

BEIJING GLOBAL STRATEGY CONSULTING: GOLD MEDAL FOR OLYMPICS ADVISORY



Gilbert Van Kerckhove receives the Friendship Award from then Vice-Premier Wu Yi

the end, what I believe is not important, what counts is what the world perceives through the media. During the opening ceremony, I was locked up in an RTBF TV studio, so I wasn't in the Bird's Nest, but I had already seen most of the ceremony at one of the rehearsals. My wife, Sun Bin, daughter Valerie and myself liked the wushu and drum sequences in particular. Most foreigners and Chinese thought the opening ceremony was fantastic."

The fact that Li Ning (owner of a sports shoes and apparel company) lit the Olympic Cauldron was the most blatant example of "ambush marketing", says Van Kerckhove, as Adidas was an official sponsor of the Games. "Anyway, once the Games started, all the problems the foreign press focused on, such as Tibet and Darfur, were quickly forgotten. Sport was all that mattered, world records were broken. The stadiums were fantastic and apart from a malfunctioning replay in the Workers' Stadium, there were no technical problems. Everything turned out quite well."

"The government made a big effort to pre-empt possible trouble", adds Van Kerckhove. "Chinese from outside Beijing were encouraged to watch the Olympics on TV. In fact, Beijing was relatively empty during the Games. Businesses hoping to make money – such as hotels and restaurants – were disappointed since there were 10% fewer tourists in Beijing this year compared to last year. The atmosphere was all a bit too artificial and too friendly, but of course people visiting Beijing for the first time didn't notice."

"The biggest disappointment was the ticketing chaos. Prior to the start of the Games, I wasn't even able to get one ticket. Many people were very disappointed they couldn't get tickets." Gilbert Van Kerckhove managed to obtain a bunch of tickets from the BOIC for the Belgium-Italy football match at Workers' Stadium, which is very close to his home and office. When his wife distributed the tickets to Belgian compatriots at the stadium entrance, she was briefly detained by plainclothes police, who thought she was a ticket tout. Following a call to the chief of security at the Games, she managed to watch the second half of the match. Beijing's night life was affected less than Van Kerckhove had feared. "Some well-known bars had to close, but others were still full of people late into the night."

A successful Games after all

Gilbert Van Kerckhove, Founder of Beijing Global Strategy Consulting, played an important behind-the-scenes role in the organisation of the 2008 Beijing Olympic Games, which successfully concluded on August 24. Guiding the tendering process, advising the Beijing municipal government, and serving as an intermediary between Chinese and foreign companies involved in Olympic projects have occupied a big chunk of his time since the Games were awarded to Beijing in June 2001. Now that the Olympics are over, Gilbert Van Kerckhove confesses he has a big hang-over. "I have been so emotionally involved in the Olympics that it's still hard to believe it's all over."

The first burning question to ask Van Kerckhove is obvious: What's his assessment of the Games? "I found one fundamental problem: what you see and read in the media is often very different from what is actually happening. But in

“Pollution was a very big worry and the authorities knew that only draconian measures would help. They kept trucks outside the city, closed many polluting factories and shut down all construction projects. Less people working means less pollution, so the authorities made it difficult for Chinese from outside Beijing to enter the city. These measures have had a massive impact on the economy. In October, after the Paralympics end in September, activity will return to fever pitch to make up for lost time. The government faces a big economic challenge, in that it is trying to keep inflation in check on the one hand, even though the prices of many commodities and services should increase in order to promote economic growth. The Chinese will find a way out, but it won't be easy.”

“The Games gave an enormous boost to the modernisation of Beijing. Contrary to what some media reported, projects such as the construction of metro lines and Terminal 3 at Beijing Capital International Airport are not “white elephants” at all; they are sorely needed. The government didn't spend much money on building the Olympic facilities as they were mostly financed by private sponsors. There will be no problem making use of most of the facilities in the post-Olympic period - apart from the Bird's Nest. Since it may be difficult to fill it up with spectators, the Beijing government is now looking for a company to lend its name to the Bird's Nest.”

“To sum it all up: the Chinese government achieved what it wanted to achieve – a flawless Olympic Games.”

Advising the Beijing Investment Promotion Bureau

In December 1999, Gilbert Van Kerckhove and his wife Sun Bin set up their own consulting company – China Strategy Ltd – in Mauritius, with representative offices in Beijing and Hong Kong. As representative offices are not legally allowed to do business and issue invoices, he closed the Beijing office and set up a Wholly Owned Foreign Enterprise (WOFE) in Beijing called Beijing Global Strategy Consulting Co Ltd to serve as an adviser to the Beijing Investment Promotion Bureau. Sitting on the Chinese side of the table, he helped foreign companies pursue business opportunities in connection with the Olympic Games. Moreover, he assisted the Beijing municipal authorities in the tendering process and the city's economic planning. He acted as Delegate Investment Promotion for the Beijing Development and Reform Commission (BDRC) for Olympic Ownership Tenders, where he delivered studies on attracting private investment and avoiding post-Olympic problems. He also organised a study tour to Europe for a BDRC delegation to visit Olympic cities, attend seminars and meet potential investors.

In 2003~2004 he acted as Negotiation and Development Director for the Beijing State-owned Assets Management Co (BSAM), focusing on Olympic projects. BSAM was in charge of the National Stadium (Bird's Nest) and National Swimming Center (Water Cube). When a conflict arose about construction of the Bird's Nest between organisers and Swiss architects Herzog & de Meuron, Gilbert Van Kerckhove managed to defuse the problem at the de Meuron offices in Basel. At the Organising Committee for the 2008 Beijing Olympics (BOCOG) he quickly earned the nickname “Fireman”. At one point he travelled to Munich to do research on the membrane technology to be used in the construction of the Water Cube.

In April 2005, Van Kerckhove was officially appointed Senior Consultant for the Olympic Economy by the Beijing Municipal Government. In January 2006, he delivered a 1,500-page report with recommendations for the development of the Beijing economy. Further reports alerted the authorities to weak spots in the preparation of the Games. Meanwhile he tried to find funding for the Olympic stadiums and organised events with diplomats and representatives of chambers of commerce in an effort to “sell Beijing to the foreigners”.

One project Gilbert Van Kerckhove is particularly proud of is the sculpture “Athletes Alley” by Belgian artist Olivier Strebelle. It is the only sculpture in the Olympic Green. Only through tenacious lobbying with the Chinese authorities could Van Kerckhove secure this prestigious place for the statue.

Post-Olympic plans

Now that the Olympics are over, Gilbert Van Kerckhove needs to find another focus. First of all, he plans to take a break. “I really need to clean up my desk,” he muses. Recently he worked on a project for airplane communications for an Israeli high-tech company and he is also working on oil projects in Saudi-Arabia. “We are based in China, but can do project work all over the world,” he adds. Beijing Global Strategy Consulting is a small company, with six employees. Says Van Kerckhove: “The work we do cannot be delegated. If a company doing business in China is blocked somehow, we try to solve the problem and improve their strategy. We also often work as subcontractors for big consulting companies, for example finding out who are the decision makers at the China Investment Corporation (CIC). Being an active member of chambers of commerce such as AmCham and the European Chamber is all part of the job. Networking takes up a lot of time.”

In the near future, Gilbert Van Kerckhove is planning to organise more seminars and accept speaking engagements. He is also thinking of writing a book and improving his blog.

A final word of advice for companies planning to do business or invest in China: Do your homework. "It sounds obvious, but many companies are still not doing it." Gilbert Van Kerckhove is also happy to share his 12 top tips and tricks for doing business in China:

1. Be patient and never forget the motto "step by step".
2. Chinese pay for "hardware" but "software" is still a hard sell.
3. Don't leave behind your good business sense. China is different yes, but don't be blinded by the "exotic Eldorado". Be realistic and not naive.
4. "Face" is important. Be diplomatic, friendly and considerate without abandoning your goals.
5. Bring enough boxes of business cards, standard size and in correct English / Chinese.
6. Presentation of your company: on paper, in Chinese. Short and to the point. Show your real expertise and strengths. Give practical and real examples. No lengthy PowerPoint presentations.
7. The Chinese market is more advanced than you guessed – at least on the surface.
8. Your customer is not waiting for you and your competitors are already here.
9. Find your niche after spending time to understand the market and what you can bring of value while still making a profit.
10. It is cheaper to spend money on legal advice before than after – when the damage is done.
11. China: very hard to get correct and relevant information, even when "obvious", so don't blindly trust what you read.
12. Be aware that operating and manufacturing costs can be much higher than expected. Do proper research before calculating a budget.

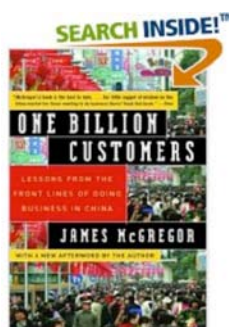


Beijing Global Strategy Consulting Founder

Gilbert Van Kerckhove (59) earned a Master's Degree in electronic engineering from the University of Ghent (Belgium) in 1973. He started his China adventure in December 1980 as Regional Director China for Acec. He also worked in China and the Far East for Barco, Alcatel and Alstom, before setting up his own consulting company in 2000. He is a frequent speaker at seminars and briefings for executives and boards of directors.

In 2005, he received the Friendship Award, the highest honour for foreigners in China, following the Great Wall Friendship Award in 2004 in Beijing and the Magnolia Silver Award from the Shanghai municipal government in 1999. He is also a Knight in the Order of the Crown (Belgium) and advisor to the Belgian Minister for Foreign Trade.

Apart from China, he has also worked in Brazil, Spain, Nigeria, Thailand, Vietnam and Myanmar. He speaks fluent Dutch, French, English, Portuguese and German, and has an average knowledge of Spanish and basic understanding of Chinese and Italian. He is an active member of Benchem and the American and European Chambers of Commerce. He frequently works out at the gym and has run six full marathons since 2003.



Gilbert Van Kerckhove's favourites



One Billion Customers by James McGregor. "It is like a detective novel and offers a realistic view of doing business. Recommended for naive people who believe gold can simply be scooped up in China." He also likes China Shakes the World by James Kynge. Gilbert admits he really doesn't have time to read books.

The Belgian restaurant Morel's at Gonti Beilu remains his favourite. During the SARS period in 2003 it practically became his office as visitors were barred from the compound where he lives and works. He can still frequently be found at his personal table discussing business over lunch or dinner while sipping a beer. He also likes the excellent pizzas at The Tree.

Gilbert likes to escape from China when he can. His favourite place to unwind is Bangkok – where he lived for more than three years – and the Thai resort of Phuket.

Contact information

Gilbert Van Kerckhove, Founder
Beijing Global Strategy Consulting Co Ltd
Julong Garden 5-3-201, Xinzhong Street 68, Beijing, 100027, China
Telephone: +86-10-65532151 - 65520764 - 65530858 (DL); Fax: +86-10-65532148
E-mail: gilbert@strategy4china.com
Website: www.strategy4china.com
Personal blog "Surviving Beijing since 1980": <http://blog.strategy4china.com>

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Contact:

Flanders-China Chamber of Commerce

Martelaarslaan 49, B-9000 Gent

T +32 (0)9 266 14 32 | F +32 (0)9 266 14 47

E info@flanders-china.be

www.flanders-china.be

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The FCCC Newsletters are edited by Michel Lens, who is based in Beijing and can be contacted by e-mail at michel.jc.lens@gmail.com or by mobile phone on +86-13901323431.

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