

Cover Story

Neusoft CEO Attended the 2011 Summer Davos and Highlighted the Importance of Disruptive Innovation for the New Round of Growth



During September 14-16 2011, the World Economic Forum Annual Meeting of the New Champions 2011, also known as "Summer Davos", was held in Dalian, China. Over 1,500 leaders from business, government and civil society participated in the meeting and held constructive discussions under the theme of "Mastering Quality Growth". As representatives from a global growth company, Dr. Liu Jiren, Chairman & CEO of Neusoft Corporation, Mr. Wang Yongfeng, President of Neusoft Corporation, Ms. Wang Nan, Senior Vice President of Neusoft Corporation, attended the meet-

ing and exchanged ideas and practices about new growth with other participants.

During the meeting, Dr. Liu Jiren shared his thoughts as a panelist in the sessions respectively titled "Embracing Disruptive Innovation" and "New Realities, New Champions". He emphasized that disruptive innovation will be one of the major driving forces for the new round of growth and will greatly contribute to the competitiveness of emerging multinational companies.

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Here is an interview with Dr. Liu Jiren about his insights on the new realities, new challenges and new innovation opportunities.

Q: Today innovation is widely recognized as one of the most important driving forces for the economic recovery and the new round of global growth. Would you please share with us how do you define innovation in the new era of globalization?

A: Today, the rapid shift of market demands, more new consumers from emerging countries, and the urgent needs for sustainable growth have dramatically accelerated the transformation of innovation. Innovation is no more confined to technology, and it has become more value oriented and should be a good balance between speed, cost and customer experience. The global innovation community has evolved into an ecosystem integrating all the value elements across the globe. Enterprises should identify the newly-emerged innovation opportunities, and reinvent their innovation culture and governance models to strengthen their competitive advantages for survival and growth.

Q: We have noticed that the most frequent key words you mentioned during the Summer Davos this year was disruptive innovation. According to your understanding, how is disruptive innovation different from traditional innovation?

A: I think disruptive innovation is far more beyond traditional innovation. Disruptive innovation is a way to identify or create market demands and find new growth potential. It is not only about technology innovation, it is also about how to better value our customers in terms of cost, functions, good enough qualities and easy access services. It will disrupt the traditional business models and create new consumptions. Disruptive innovation normally is carried out by an innovation ecosystem, and it is an integration of technology environment, customer experience and the demands from social transformation.

Disruptive innovation is closely related with emerging technologies, such as cloud computing, mobile internet and things of internet, and these technologies will be the affordable technology platforms to create new services, build new value chain and shape new lifestyle to meet the demands from low income customers at the bottom of the pyramid.

Q: How do you see the potential for

disruptive innovation in the emerging countries? In your opinion, why disruptive innovation is so important to China?

A: In this fast transforming era with shifting economic power, the emerging economies have become the engines for the new round of global growth. The quick prevalence of digital technologies has dramatically improved the technology application environment in emerging countries, and the economic and social characteristics of emerging markets have redefined customer demands. All these will generate booming opportunities of disruptive innovation, and make emerging countries become the new players in the global innovation community.

When we look at China, the booming economy and consumption, the rapid shift of customer demands and urgent needs for sustainable and harmonious growth have posed great challenges as well as huge opportunities for disruptive innovation. Although China is witnessing dynamic economic growth, it is still face the challenges of sustainable growth. The traditional innovation models don't seem to be very effective to deal with the challenges, so there is an urgent need for disruptive innovation to create new potential, build new competitiveness, and identify new solutions for many social development challenges.

Q: As an emerging multinational company in the global marketplace, how Neusoft integrate innovation in its business operations? Would you please give us an example of disruptive innovation taken by Neusoft?

A: As the largest IT solution and service provider in China and an emerging multinational company on the global marketplace, Neusoft is actively involving into the new global innovation ecosystem. One of the latest disruptive innovations of Neusoft is the "XIKANG" program, which is an effective ecosystem to reduce the healthcare cost for government and families. From the technology perspective, we have developed affordable new monitoring devices for families and individuals in the cities and rural areas, and these devices are connected with healthcare management cloud to collect personal health data real time, and to deliver advices of sporting, eating and life style to users by cloud to prevent the chronic diseases. From the business model perspective, we expanded the healthcare services from hospitals to communities, rural areas and individuals, which make all the citizens fairly get access to high quality healthcare with low cost. It is also a solution for the coming aging society of China. Such a healthcare service platform creates a harmonious healthcare ecosystem and will greatly contribute to the social development of China.

News

Neusoft Named 2011 Global Most Admired Knowledge Enterprises (MAKE) Study Nominee

SHENYANG, China – Neusoft Corporation ("Neusoft", 600718.SH), a leading IT solution and service provider in China, announced that it has been recognized recently as one of the Nominees in the 2011 Global Most Admired Knowledge Enterprises (MAKE) Study by Teleos in association with The KNOW Network. There are only three Chinese enterprises who were nominated among a total of 119 organizations in this year's Global MAKE study, including Neusoft, Lenovo, and Haier, and Neusoft is the one and

only China-based IT company to be named in the 2011 Global MAKE Study Nomination.

Inaugurated in 1998, the Most Admired Knowledge Enterprises (MAKE) research program seeks to identify those organizations which are out-performing their peers by above average growth in intellectual capital and wealth creation. The 14th annual Global MAKE study is an established benchmark to recognize the world's leading organizations for their

ability to leverage enterprise knowledge to deliver superior performance in the areas of innovation, operational effectiveness, and excellence in products and services.

Dr. Zhang Xia, Senior Vice President and CTO & CKO of Neusoft, said: "It is a great honor that Neusoft is named the 2011 Global Most Admired Knowledge Enterprises (MAKE) Study Nominee. Neusoft's knowledge strategy focuses on systematic reuse to accelerate innovation and

delivery of products, solutions and services. Neusoft has made its technology development strategy integrated with a knowledge-driven framework for solution effectiveness, NeuSA (Neusoft Solution Architecture). Through open innovation,

Neusoft is able to integrate internal and external resources to rapidly explore new business models and to foster new opportunities. In the future, we will continue to invest in our knowledge management to shape learning, sharing, and

reusing engineering culture to empower knowledge transferring and achieve our business objectives.”

Neusoft Participated in the Future Global 100 (FG100) Initiative

SHENYANG, China -- Neusoft Corporation (“Neusoft”, 600718.SH), a leading IT solution and service provider in China, has recently announced its participation in the Future Global 100 (FG100) Initiative and Dr. Liu Jiren, Chairman & CEO of Neusoft Corporation, joined the initiative as a Co-Chair representing China business/industry. Shanghai, China, is the third city to host the FG100 Initiative on Sep 7, 2011. Dr. Chen Ximin, Senior Vice President and Chief Operating Officer of Neusoft Corporation, attended the event as the representative from Neusoft and delivered speech in the session of Co-Chairs Presentations.

The FG100 is focused on building a community of companies and markets that can become the future leaders of the global economy and a driving force for continued growth. Platinum Circle plans to gather such companies and markets

from around the world to form the FG100 Community, which is a sub-group of Platinum Circle. Mr Lionel Lee, Chairman of Platinum Circle, said: “The strong support from industry and government leaders for the FG100 Initiative reflects the desire among them to play a role in the making of the Future Global Agenda. The voice of China is also well represented by the growing number of leading Chinese corporations joining us”.

Dr. Liu Jiren, as a Co-Chair of the FG100 Initiative, shared, “We live in a fast transforming era with shifting economic power, changing market demands and globalized R&D community. The emerging economies have become the engines for the new round of global growth. The application environment of technology has also witnessed dramatic changes by the quick prevalence of digital technology, and the economic and social charac-

teristics of emerging markets have redefined customer demands and behaviors. All of these will create booming innovation opportunities for the future global companies, which will move forward together with the constantly evolving business ecosystem. Neusoft, as a global growth company from China, is proud to be part of the FG100 Initiative, and we believe that innovation is the most important capability for future global companies to survive and win in the global marketplaces”.

For more information about the FG100 Initiative, please visit <http://www.futureglobal100.com>.

For more information about the Platinum Circle, please visit <http://www.platcircle.com>

About Neusoft

Neusoft is the leading IT solution and service provider in China with operations across the globe. Focusing on software technology, Neusoft provides industry solutions, product engineering solutions and related software products & platform, and services. With more than 20,000 employees around the world, Neusoft has a comprehensive marketing and service network in more than 40 cities across China, as well as subsidiaries in the U.S., Europe, Japan and the Middle East. The Company is the first listed software company in China and is traded on the Shanghai Stock Exchange. For more information, please visit: <http://www.neusoft.com>

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