

Internationalization strategy of Tsinghua Science Park (THSP)

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Organisation. Tsinghua Science Park

The Internationalized Strategy of Tsinghua Science Park

Summary of the Thesis:

Tsinghua Science Park is a well-known university science park. Ever since its establishment in the past 12 years, it has not only provided a wide developing space for new enterprises incubation, new & hi-tech enterprises exploitation, cultivation of creative talents and transformation of scientific & technology research fruit, but carried out a unique innovative service system which has created a supreme platform for transnational companies such like Sun, P&G, Google and overseas Chinese students for further development in China.

This thesis analyses the pondering, the activities, the accomplishment and problems remained in the implementation of internationalized strategy of Tsinghua Science Park and introduces factors which are the must for building up of an internationalized science park.

The moment when China entered WTO, Chinese enterprises are naturally brought onto global market and the science parks which assist the enterprises to develop are also put into such a market where the so called concept of “national advance and first class in the nation” have lost its practical meaning, because the assumed “domestic” boundary no longer exists. When international companies and science parks all come to the same playground, Chinese science parks – the base which hatches enterprises’ setting up, which cultivates creative talents and transforms scientific research fruits have to face such a severe international challenge.

In the year of 1994 when the concept of setting up science park was initially planned in Tsinghua University, the managing team took the internationalization of the science park as their long term effort making target t. The three strategies including internationalized strategy, innovative system strategy and sub-park development strategy have conducted the scheme, construction and development of the science park ever since.

The 12 year effort has resulted a science park area of 690,000 square meters with 15 buildings constructed. Branch parks and incubation bases in Jiangsu, Jiangxi, Shanxi, Guangdong, Hebei, Shandong, Shenyang and Shanghai have also been established. When domestic large scaled and hi-tech brands like SOHU.COM, NETEASY(163.com), TONGFANG, UNIS were attracted into the park, R&D centers& institutes of transnational brands like P&G, Schlumberger, SUN NEC, TOYOTA, GOOGLE & MICROSOFT were also caught by this dynamic project. Their utilized area coverage in the science park has been over 100,000 square meters.

In the creative area of science park, there are over 100 medium and small scale hi-tech companies set up by overseas Chinese students returned from United States, Japan, Canada and Australia. There are all together over 400 domestic and overseas companies in the beautiful Tsinghua Science Park exchanging and collaborating research and business. Such co-operation has led to a creation of an innovative atmosphere that is “being ahead of the time, being practical, broad to failure, encouraging to competition and co-operation, being rigid in profession and easy going to vanity.” Now Tsinghua Science Park has turned into the largest and the best operated science park – a real internationalized university science park.

We’d like to share with you the profound understanding and experience in the building up of internationalized science park from the following 4 parts:

A. The internationalization of the park is the internationalization of concept

The internationalized level of the park is largely based on the internationalization of managing group of the park. The managing level of university science park must improve and renew their international managing ability through study, training, visit & inspection and introducing overseas talents so to upgrade the administration level. Internationalization is not only a vacant concept or lavish slogan, but to be utilized into all the considerations for each new policy and to be proceeded into each procedure of our practical work.

The managing organization should be an internationalized organic unit itself – an opening system. Such organic opening system mainly faces three arenas: the first is the resource utilization of the science park – making a sufficient use of national, academic and social resources to serve the internationalization of the park; the second is to acknowledge the existed and potential requirements of the entered enterprises in their process of internationalization; the third is to understand fully about practical situations and development inclination of domestic and overseas science parks as competitors so that we could realize a realm of *knowing well about ourselves and our rivalries; having what our rivalries don't; surpassing what our rivalries have done; being better than best.*

Of course, there is no such single science park which can be more supreme than other parks in all aspects and can satisfy all the requirements of enterprises that have made their entry into the park. Therefore, to learn from each other and to exploit each other's strong points in the same field is of key importance in industrial exchange and development as well as competition.

Meanwhile the years of practice experiences has made it clear to us that Chinese international science park is rooted in Chinese land. That means we could not 100% import foreign administration method. So being more national is the degree of being more international to some extent. When we are learning advanced western managing concept, we need to integrate them into Chinese tradition and culture at the same time so that an internationalized science park with Chinese features can be created.

B. Internationalization is the fundamental requirement of entry customers

Internationalization is a must requirement. It's not a requirement from the park construction, park administrators or from school or local government. Internationalization is firstly the requirement of park customers.

As China's rank in global economy rises rapidly, more and more transnational companies are expanding their scale of exploitation centers in China. So far, near 20 countries and areas with about 100 transnational companies have established their research and exploitation centers in China among which there are over 30 large scaled companies mainly operating on electronic information, biographical medicine, precision mechanism, automobile and chemical industries. The research and exploitation centers of transnational companies in developed cosmopolitans like Beijing, Shanghai have become new hot spots of economic growth. These research and exploitation centers have their unique requirements and concern in choosing location for their offices.

Since 80's of last century, there have been considerable number of students went to study abroad. Nowadays as China's economy is booming so magnificently and government's support and calling for independent and innovative undertakings, a big group of outstanding overseas educated Chinese who have obtained international top technology and advanced concept of administration to pioneer their future in their motherland. Tsinghua Science Park launched idea of "Mutual Interaction between China & other countries, Cross-Ocean Business Pioneering" at a very appropriate time and soon it was responded and acclaimed by overseas Chinese students. These abroad educated talents normally have very high expectation on location of their undertakings.

Based on the past experience, we have summarized the following main requirements of transnational research & exploitation centers and returned overseas intellectuals in their selection of pioneering locations:

1. The location needs to be close to where professional talents assemble;
2. The location needs to be close to where high institutions and research organization assemble;
3. Favorable and supportive policies on pioneering property given by local government;
4. The attached service level of location facilities and equipments;
5. Natural and excellent social environment and comparatively independent office space;

We strongly believe that when the park manages to integrate the maximum resources it could ever utilize through park construction and service to satisfy the entering pioneers in their needs of internationalized park in the aspects mentioned above; when the quality of entry customers is upgraded in a higher level, science park thus could survive and develop in a consecutive manner.

C. The implementation of internationalization strategy

When the vision and concept are there, when we understand the requirements of entry customers, taking internationalization strategy as an engineering to proceed will be our next step. While there's an engineering project, we basically need the following factors:

- A managing team
- A fund to operate
- Proper office facilities and location

The so called three key elements of any engineering in today's world: capable people, sufficient finance and material support.

In the arena of building up managing team, one executive senior officer who has worked and lived abroad for many years is hired to implement the internationalization strategy. Besides this, Tsinghua Science Park has established a consultant committee composed of CEOs of main enterprises and companies entered the park such as Google, Juniper, Netase, Sun Microsoft, Nec, P&G, Broadcom, Viratas, Conexant, Adobe and they are carrying the commitments listed below:

- Help the park to ponder in a perspective way about internationalized problems may occur in the process of medium and long term development planning. The committee members offer constructive suggestions and advices to detailed and complicated problems occurred in the process of setting up and implementation of internationalization
- Their participation in the building up and implementation of science park's internationalized support and service system standard.
- Introducing and recommending global exchanging collaborators. Instructing the building up and maintenance of international exchange net
- In assistance with setting up, renewing and maintenance of our English promotional documents, our English website and our informational images worldwide.

In order to turn all the ideas and concepts into substantial practice, Tsinghua Science Park has established 5 service centers based on the internationalized service to the customers: engineering center, sales & marketing center, business service center, investment center and incubation center. There are more than 70 staff working on these five centers. The park has set up beautiful offices for these staff and an output of 15 million RMB is made for the operating of these customer service & support centers.

When human resource, finance and material support are fulfilled, the internationalization of the park has made a progressive step. Through the great effort of the centers in the past years, a series of standardized service regulation and executive method have been made and is carrying out in the following manners:

- The proper plan and implementation of the entrance gates, roads, parking place of the park.
- The consistent plan and implementation of the distinguished number and sign on each building in the park
- The plan and implementation of restaurants and complete business service system
- The plan and implementation of meetings, exhibitions and other complete business service system in the park (clubs and multi-function halls)

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The internationalized service standard of park innovative service system

- The establishment & maintenance standard of enterprise information system in the park
- The establishment & implementation standard of property service system in the park
- The organizing and implementing employees' recruitment meeting in the park
- The establishment and implementation of business investment undertaking and circulation assets standard
- The establishment and implementation of enterprise incubation service standard
- The establishment and implementation of enterprise membership service standard
- The establishment and implementation of the exchange and mutual visit between park enterprises and related academic organizations of Tsinghua university
- The maintenance and renewing of English website in the park
- The establishment and maintenance of international relation in the park

Except the above serial standard and polices utilized for satisfying customers requirements, Tsinghua Science Park has got great advantages in attracting intellectual talents and favorable government policy support as well as gaining excellent working and living environment based on its rich and credible relation with local government that enables the park to enjoy the maximum benefit. For instance, after years of effort, all the entry enterprises in Beijing Branch of Tsinghua Science Park enjoy a policy of free revenue tax in the first three years on new-tech undertaking companies, 7.5% tax on that during the 4th-7th year and 15% after 7 years. For those enterprises whose value of export output has reached 40% of its total annual output amount, the revenue tax is collected only at level of 10%. The branch parks of Tsinghua Science Park can also enjoy this favorable policy.

D. Tsinghua Science Park's main activities on the road to internationalization

1. Going out and promoting Tsinghua Science Park to the world

In the past four years, more than 100 people of our park have been visiting foreign science parks in Japan's KSP, Singapore, India, U.S.A. Korea, Russia, UK, France, Germany and Australia during which we have learned so much precious experience and way of management. The solution of our nimble and convenient little office area just learned that of Singapore and Japan's advanced experience.

2 Inviting people to come so to promote our science park

We have greeted more than 10000 guests all over the world in the past 4 years. We're not taking it just as a simple reception, but an opportunity of learning people in the same field. We enthusiastically answer the guests' questions about "how could we do it" as well as we ask them modestly as how they manage to do it so to collect their practical advices.

3 Try to promote Tsinghua Science Park through foreign media and press

Through utilizing opportunities of visiting foreign countries and contacting friends and colleagues in that country, we have managed to widely advertise Tsinghua Science Park on the radio and magazines of Japan, Korea, United States and Britain.

4 To establish broad global co-operation channels and net

We have strengthened our communication with successful Japanese, Korean, Russian, German science parks and signed agreements on strengthening information exchange and meetings focused on entry enterprises' interaction and collaboration.

5 Participating attentively all the international meetings held by world science park association

The opportunities of our attending the international meetings is a good way to learn advanced experience of foreign countries and to establish a wider science park co-operation net and collaborative platform.

E. The Internationalized atmosphere is the core competing power of university science park

All of our effort is to create a rather internationalized atmosphere within Tsinghua Science Park. Such atmosphere may seem invisible and intangible, yet, it could possibly create a feeling of living in a surrounding of internationalized standard to each transnational staff with every convenience and content of doing things here. It will also let each of the domestic staff works here to learn new ideas and concept through direct contact with global first rate enterprises and to understand and adapt themselves well into internationalized business environment through acknowledgement of internationalized serial service items and methods so that it's more easy to integrate into such global business community.

Each small matter we fix may seem ordinary and usual such like greeting an ordinary visitor or replying a daily email to customer. However we'd like to do such small matters them in the manner of internationalized standard and through such accumulation of daily practice, we are conveying a signal of internationalized atmosphere in the park. It's just like the products sold by McDonald. They may appeal ordinary, but behind each of the potato chips – the preciseness on the proper length, temperature, timing and quality and dining atmosphere produce an unusual scientific and technological image of completion. Because of these professional preciseness, it's hard to duplicate them by competitive rivalries. Therefore we need to form a kind of featured and unique operation method of internationalized park under the carry-out and implementation instructed by advanced international ideas. Such method is only accumulated by ideas from so many managing persons and primary workers' everyday standardization and regulations. Such method is obtained through integration of domestic and overseas resource by years of efforts. It's the crystal of TsingHua Science Park brand. Since it's hardly duplicated and imitated, the internationalization method or atmosphere is one of the most important elements in TsingHua Science Park's core competitive force.

F. Problems still remained in the process of internationalized strategy

Tsinghua's internationalized strategy has made great progress and achievement. However, there are still so many difficulties and problems remained. We would list out all these problems in from of you sincerely so to collect constructive suggestions and assistance.

- The internationalized park still faces linguistic and cultural estrangement

As a great number of international enterprises entering the park, our managing group's way of working, their language expressive ability are facing unprecedented challenges. To improve our service people's language ability seems to be the biggest challenge we're facing. So far, we still don't have a complete set of illustrative document of our park in English and our window service assistants still don't acquire basic oral English conversation ability. The information in English version on our website is still too little and they are not renewed and maintained in time. The lack of linguistic communication will directly affect the service quality to internationalized enterprises.

- How to look at the relation between the input and output of international promotional expanses

In order to widen the international communication space of the entry enterprises, it's important to be bridged through more overseas media – and precisely through these media we could then let more foreign companies to learn Tsinghua Science Park and to learn more than 400 hi-tech enterprises within the park. We know both in China and foreign countries, the advertising expanses are surprisingly high. For instance one-minute advertisement on CCTV on the prime time could cost 100 million RMB. So the science park brand promotion and entry enterprises promotion will consume enormous funds which at many times are not correspondent with their practical income. How to control such scale of international promotion; how to appraise current input with future output in this arena has become a big headache of our park's annual budget planning.

- The contradiction between high service expectation and low service member's proceeding qualification

Our basic property service group comes from China's labor force at the bottom of the society. Their monthly salary is approximately 100 – 150 USD. In order to satisfy transnational companies' high service expectation, we have to hire better educated serving people whose monthly salary would be 3 to 5 times of the lower ones. Too many employments of high salary people will make the operating budget of the park too high to bear while retaining the low quality workers will continue their shabby service to affect the whole internationalization atmosphere of the park.

So far there are still no solutions for this situation and we welcome professionals in this field to give us constructive suggestion and assistance.

G. The Summary

- The managing group of the internationalized science park should be a group with open mind, broad vision of the world and rich experience of internationalized team work.
- As an internationalized park, the requirements from customer should be placed as the first priority. To study customers' requirements of internationalized atmosphere and to satisfy such needs will make our park's internationalization strategy a more flexible and effective one.
- The internationalized science park should turn all the bright internationalization slogans into a concrete working targets and projects through three arenas of human resource, finance and material supply. In the process, there is no need for vacant slogans and expectation of one step to heaven. We should make effort and improve our work based on practical situation step by step to finally realize the concept of internationalization.

The internationalization of the science park is a process of making continuous accomplishment and finding out solutions to solve problems from time to time. An internationalized park always keeps its eyes on inspection and acknowledgement of customers' suggestions and requirements in all aspects so that the level of customers satisfaction can be upgraded and this will tremendously fasten the transformation of scientific and technological achievement and push greatly to local economic growth.