



Re-imagining the China story for your Global HQ

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PROBLEM:

Post-COVID, every single global business is re-examining their **China strategy** *right now*.

SO WHAT?

The direction of your businesses
for the **next 3-5 years** could be
defined in the **next 3-5 months...**
by global HQ.

The image shows the front cover of the book 'How to Win Friends and Influence People' by Dale Carnegie. The cover is a textured, brownish-gold color. At the top right, there is a circular black and white portrait of Dale Carnegie, an older man with glasses. Below the portrait, the author's name 'DALE CARNEGIE' is printed in large, bold, yellow capital letters. Underneath the name, in smaller black text, it says 'Author of How To Stop Worrying And Start Living'. The main title 'HOW TO WIN FRIENDS AND INFLUENCE PEOPLE' is written in large, bold, black capital letters, stacked in four lines. At the bottom of the cover, there is a thin blue horizontal line.

**DALE
CARNEGIE**

Author of How To Stop Worrying And Start Living

**HOW TO WIN
FRIENDS AND
INFLUENCE
PEOPLE**

Sold **30 million**
copies worldwide



**DALE
CARNEGIE**

Author of How To Stop Worrying And Start Living

**HOW TO WIN
FRIENDS AND
INFLUENCE
PEOPLE**

RESOURCES, &

Background



YOUNG CHINA

HOW THE RESTLESS
GENERATION WILL CHANGE THEIR
COUNTRY AND THE WORLD

ZAK DYCHTWARD





Zak Dychtwald

Founder and CEO, Young China Group
Author, "Young China: How the Restless Generation Will Change Their Country and the World"

Scott Galloway

Professor of Marketing
NYU Stern School of Business



Colm Kelleher

Chairman
UBS

Elon Musk

Founder and CEO, SpaceX
CEO, Tesla; CEO, Twitter



China & Global Preparedness Index™

DIAGNOSTIC & COLLABORATION TOOLS



Prepared for



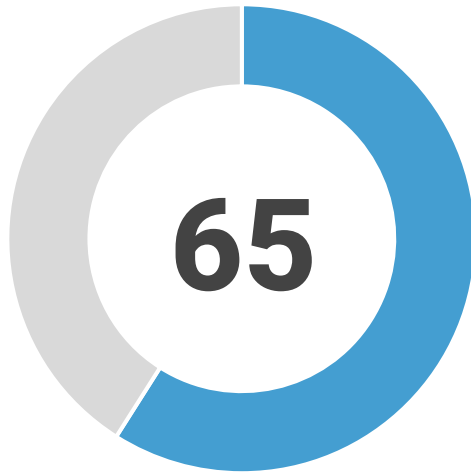


We created the
China & Global Preparedness Index™
to measure, diagnose, and systematically
improve cross-geography collaboration
between US & China teams

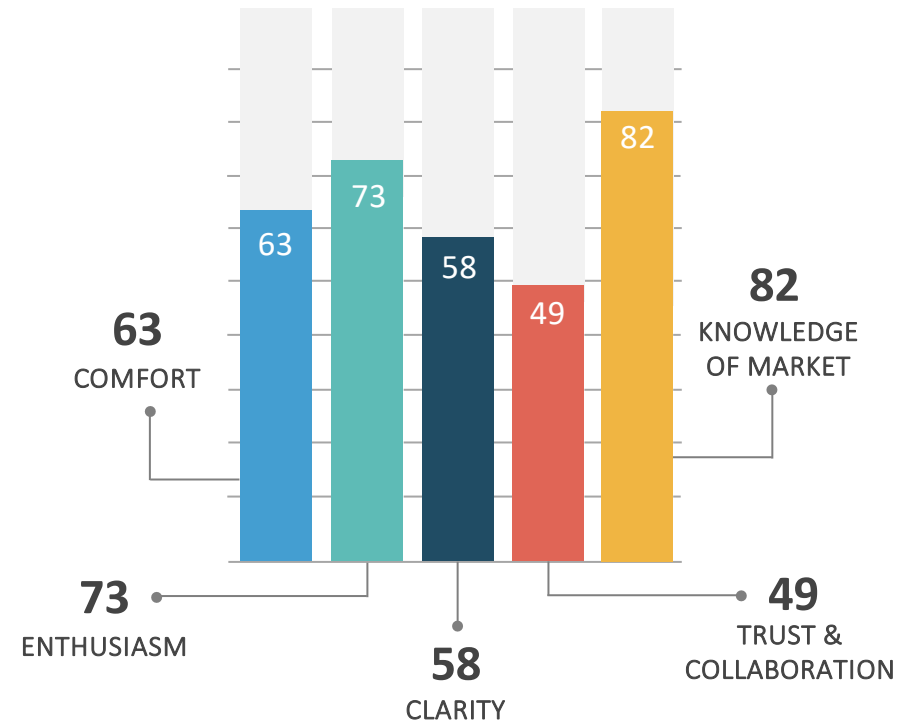
Because if you can measure it, you can manage it.

What comes out of the China & Global Preparedness Index™?

Overall GPI Score



GPI Score by Pillar



How to win more friends, influence, resources, and people at this **critical juncture** in global China strategy?

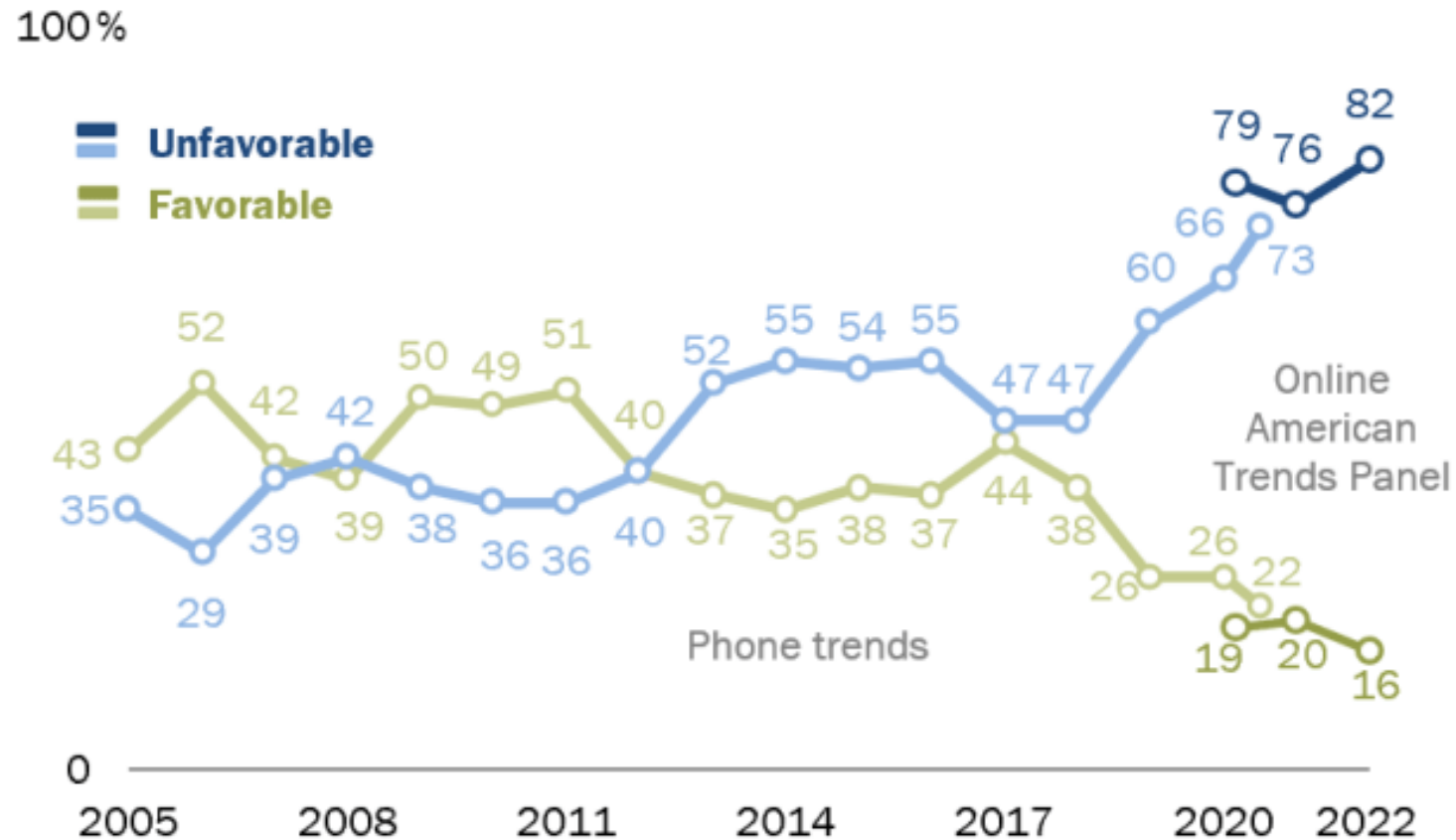
STEP 1:

Acknowledge the
unfavorable perception gap.

(In other words, know what are you up against.)

Among U.S. public overall, around eight-in-ten express an unfavorable opinion of China

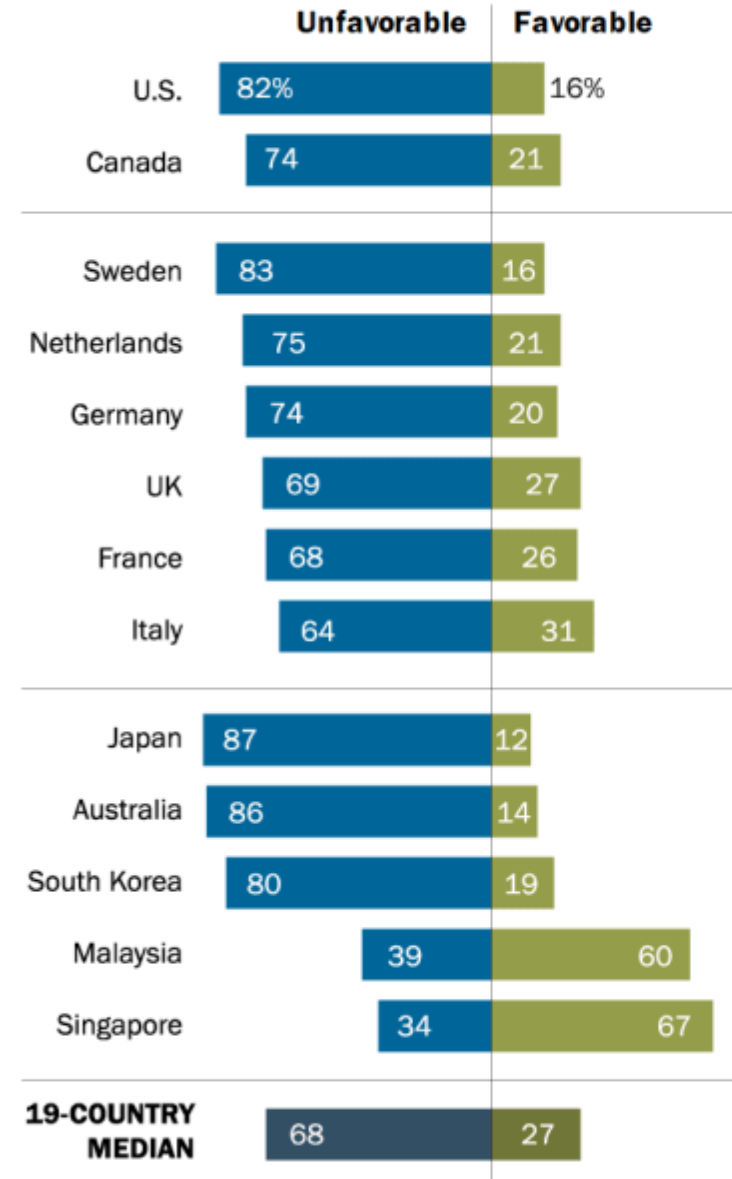
% WHO SAY THEY HAVE A(N) ... OPINION OF CHINA



...and it's not just the US

% WHO HAVE ... VIEWS OF CHINA

“NEGATIVE VIEWS OF CHINA TIED TO CRITICAL VIEWS OF ITS POLICIES ON HUMAN RIGHTS. SOURCE: SPRING 2022 GLOBAL ATTITUDES SURVEY. Q5B, Q15. PEW RESEARCH CENTER



CHINA PREPAREDNESS INDEX CROSS-INDUSTRY FINDING:

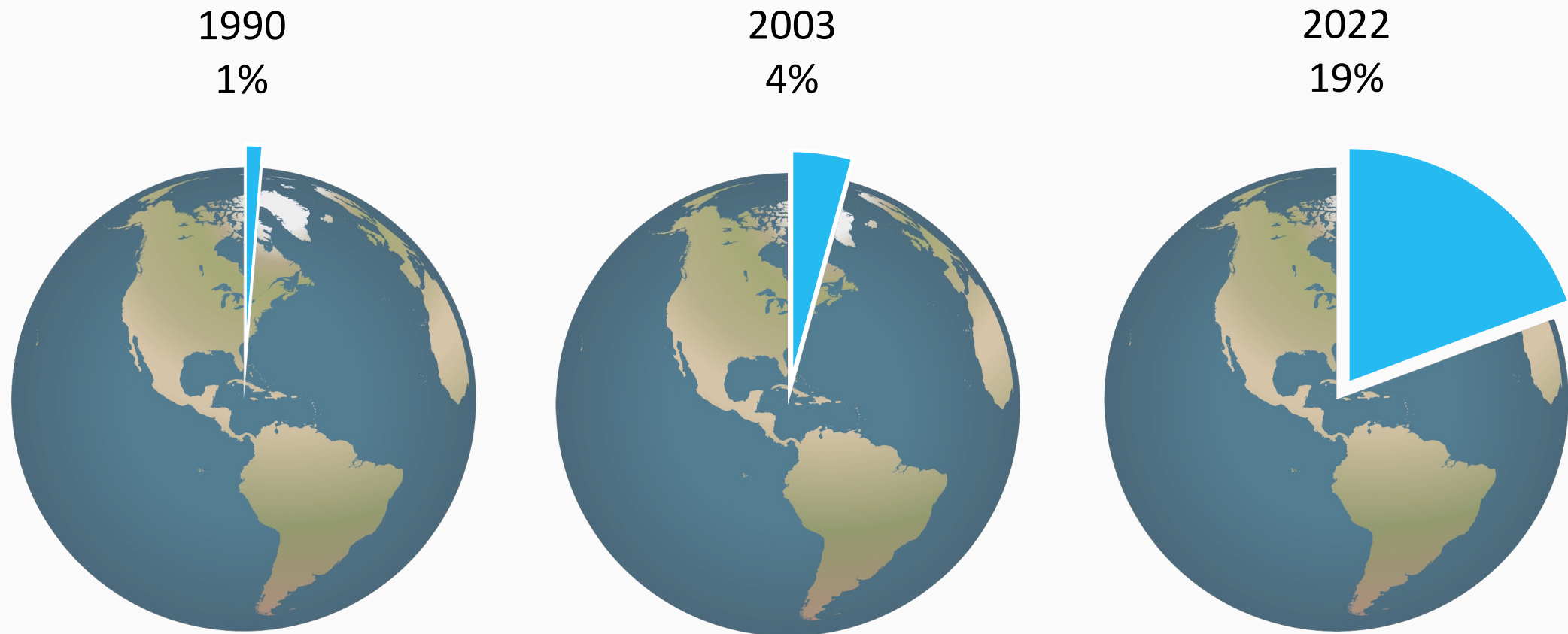
China-based teams do not fully understand the wall of negative information they are up against.

STEP 2:
Define your team's China narrative.
(And be honest.)

What is **China's economic role**
in the post-COVID world?

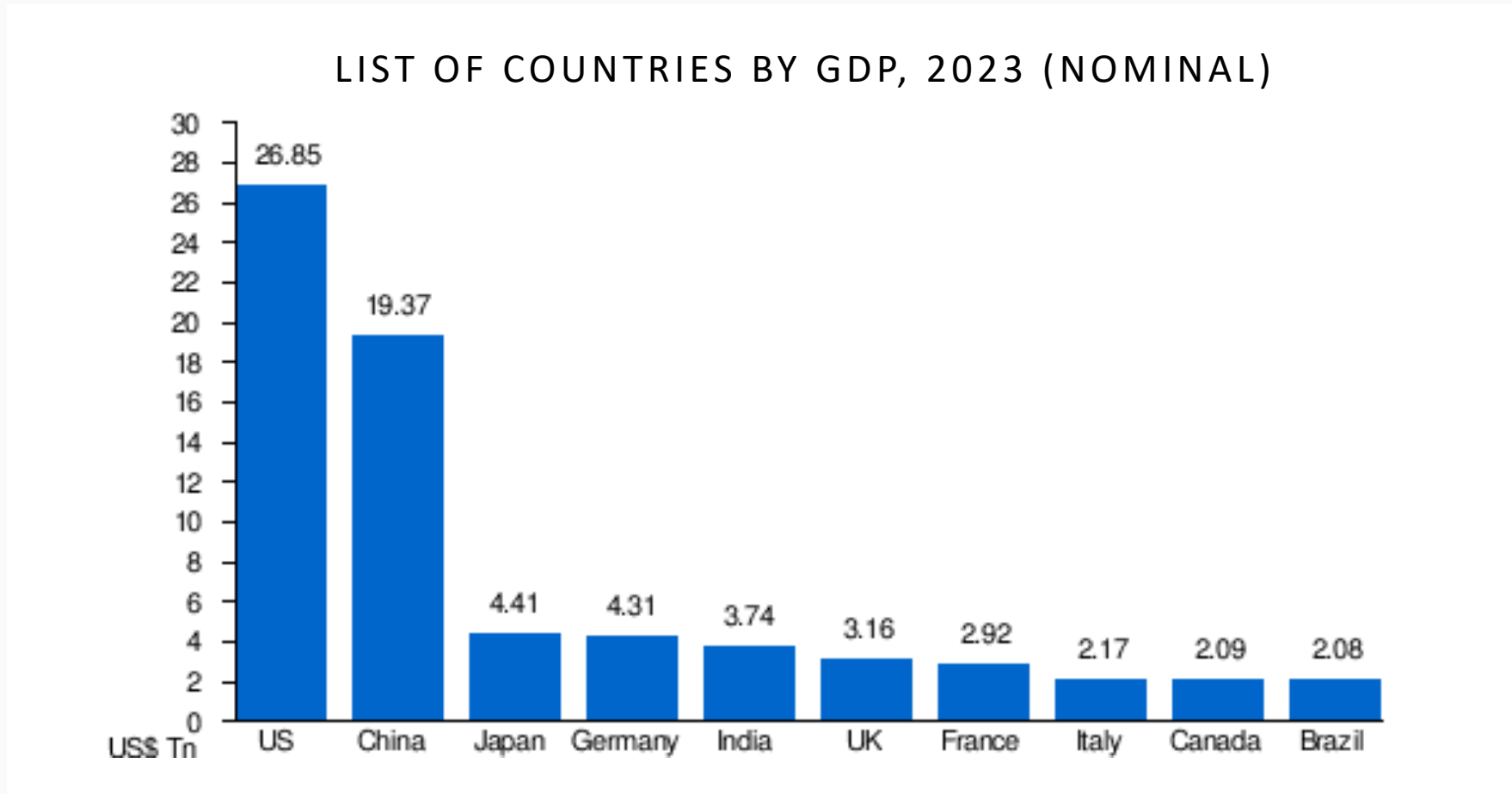
Global Impact: Growing at *China Speed*

CHINA AS A PERCENTAGE OF GLOBAL GDP (PPP)



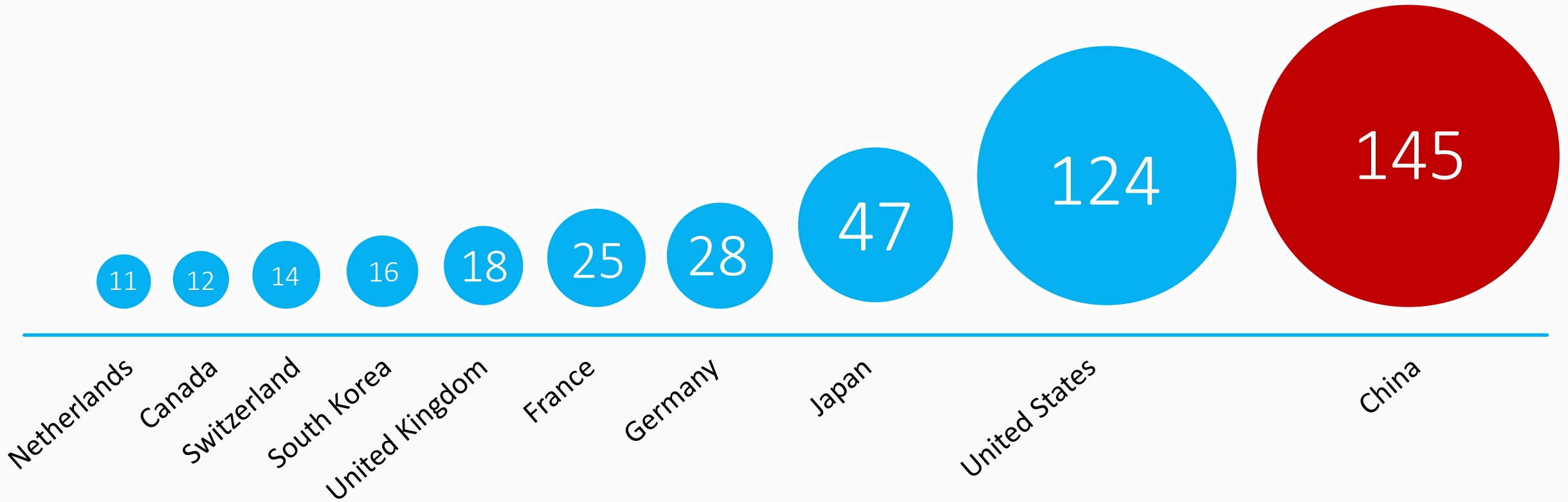
New Reality: The US and China Stand Apart

DESPITE CHALLENGES, CHINA REMAINS THE SECOND LARGEST ECONOMY...
AND LARGER THAN THE 3RD, 4TH, 5TH, AND 6TH ECONOMIES COMBINED.



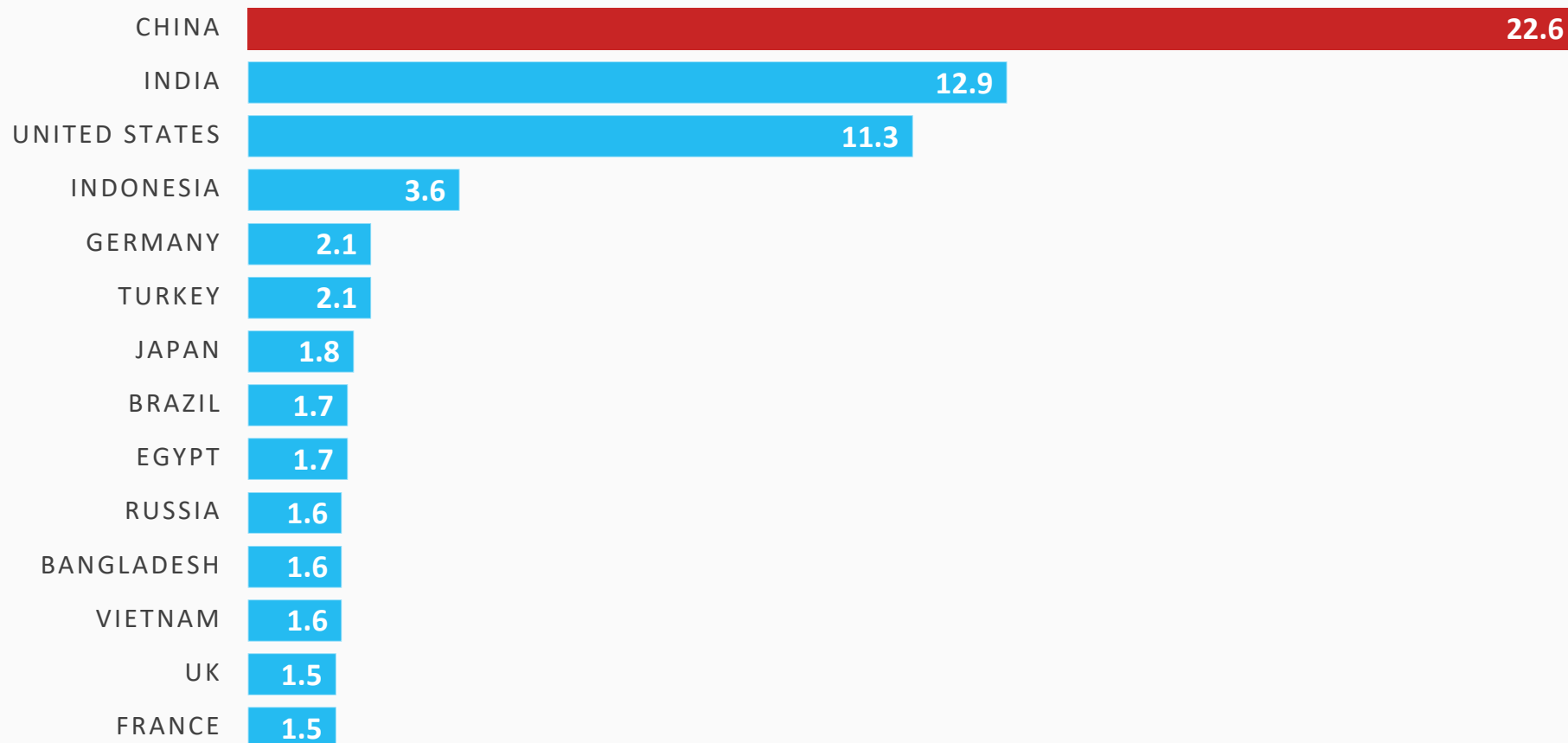
Global Share of Fortune 500 Companies

BY COUNTRY



Looking forward, (and in spite of everything,) China remains the largest share of future economic growth.

2023-2028 % WORLD ECONOMY GROWTH CONTRIBUTION

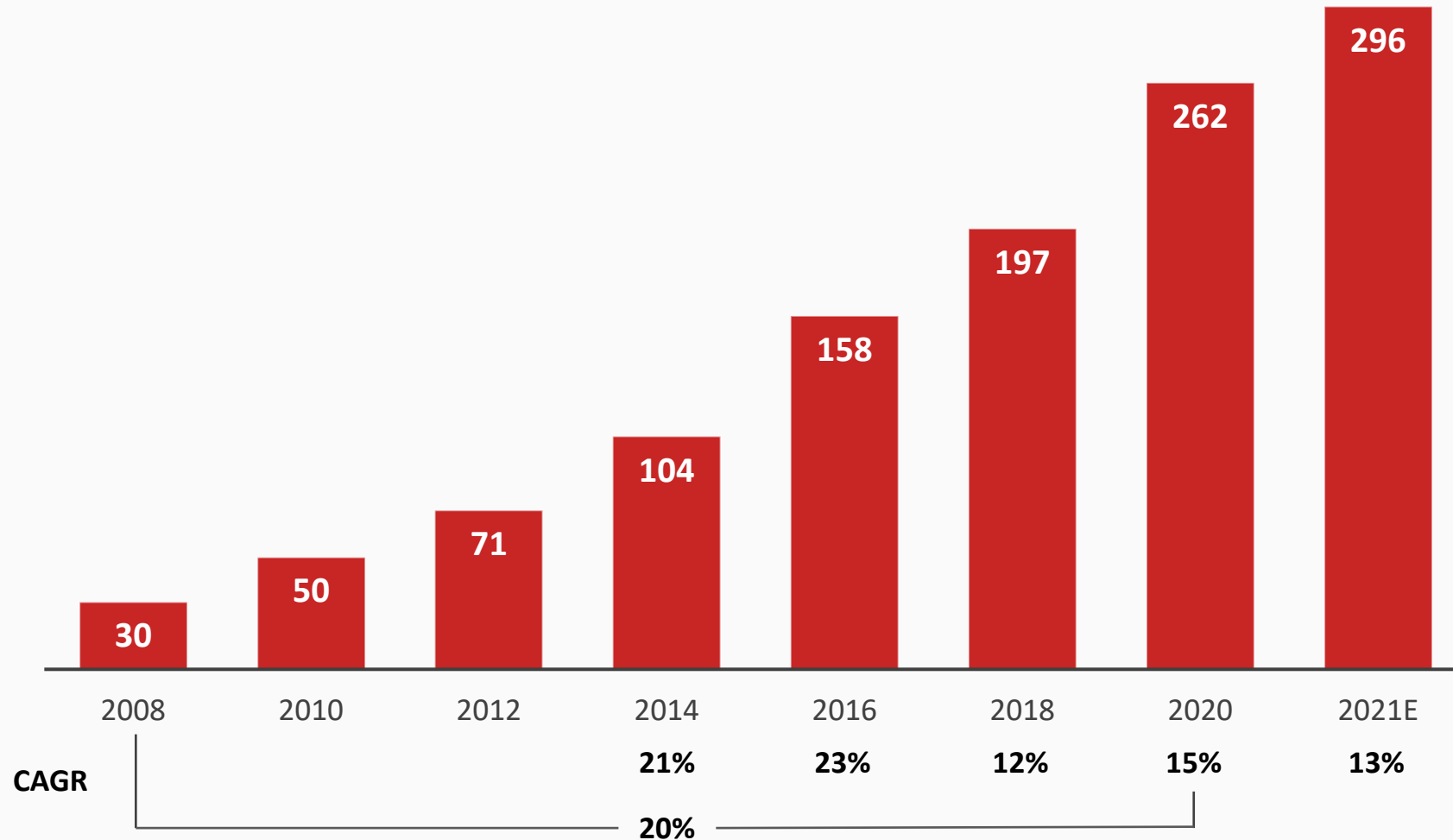


LET'S NARROW IN...

How did China's High Net Worth Individuals Do During COVID?

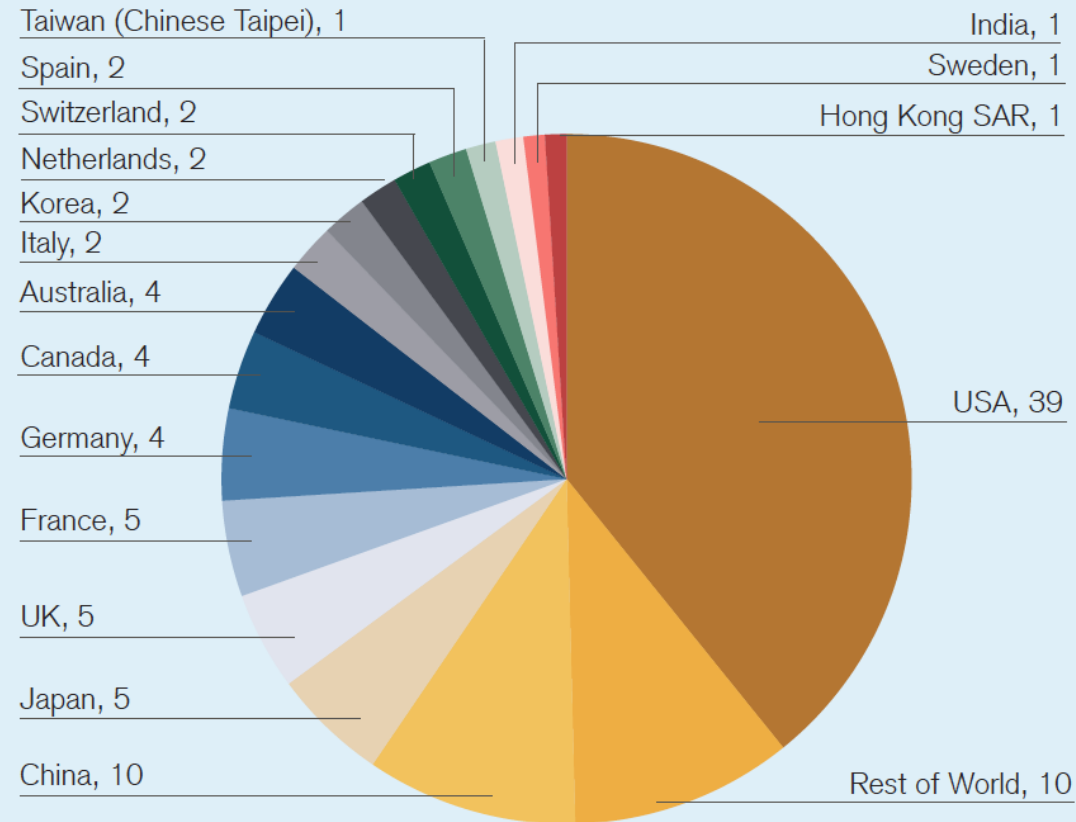
HNWI growth has been on a steady rise since 2008.
That didn't substantially change during COVID.

NUMBER OF HNWIS WITH INDIVIDUAL INVESTABLE ASSETS OVER RMB 10 MILLION



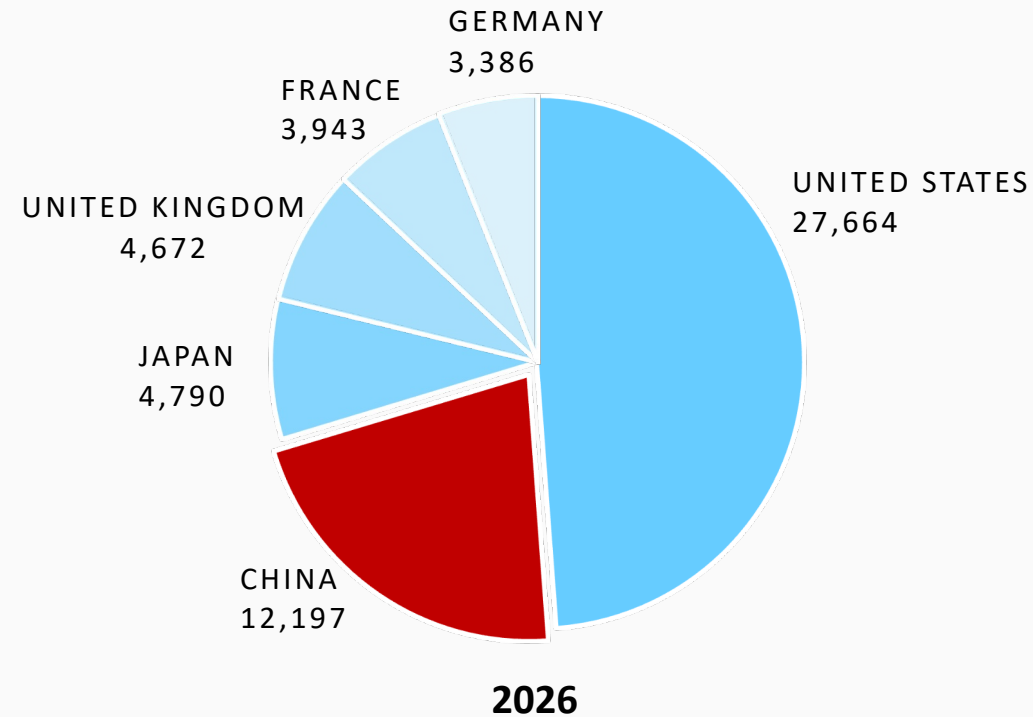
China is currently second to the US in global share of High Net Worth Individuals.

NUMBER OF US DOLLAR MILLIONAIRES (% OF WORLD TOTAL) BY COUNTRY, 2021



Looking forward, China's number HNWI is expected to continue to grow at a substantial rate these next five years and be the largest driver of HNWI growth globally.

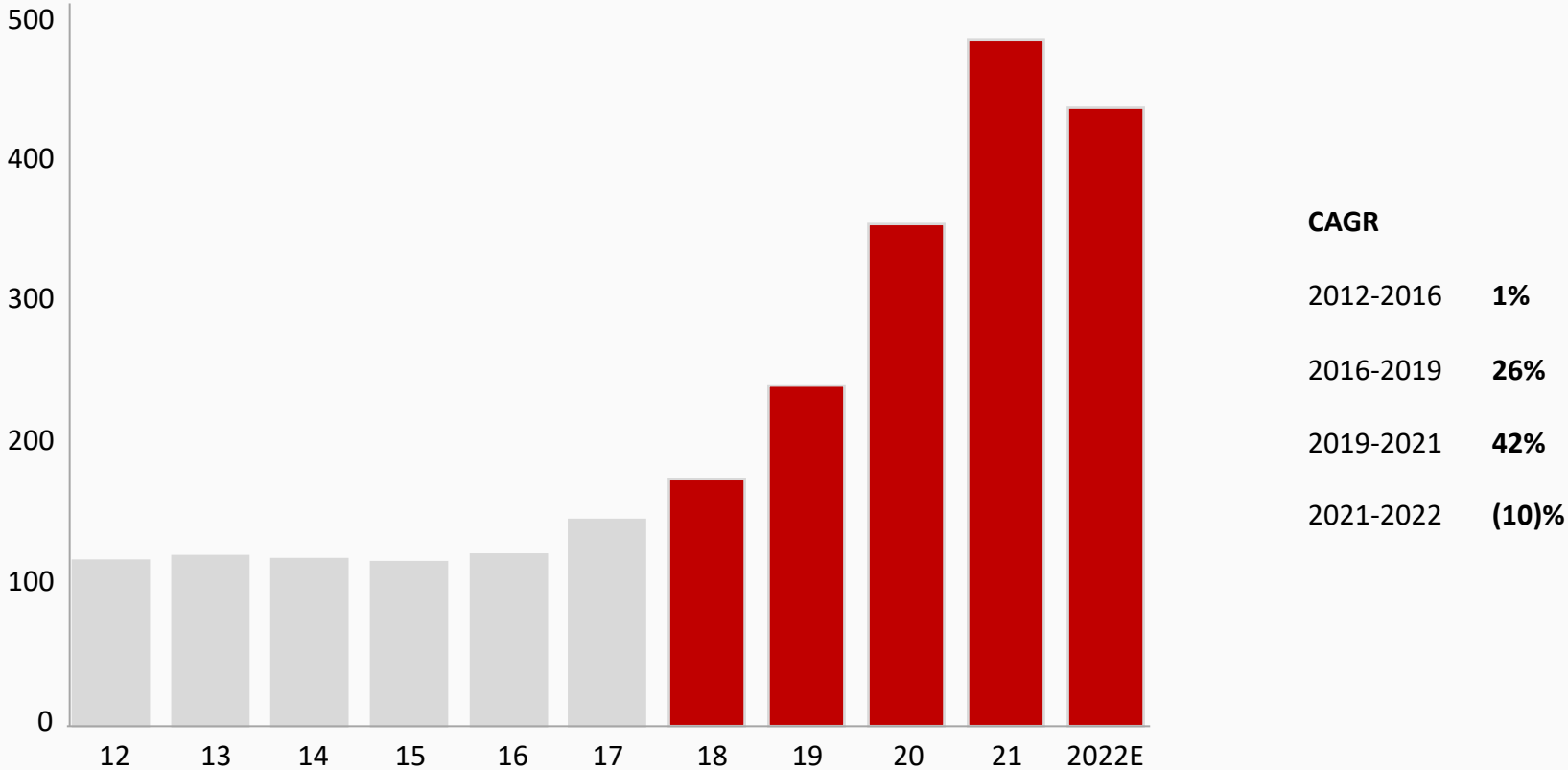
PROJECTED NUMBER OF MILLIONAIRES BY 2026



PERCENTAGE CHANGE	13% UNITED STATES	97% CHINA	42% JAPAN	64% UK	41% FRANCE	26% GERMANY
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China's 2022 luxury sales were down, but still far above 2019.

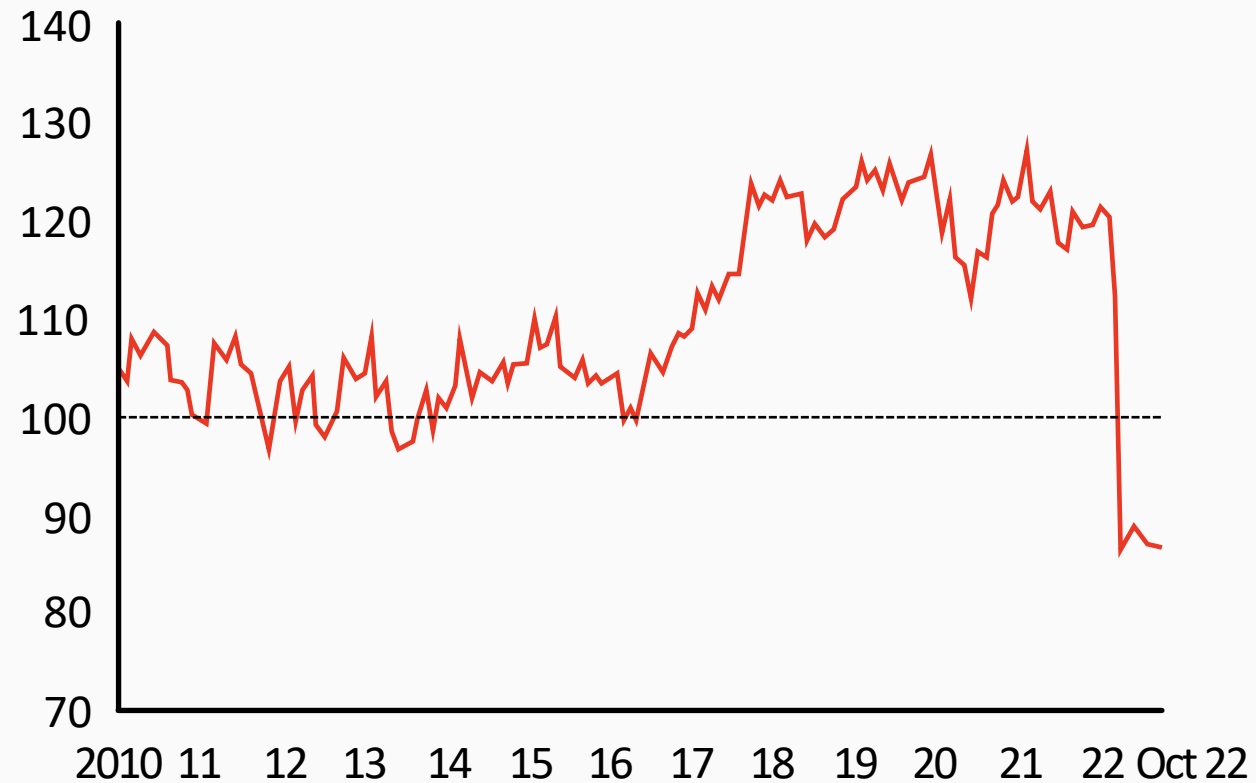
MAINLAND CHINA PERSONAL LUXURY SALES (BILLIONS RMB)



Consumer Confidence is Recovering from 10 Year Low

CONSUMER CONFIDENCE TANKED BEGINNING WITH THE SHANGHAI LOCKDOWNS

CHINA CONSUMER CONFIDENCE INDEX, 2010 – OCT 2022



Over the next three+ years, China is expected to **add** another **71 million upper-middle and high-income** households.

ANNUAL HOUSEHOLD DISPOSABLE INCOME IN CHINA
2020 REAL RMB

Number of urban households by income group, million

	2015	2021	2025E
Upper-middle & high-income (>160,000)	34	138	209
Middle income (85,000-160,000)	192	144	114
Lower-middle & lower income (<85,000)	63	73	63
% of upper-middle & high-income	12%	39%	54%

CHINA PREPAREDNESS INDEX CROSS-INDUSTRY FINDING:

China-based teams have an impulse to **only present the positive** (“wins”) to the global team. This *seriously* **negatively impacts their credibility.**

STEP 3: ANXIETY ALCHEMY

Transform the *general* anxiety of global teams into specific concerns.

(Then, address them.)



CHINA PREPAREDNESS INDEX CROSS-INDUSTRY FINDING:

There is a MAJOR **disconnect** between what the China-based team *believes* the **US-based team** needs to know and what *they actually need to know*.

“Help Us Help You” – The Amazon Brainstorm

- Setting: group brainstorm. Provide notecards.
- “List the three most pressing questions you would like to ask your China-based team.”
- Pass to the left. Check mark next to the best question.
- Pass four more times.
- The questions with the most check marks are the questions your team needs to answer.

HOW TO BEST ADDRESS SPECIFIC CHINA QUESTIONS?

Micro-learnings.

30-300 second videos accompanied by 1-3 page decks that answer the question specifically.

STEP 4:

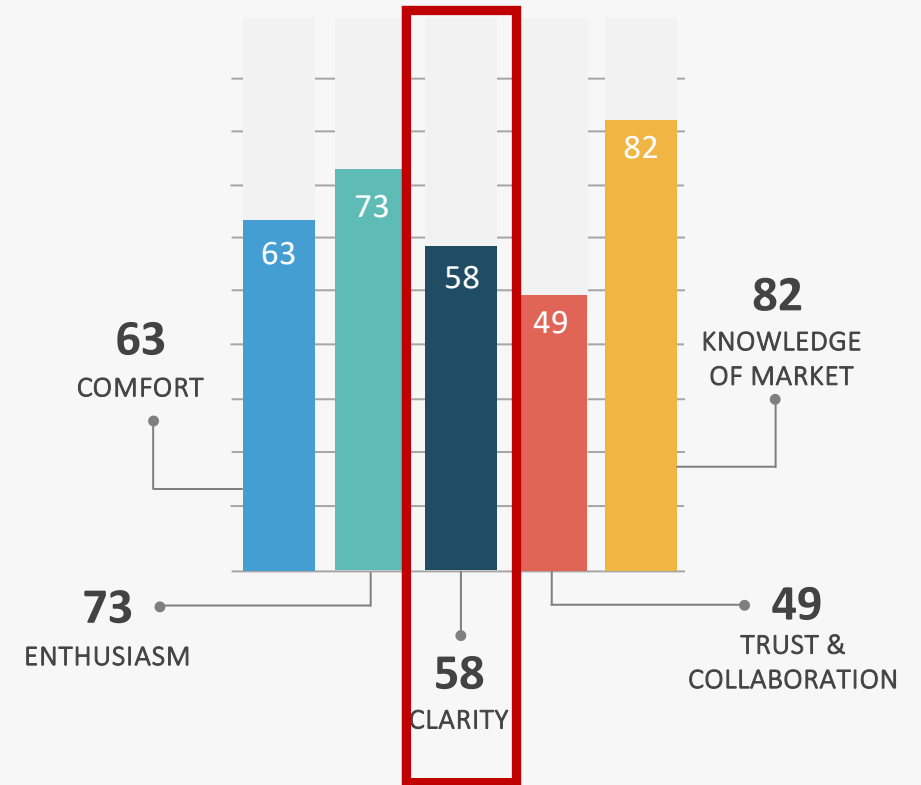
Clarify and share your team's vision for China with the entire company.

CHINA PREPAREDNESS INDEX

CROSS-INDUSTRY FINDING:

The most impactful “lever” pillar in the CPI is clarity. Teammates with higher clarity perform higher across the board.

CPI Score by Pillar

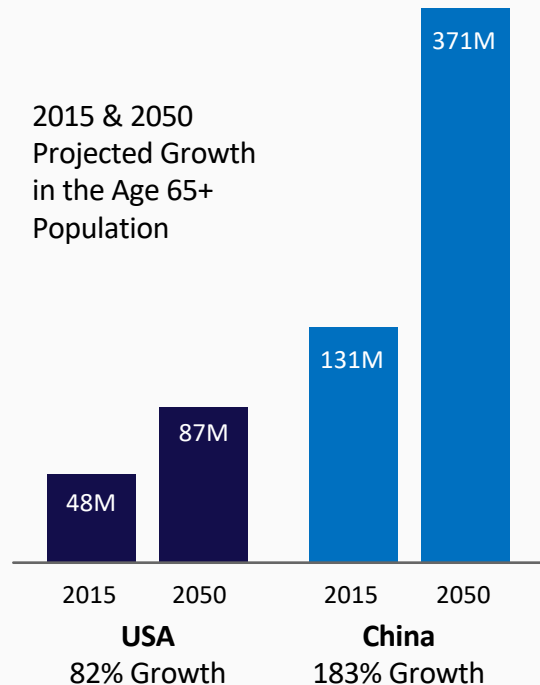


EXAMPLE

CLIENT continues to see impressive potential for business in China in the *long-term*.

WE SEE THREE MAIN MACRO DRIVERS SHAPING THE OPPORTUNITY IN CHINA FOR THE COMING DECADE.

WORLD'S LARGEST AGING POPULATION



HIGH MARKET POTENTIAL

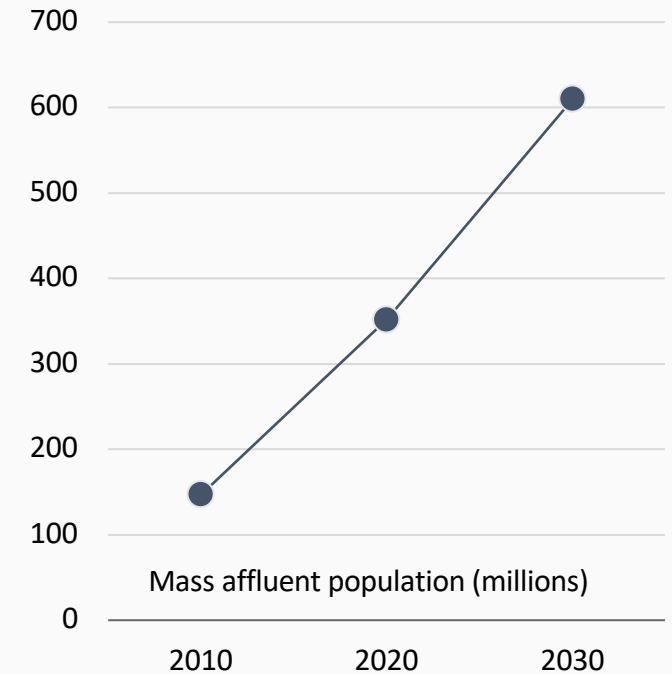
916

Implant per million population
USA

64.9

Implant per million population
CHINA

GROWING AFFLUENCE



We have a **three pillar** growth strategy in China leading into 2024.

- HERE are our challenges
- HERE is how we are addressing them
- HERE is the vision that we believe our whole organization ought to be excited about.



STEP 5:

Harness the power of travel
(and subsidize it if you need to)

“You don’t really think about a market until you **wake up** in it.”

OUR CURRENT REALITY:

To see China from **far away** is to
be **afraid** of it.

To see it **on the ground** is to have
the potential to be **excited** by it.

SOLUTION:

Encourage (and even subsidize) trips for global executives to come to China.

It will directly impact your influence on strategy, access to budget, and quality of collaboration.

Five Steps to Win Global Influence in your Organization

1. Acknowledge the unfavorable perception gap.
2. Define your team's China narrative.
3. Transform general anxiety into specific concerns. Address them.
4. Clarify your China vision for the global team.
5. Harness the power of travel.

We are at a **critical moment**
in Global-China business.

Each organization needs to be reminded of the opportunity here, if you believe it exists.

IT IS (Y)OUR JOB TO HELP.



Thank You!

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GROUP