



FC Expert Blog

China and Entrepreneurship: Frightening

BY FC EXPERT BLOGGER FRANCINE HARDAWAY Tue May 25, 2010

This blog is written by a member of our expert blogging community and expresses that expert's views alone.

China is really frightening. Having spent the last three days meeting with Chinese startups and investors, I can see how their culture could easily eat our lunch. It is still difficult and expensive to get wi-fi here, so I will briefly summarize my thoughts and refer you to this presentation by Benjamin Joffe that tells it all. Benjamin is an Internet strategist who has been working here for five years. If what he's seen is anything like what I've experienced on this return visit, my fourth over a 30 year period, it is mind boggling. Just look at the chopsticks in the preso and you will be convinced.

CENTRAL PLANNING

We read about it, but can't easily visualize it. China builds the equivalent of two Boston-sized cities a year, and has done that for 30 years. People's homes are torn down and they are relocated to modern high rises. Older generations used to squatting over a hole in the ground are now treated to hotels with modern bathrooms out of Architectural Digest (Kohler manufactures here, as does Toto, so programmable and heated toilet/bidets are everywhere in hotels and restaurants.

There are now twelve subway lines in Shanghai, where last time I was here I think there were two. In Beijing, the airport and the hotel we're in were built for the 2008 Olympics.

INNOVATION

The Chinese have an unashamedly different view of innovation. They watch what we do on Tech Crunch and then they clone it in a matter of days for their enormous markets. They have several competing Twitter, Facebook, YouTube clones, and TaoTao and Alibaba are their EBay and Paypal. Baidu is their Google. They are PROUD of how quickly they can clone our IP, and since they don't need our markets they can block our sites with no great suffering. The expats and geeks use VPNs anyway. They quickly build \$500million local companies and exit by taking them public on our stock exchanges or their own.

China doesn't have, as one VC who spoke to us put it, "those pesky privacy rules," so they can keep all the billions of text messages generated on their ubiquitous mobile phones (they skipped land lines) and mine them to generate targeted advertising. Watch a startup here called Massive Impact.

TAKEAWAYS

Just the sheer size of the financial district we saw in Shanghai and the enormous expansion of Starbucks is enough to convince me that if we don't partner with China she can eat our lunch in healthcare, internet, and IT — the fields I know well. Not to mention that this current five year plan, their twelfth, is entirely focussed on clean energy and lowering China's carbon footprint. China is fighting a different war; the economic war. For this, it doesn't need soldiers, just armies of young people with entrepreneurial aspirations and a historical desire to get back to ruling the world.

Oil Soaks La. Shores, Gulf Officially a Fisheries Disaster



Joe Zenas
President and COO of Thinkwell Group
Designers of out-of-this-world interactive attractions

ADVERTISEMENT

Slideshow World Cup Mascots: Borderline Offensive, Oddly Mincing



Did Google's Pac-Man Logo Gulp Millions of Hours of Lost Productivity?



Quitting Facebook is Pointless; Challenging Them to Do Better Is Not



MADE TO STICK