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| Interview

China's Brain Trust

A talent-based approach to corporate success

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Jiren Liu
Chairman & CEO, Neusoft Corporation

"I predict Asia will become the next IT centre of the world ... the IT industry today, particularly the research and development sector, is quickly shifting from developed to emerging markets"

Prof. Jiren Liu, the founder, chairman and CEO of China's Neusoft Corporation, knows all about talent. Liu returned to China in 1988 after completing a research fellowship at the US National Bureau of Standards, inspired by his experience at the Maryland tech lab to explore new ways in which the world of academia could contribute to China's as-yet nascent corporate sector. Three years later, in 1991, Liu founded Neusoft in a rundown Northeastern University classroom in Shenyang in the absence of more upscale headquarters. The fledgling enterprise-which banked total revenue of about US\$ 600 million in 2009-is the largest and most successful IT solutions and services provider in China.

Besides the software and services sector, the company is also engaged in medical equipment and services. It recently received the 2010 Frost and Sullivan New Product Innovation Award and can claim to its credit a long list of innovative technology-based medical products. The company has exported its products to more than 60 countries worldwide.

Talent is key

Although "innovation" is a word that came up frequently in our discussion with Liu, the true word behind Neusoft's dizzying success is "talent". Throughout the interview, Liu drops hints that the key to the future of China's IT industry is the gold mine of young entrepreneurial talent both within China and abroad, and that the companies that are smart enough to tap into this wellspring of talent are the ones that will ultimately succeed.

Liu recently sat down with Swiss Style to discuss the evolution of the Asian IT scene, the importance of combining software with manufacturing and his company's talent-based strategy for development.

Innovation and the changing business landscape

In an awards ceremony speech in 2009, Liu claimed that China's ascent to developed nation status would hinge on the country's successful transition from a manufacturing-based

economy to a knowledge-based one over the next 30 years. "The catchword of the day is 'Made in China'," Liu said. "The crucial step now is to replace that with 'Innovation in China' or 'Services in China'."

When asked how he views the evolution of the global IT industry today, Liu expresses hope that the changing IT scene may be just the stimulus needed to spark China's factory-to-think tank transformation.

"I predict Asia will become the next IT centre of the world," he says. "The IT industry today, particularly the research and development sector, is quickly shifting from developed to emerging markets. Today, more and more domestic companies in China, India and other emerging Asian countries are developing e-commerce and learning how to expand their clientele and revenue through the Internet. Today, more and more people in China are making money online. Emerging countries today are taking these IT concepts from the developed countries and localizing them in their own markets."

According to Liu, Asian countries such as China already have a natural advantage as they move forward from the global recession. "While the United States and Europe are relying on large fiscal stimulus packages to recover from the crisis, the emerging countries in Asia are rebounding because of the size of consumer demand in this area," Liu explains. "However, Asian IT and services companies will need to innovate in order to meet consumer expectations if they are to benefit from the size of the Asian market. Similar to the way automobile companies expand their market share by developing new car designs, models, colours and features, IT and services companies need to develop truly original products and services in order to capture a significant share of the market."

| News

Neusoft Listed in 2010 Global Services 100 and the Top IT Outsourcing Vendors

Neusoft Corporation, a leading IT solutions and services provider in China, has been recognized recently as one of the 2010 Global Services 100 and the Top IT Outsourcing Vendors. It is the sixth time that Neusoft was included in the Global Services 100. In addition to the main list and category list of Top IT Outsourcing Vendors, Neusoft was also honored as the Leaders: China Offshoring, and Top Emerging Application Development and Maintenance (ADM) Vendors.

The 2010 Global Services 100 is an annual global outsourcing industry ranking, produced by Global Services, the outsourcing media house along with NeoAdvisory, the globalization and sourcing advisory firm. It is an effort to recognize and celebrate service provider excellence, and it enlists service providers who possess the maturity to deliver high standard services in IT and BPO using the global delivery model. Neusoft was recognized to the list based on its strength in resilience to weather the economic downturn, the ability to retain market leadership, and continuous innovation to gain sustainable growth.

2009 was a tough year for the outsourcing industry due to the impact from the global economic downturn. However, Neusoft maintained a steady growth and also accelerated its steps into the global markets through enhanced innovation capability and efficiency, and the development of investment and acquisitions strategy, with a 12.3% increase of the business revenue and a 30.5% increase of net profit over the prior year. In 2009, Neusoft managed to continuously expand its leading market shares in various vertical industries and sectors in China, including telecom, utilities, social security, FSI, healthcare, manufacturing, education and transportation, etc. In the global markets, Neusoft accelerated its business development and expansion, and focused on the field of product engineering and application system

development, with strengthened leadership in mobile solutions and automotive sector. Neusoft continuously enhanced its outsourcing services to the Japanese market, and also successfully carried out acquisitions and formed strategic partnerships in the US and European markets for the mobile solutions and automotive sector, which further improved Neusoft's development and innovation competitiveness in the product engineering field by optimizing its service network of the offshore, near-shore, and on-shore global delivery model.

"We are honored to be recognized in the 2010 Global Services 100 and Top Outsourcing Vendors," said Dr. Liu Jiren, Chairman & CEO of Neusoft. "The financial crisis and its impact on the global economy have brought both opportunities and challenges, and I believe that along with China's rapid economy growth and its integration into the world economy, emerging markets will become an emerging power in the global innovation network, and open innovation and collaborative innovation will become the most important driving forces to the development of global economy. Meanwhile, outsourcing in the post-crisis era will create more value for enterprises to gain growth momentum and sustainable development, and Chinese services providers are playing more and more important roles in the global outsourcing community."

For more information about the 2010 Global Services 100, please visit <http://www.globalservicesmedia.com/GS100>

Virtual Bridges and Neusoft Bring Virtual Desktop Management to Fast-Growing Chinese Market

VERDE Solution Will Help Enterprises Accelerate Virtualization and Meet China's Green Computing Goals

Virtual Bridges, Inc. and Neusoft Corporation, China's largest IT solutions and services provider, have signed a premier distributor partnership to bring Virtual Bridges VERDE™ virtual desktop management and provisioning to Neusoft customers in China.

Across the world, hundreds of millions of professional desktops are set to refresh over the next 18-24 months. China is no exception. According to CCW Research's 2010 China Enterprise Data Center Market Research Report, investment in enterprise data centers in China went up 17 percent in 2009 and will grow 24 percent in 2010. Cloud computing and virtualization are fueling this growth and are expected to be among the major enablers to advance China's green computing initiatives.

As Neusoft continues its broad market expansion, the addition of VERDE provides its customers a comprehensive, end-to-end desktop management solution combining virtual desktop infrastructure (VDI), off-line VDI and remote branch solutions. Key advantages include the industry's first integrated and disconnected use solution, a single Gold Master provisioning model, Distributed Connection brokering architecture, flexibility to run Windows and Linux desktops, branch-level VDI at LAN speeds, and desktop portability on a USB stick.

"While there's strong demand for virtual desktop initiatives, most management solutions are extremely complex, requiring costly infrastructure components that are traditionally difficult to deploy and manage," said Dr. Zhang Xia, Senior Vice President, CTO & CKO at Neusoft. "VERDE virtual desktop management helps enterprises reduce desktop TCO while increasing organizational agility, productivity and responsiveness. We are excited to partner with Virtual Bridges to bring this value to our customers in the Chinese market."

"Demand for VDI solutions is accelerating worldwide as organizations of all sizes embrace the benefits of virtualization to transform desktop management costs into new efficiencies," said Jim Curtin, president and CEO at Virtual Bridges. "Working closely with a market leader like Neusoft, we will significantly expand our reach in a region with incredible growth potential."

Under this agreement, Neusoft will resell the full VERDE suite to its customers and provide authorized post-sales support throughout the People's Republic of China.

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For more information, please contact with our public relations managers:
Terry Du Tel: (86 24) 8366 2306 Email: duch@neusoft.com
Evelyn Tang Tel: (86 24) 8366 5663 Email: tangyi@neusoft.com

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