still to be tapped both in terms of our international customers and the local car manufacturers. The North American market remains interesting for us – we've been very successful there for many years and it is accountable for a steadily increasing proportion of our total income.

“Today we earn more than 20 per cent of our revenues from Japanese customers.”

The photographers for this issue



Christian Berg

born in 1979, lives as a photographer in Ho Chi Minh City, Vietnam, and works all across Southeast Asia. Before starting his career as a professional photographer in 2008, he studied Southeast Asian sciences in his native city of Bonn as well as in Singapore. Christian Berg specialises in the fields of corporate and documentary photography and is a member of Agentur Laif, which is represented in Switzerland by Keystone.

christian-berg.photoshelter.com
keystone.ch



Markus Bertschi

born in 1970 in the vicinity of Basel, followed up his studies in photography by working as a freelance photographer and assistant in Zurich. In 1997, he was offered a job with Hannes Schmid and therefore moved to New York. In the ensuing years, he travelled the world with Schmid on photographic assignments. Back in Zurich, Bertschi established himself as an independent photographer and since then works for various magazines and advertising agencies in Switzerland and greater Europe.

markusbertschi.com



Hannes Schmid

born in 1946 in Zurich, began his career in photography after a craftsman apprenticeship in South Africa. Hannes Schmid's international renown ultimately arose from his imagery of the Marlboro Cowboy. Apart from his commercial assignments, Schmid has also realised an array of artistic projects. When he's not on the road, Schmid lives with his Singapore-born wife and two children in the vicinity of Zurich.

hanneschmid.ch



Marc Wetli

born in 1971, grew up in Zurich and after completing his formal education was offered an internship with Keystone Press. He subsequently worked as a freelance photo journalist for Swiss newspapers and magazines before specialising in editorial portraits for Who-Is-Who, especially the business elite. He is co-founder of the agency 13photo and today works for an array of domestic and international companies and media.

wetli.com
13photo.ch

PwC in Asia



PwC Cambodia

Workforce: **154**

Locations: **1**

www.pwc.com/kh/en

PwC India

Workforce: **6,587**

Locations: **8**

www.pwc.in

PwC Indonesia

Workforce: **1,600**

Locations: **1**

www.pwc.com/id/en

PwC Japan

Workforce: **4,000**

Locations: **14**

www.pwc.com/jp

PwC Laos

Workforce: **70**

Locations: **1**

www.pwc.com/la/en

PwC mainland China, Hong Kong, Singapore, Taiwan

Workforce: **24,000**

Locations: **25**

www.pwccn.com

PwC Malaysia

Workforce: **2,000**

Locations: **6**

www.pwc.com/my/en

PwC Myanmar

Workforce: **17**

Locations: **1**

www.pwc.com/mm/en

PwC Philippines

Workforce: **650**

Locations: **2**

www.pwc.com/ph/en

PwC Sri Lanka

Workforce: **480**

Locations: **2**

www.pwc.com/lk/en

PwC South Korea

Workforce: **3,700**

Locations: **5**

www.pwc.com/kr/en

PwC Thailand

Workforce: **1,350**

Locations: **1**

www.pwc.com/th

PwC Vietnam

Workforce: **628**

Locations: **2**

www.pwc.com/vn

Publisher: PwC Switzerland,
Birchstrasse 160, 8050 Zurich,
Switzerland

Layout:
Leo Burnett Switzerland AG,
Aemtlerstrasse 201, 8040 Zurich

Lithography/print:
Linkgroup, Mühlebachstrasse 52,
8008 Zurich

© 2014 PricewaterhouseCoopers AG.
All rights reserved.

The opinions expressed by the interviewees may vary with those of the publisher.

This issue of our "ceo" magazine is
available in German, French, English and
Chinese.

Circulation: 18,000.

***The next issue of “ceo”
will appear in November
2014 and focus on
the topic of “Diversity”.***

Read about the ways diversity takes form at companies,
how it spurs innovation, and why diversity can be a decisive
competitive factor.

Don't want to miss any future issue of “ceo”?
Subscribe now: mona.blum@ch.pwc.com

