

Travel story – Guangzhou and Shanghai
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Carolina Ståhlberg & Viktor Andersson

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From the 10th to the 18th of March 2012, Carolina Ståhlberg and Viktor Andersson travelled to Guangzhou and Shanghai in order to visit Swedish companies that are established in Asia. The cities were strategically chosen for different reasons. Guangzhou, the third largest city in China, has due to its rapid industry growth also become subject for many international companies seeking further establishment in China. This is also true for Swedish companies who act on a global scale. We therefore thought that it could be of interest for the CITO office to visit Swedish companies in this city. The main purpose of this visit was to establish a new contact network in this area. Guangzhou has never been visited by the CITO office and we therefore hope that our visit enabled us to create awareness about our work to Swedish companies in this area. However, 64 % of the Swedish companies have their headquarters in Shanghai. This is because Shanghai is the most international city in China. Due to the great number of companies operating in this area we believed it could be of value for us and CITO to also visit Shanghai and maintain and extend our network in this region.

Guangzhou

The trip began in Guangzhou where two meetings were conducted with LC-Tec and IKEA. Following are a description of the company visits in the Guangzhou region.

Monday the 12th of March – CITO visits LC-Tec

Our first company visit was at LC-Tec which is located in Shenzhen's high-tech industrial area which is about a one hour train ride from Guangzhou. The branch located in Shenzhen is part of the LC-Tec Group, which is a complete supplier of liquid crystal displays and services all from the idea stage to production. The group consists of branches such as LC-Tec Automation in Sweden, LC-Tec Displays in Sweden and LC-Tec Asia in Hong Kong which LC-Tec International (Shenzhen) belongs to, etc. During our visit we met financial and HR & Admin. manager Jane He, HR supervisor, Anna Wang and translator, Jody Chen, at the LC-Tec factory in Shenzhen.

The company was originally formed in Sweden 1988 to develop and manufacture equipment for LCD-production. During the years the company has grown and in 2005 the company set up a new manufacturing facility in Shenzhen. There LC-Tec International operates as a contract manufacturer for Asian TFT-LCD manufacturers and the factory's main focus is on TFT-LCD production. The displays that LC-Tec manufacturers are used for cell phones, GPS devices as well as MP3 players, etcetera. The company operates on an extremely competitive market, where quality requirements are very high, at the same time as customers demand lower and lower prices.

During the visit we had the opportunity to see the factory and the production process. The factory has around 200 employees that take part in different processes such as glass cutting, filling and cell cleaning and quality control. These are all important steps to manufacture high quality LC displays.

We found the visit very rewarding since we had the opportunity to both visit the office, the factory and have a traditional Cantonese lunch with Anna, Jane and Jody at a nearby restaurant. It was an interesting visit since the company only had local staff running the business except for the manager who works both in Shenzhen and in Sweden. For us it was definitely interesting to visit this factory region where companies such as Apple, Dell and Nokia manufacture their products. When it comes to internships and master thesis they have no previous experience of conducting these kinds of projects.

However, they wanted to maintain a good relation to CITO and we are welcome to visit them again in the future.

Tuesday the 13th of March – CITO visits IKEA

In the morning the 13th of March we had the opportunity to visit IKEA. The company started its business in Guangzhou in 2005. The Guangzhou store is, compared to other IKEA stores, located in the very centre of the city instead of the outer regions. We had the pleasure to meet Nick Fan, human resource manager, and a Swedish IKEA employee, Daniel Oxelman. Daniel is participating in IKEA's Backpacker program which gives IKEA employees the opportunity to work abroad and pursue an international career within IKEA.

The company provides a wide range of well-designed functional home furnishing products at very affordable prices. The concept of offering affordable products with good quality makes it possible for many people to buy their new furniture at IKEA. The company is truly global with over 325 stores in more than 35 countries. According to Nick Fan IKEA's popularity has also reached Guangzhou and people are getting more and more aware about the store and its concept.

Even though the store is a little smaller in Guangzhou than the other stores in China one can still count on finding the familiar show rooms and most of IKEA's products. In Guangzhou many people also eat Cantonese food and IKEA has therefore also tried to provide a solution to meet local people's need in the kitchen.

If you are seeking an international career within IKEA, the company has a Backpacker program that gives IKEA employees the opportunity to work abroad and to try working in different departments. One can also work as an expat at IKEA if one possesses a certain knowledge or expertise that cannot be found locally. This is typical when establishing and setting up new ware houses. However, when we talked about opportunities for internships and master thesis Nick was positive even though they have not tried it before. He said that we could use his contact information and that students at Chalmers were welcome to contact him if they had ideas for potential projects.

Both Nick and Daniel were welcoming and friendly and it was especially interesting to hear about IKEA in Guangzhou and how it is to work there from a Swedish and a Chinese employee's point of view.

Shanghai

After Guangzhou we took the flight to Shanghai. During our stay in this city we had the opportunity to visit SKF, Diakrit and Höganäs. During our stay, we also had the opportunity to meet with Andreas Sigurdsson, Chairman of the CING-China Alumni network and former Head of Office at the CITO office in 2003/2004. Following are a description of the company visits in the Shanghai region.

Wednesday the 14th of March – CITO visits SKF

SKF China's headquarters can be found in the central part of Shanghai. During the visit we met with Michel Zhao, Communications Director at the Swedish industrial giant.

SKF is a truly global company with operations in more than 130 countries. Their China headquarters hosts around 400 employees that work with SKF's five platforms: Bearings and Units, Seals, Mechatronics, Services and Lubrications Systems. SKF was founded in 1907 and started its business

in China through sales agent in 1912. Currently SKF has sales offices in 27 locations and 14 manufacturing sites across China.

As a Communications Director, Michel Zhao is responsible for the way SKF communicates externally and internally within China. This includes everything from press material, marketing communications to advertisements. Michel Zhao has worked with SKF for almost two years, and she describes the working environment as very pleasing, as SKF truly values its employees and their contributions.

Since 1997 SKF set its China head office in Shanghai, and established its Global Technical Center China in 2010. The center collaborates with SKF's global technology team, and its main purpose is to be close to customers in order to provide support and technical excellence. Michel says that currently SKF China provides comprehensive products, solutions and service for customers in the field of renewable energy, automobile, railway, metal, mining and etc.

The meeting with Michel was very informative and she showed us several projects that she has been working on. She was very friendly and positive to maintaining a good relation with the CITO office. When we talked about opportunities for internships and master thesis she said that they have no previous experience of such projects. However, she said that there could be possible to arrange one since they have a business intelligence department who conducts a lot of research and might need some assistance.

Friday the 16th of March – CITO visits Höganäs

On Friday morning we travelled to the western part of Shanghai, to the Qing pu district where the Höganäs facilities are located.

Höganäs, founded over 200 years ago, was CITO's last stop in Shanghai. The company's vision is "pushing the limits of metal powder" and Höganäs is a leading manufacturer of a wide variety of pulverized metal mixes. Carolina Ståhlberg and Viktor Andersson had the pleasure to meet Fredrik Emilsson, President of Asia Region, and Olof Andersson, Director of Business Development.

Powder Metallurgy, PM, resents a wide variety of benefits compared to traditional metal shaping techniques, such as casting or machining. Using PM, the geometries can be significantly more complex without compromising strength or hardness of the component. Even though Höganäs is a material supplier they work close with customers all along the downstream value chain to better understand their customers' needs. In this way Höganäs gains a valuable knowledge about the final product and its application area, which allows them to provide better service to their customers. This working process also enables Höganäs to educate their customers and help them to implement metal powder components in more and more products. This process often results in both lower total costs and gains in terms of performance and environmental friendliness.

Höganäs Shanghai site includes an office, a technical customer-support lab as well as a warehouse and powder mixing facility. The powder itself is produced in Europe, but Höganäs can create customer-specific powder in Shanghai through mixing different components. The company is market leading within powder metallurgy, and as Fredrik said: "We don't just sell powder, we sell knowledge to our customers. And we add further value by hosting customer-educations and by providing technical customer support here on site in Shanghai."

We found the company visit very interesting since we had the opportunity to visit the different facilities and see the technical customer-support lab, the office and the company's food canteen where we had lunch together with Olof. Both Fredrik and Olof were very inspiring and they gave us a very thorough presentation on what Höganäs produces. It was also interesting to hear about their life and experiences as expats in China, Olof has lived in Asia for seven years and Fredrik has been there for two months. When we talked about opportunities for internships and master thesis they said that they had not tried it before and did not have the resources or the experience for it. However, they were still open for discussions and students are welcome to contact them.

Friday the 16th of March – CITO visits Diakrit

Our last company visit in Shanghai was Diakrit, situated in a small but impressive office on the 47th floor of the Hong Kong New World Tower. Diakrit was founded in Sweden in 2001 and currently has more than 250 employees. The company has offices in Sweden, Denmark, Norway, China, and Thailand. We had the opportunity to visit Sara Andersson, Project Manager and Head of Office at Diakrit Shanghai.

Diakrit offers web products in 2D and 3D to the real estate and new construction industries. The products consist of 2D and 3D floor plans, interior and exterior renderings, 360 panorama in 3D or photography, and interactive 3D solutions with all these products combined. Using the architectural drawings Diakrit can visualize properties before they are built, and a user-friendly web application enables the potential buyers to virtually “walk” around inside them.

Sara has worked for Diakrit for three years, starting of in the company's Beijing office before moving to Shanghai a year ago. As a project manager Sara's job is to manage customer projects, which typically require the involvement of architects, art directors, 3D-artists and photographers. A typical project spans over three months; customers can range from residential buildings to shopping centers. It was interesting to meet Sara and hear her experiences from working at a Swedish company in both Beijing and Shanghai. She has lived in China for over five years and it was inspiring to listen to what culture differences she has encountered both in her professional as well as personal life.

Conclusion

Our company trip to Guangzhou and Shanghai has been full of interesting and exciting visits where we have had the opportunity to meet inspiring people who have shared their experiences of working in Asia. Since we have had the chance to visit different cities, smaller companies as well as global giants, and employees from both Sweden and China we believe that this diversity has helped us to gain a broader perspective on how it is to run a business in China as well as how it is to live and work there. We will share and use this knowledge so it can add value to the work performed by the CITO office. We can also gladly report that we have extended our network to new companies in both cities, and especially in Guangzhou since CITO has never visited this city before. We have been able to create a greater awareness about CITO and Chalmers to the companies we visited. We have also discussed the possibility of internships and master thesis with the companies we have met. Most of the companies were positive and open for discussion, even though they have not had similar projects before. We therefore hope that by maintaining a good relation with the visited companies there might be a possibility for Chalmers students to pursue an internship or master thesis within these companies. We are very grateful that we have been given the opportunity to do this trip, and we look forward towards future cooperation!