

Over the past year, CKGSB case center has assisted CK faculty in developing eight categories of case studies: Internet Innovation, Transformation & Upgrading of Traditional Enterprises, Tech Innovation & New Energy Resources, Public Welfare Exploration & Social Innovation, Brand Innovation, Finance Innovation, Economics, and Human Resources & Corporate Culture. Amid the ongoing transformations and innovations in the Chinese economy, how should domestic enterprises respond to waves of destructive opportunities triggered by internet and new economy, and explore for innovative business models? How can traditional enterprises take full advantage of internet platforms to realize their rebirth-oriented self-destructions and transformations? How should NGOs, as a filler in social service vacancies and a facilitator to social improvements, manage to achieve their innovative development?.....we hope that, through persistent exploration and research into these typical cases, we can pinpoint and analyze challenges to these enterprises, and reproduce the processes of their decision makings, with a view to helping our readers forge their thinking patterns of case instruction-based decision-makings.

The summaries of these case studies we did over the past year are listed as follows for your reference.

## Internet Innovation

### Uber: A Leader in the Sharing Economy

*Faculty Advisor: Binsheng Teng; Case Researcher: Xiaoting Liu*

To be sure, just the moment, Uber is among the most admired Silicon Valley firms. Within a short space of five years or so from its birth in 2009, it has broken into 57 countries and regions, making its presence felt rapidly all over the world. On strength of the unique customer experience it has delivered, Uber not only reshapes dramatically traditional taxi-hailing markets it has forced its way into, but also is a trailblazer in the sharing economy model and a widely emulated leader in the market. Based on the data of its last fundraising in 2015, Uber's valuation is poised to exceed USD 50.0 billion, replacing Facebook as the non-listed upstart with highest valuation. What on earth are the unique merits of this firm? What are really the key elements of the business model of sharing economy? How much of its huge potentials can be tapped in future?

### Vipshop Vs JD.com: Different Paths of B2C E-commerce Giants

*Faculty Advisor: Jing Liu; Case Researchers: Shan He and Yi Zhou*

Both Vipshop and JD.com are the poster children in the Chinese B2C E-business sector, but go on along different paths of growth and development. For Vipshop, the lean management style and sustainable profitability pursuit beneath its unique business model have driven repeated spikes in its share price so far, however, over times, it must face up to a challenge: how to maintain its advantages of its current operation pattern and seek for upgrading and development. In contrast, on strength of its huge size, JD.com branches into each link in the entire industrial chain of E-commerce, but the resulting continued losses over years have long been one of its most-cited Achilles' heels. Therefore, how to make a turnaround while seeking further expansion poses a huge challenge to JD.com. In achieving a trade-off between profit-making and scaling-up, who will win out in this market?

### Tujia: Vacation Rental Entrant's Venture in China

*Faculty Advisors: Yanbo Wang; Case Researcher: Xiaoting Liu*

Two overseas developments in 2011: HomeAway's much hyped IPO and Airbnb's rapid rise, captured attention from the Chinese business community, leading to the advent of vacation rental in China, and then, inspired a large pack of domestic followers, such as Airizu.com, Tujia, Mayi.com and Xiaozhu.com. However, due to underdeveloped trustworthiness systems and different consumption habits from overseas markets, this sector has experienced a

bumpy ride in China in its growth process, as evidenced by the shutdown of Airizu.com in July 2013 due to its capital chain rupture after the short two-year-long operation. But just as in any other ventures, not all the players are losers. In contrast with most others, Tujia manages to have completed four rounds of fundraisings by Nov. 2015, and gets strong support from a plethora of keen investors. Its latest valuation of over 1.0 billion USD to a degree demonstrates that it has, to a degree, won some market recognition. Then, there are some questions: What is the business model of Tujia? How can Vacation Rental take its root in the Chinese fertile field and bear fruits? In this case study, we compare differences between the Chinese and US vacation rental ecosystems, and analyze the business model of Tujia in a bid to identify viable options for Vacation Rental in China, and map out practical paths of its growth and development.

### YC Entrepreneur Camp

*Faculty Advisor: Jie Gan; Case Researcher: Yan Yang*

In the case study, by looking into operation models of some US incubators, especially Y Combinator, we try to identify key factors contributing to their success, and by comparing them with typical ones of Chinese leading incubators, we try to observe and pinpoint common and different characteristics of incubators growing and developing in two different systems. At the same time, we also explore the possibility of introducing successful experiences of US incubators into Chinese ones, and delve into unique growth attributes of Chinese incubators?

### Chunyuyisheng.com (Forthcoming)

*Faculty Advisor: Yanbo Wang; Case Researcher: Shan He*

As a pioneer in Internet Healthcare in China, Chunyuyisheng.com has constantly improved and upgraded its business model while pursuing its business ventures. In this case study, based on an in-depth analysis of the trailblazer's business model, we explore effective ways and means by which entrepreneurs in healthcare sector identify and sort out their business leads and the processes of shaping their business models.

### Traditional Firms' Transformation & Upgrading

#### Suning's Strategic Transformation

*Faculty Advisor: Binsheng Teng; Case Researchers: Di Deng and Yan Yang*

For a super-ship comfortably with well-charted waters of 1990s like Suning,

a traditional retailing giant, it is literally no less than a critical choice of strategic significance to morph into an internet-based firm. Apart from huge implications for development prospects of 180 thousands of its workers, such a self-destruction means a brave venture by a traditional enterprise: breaking out of its cozy fiefdom to explore a new path to the brave new world: going online. From the launch of its pilot online program in 2009, to the subsequent dual-channel operation (offline and online) and diversification of business lines until the ongoing multichannel amalgamation and platform opening-up, each move throughout the whole process of Suning's transformation caught much attention from the outside world. What are the strategic initiatives during its transformation? How will it implement them? What comparative advantages does it have to facilitate its transformation? And what challenges should Suning respond to? The findings derived from our in-depth research into Suning's case should provide valuable insights into both its overall and breakdown strategies and shed lights on the ways by which a traditional retailing enterprise retains its former glories and manages to come out as a champion in the era of internet through self-revolution.

## Han's Laser

*Faculty Advisor: Lede Li; Case Researcher: Shan He*

Growth and success of Han's Laser, a leading international laser equipment manufacturer, embodies the transformation experience of the Chinese economy from industrialization development to modern intelligent manufacturing, and sets an example to other industrial businesses in similar technological sectors, as a result, its evolutionary process is of typical significance to both our technological innovation and business development. In this case study, we make an in-depth research into Han's Laser's strategic transformation and operation patterns, with a view to provide valuable experience for China's industrial transformation practices.

## Haier's Networking Innovations

*Faculty Advisor: Jihong Ou; Case Researcher: Yan Yang*

Haier announced the launch of its strategic transformation in 2012, and its CEO Ruimin Zhang wanted to recast this traditional household appliance manufacturer into a user-centered, internet-based entity. To this end, Haier made a series of attempts over the following two years: organizational restructurings, internal mechanism overhauls and innovative practices in both front-end and back-end products. Haier's strategic transformation of this round relied heavily upon its huge resource advantages having amassed over years from its household appliance manufacturing business, and was built on the solid internet infrastructure foundation from the global transformation initiatives over the past seven years. In this case study, we look into the broad economic and social context of Haier's networking transformation as well as its representative innovations in marketing, product design and manufacturing, and shed lights on how these innovation factors make their way into Haier's networking transformation.

## Colorfulhome: Challenges Behind Transformation Platform Model

*Faculty Advisor: Jianwen Liao; Case Researcher: Huanping Cui*

Due to rising labor costs and declining property management fees, Colorfulhome, a traditional property manager, has suffered from shrinking profit margins over years. In response to the deteriorating business environment, Colorfulhome launched an online platform to accommodate suppliers within the 1 KM radius of business areas in the vicinity of its service communities, and partnered with vertical suppliers such as JD.com and YHD.com in providing added-value services to nearby resident families. In this case study, we look into potential challenges to traditional property

management patterns from emerging internet platform models, and examine the adaptability and availability of the firm's organizational structure, corporate culture, performance evaluation system, management procedures and other institutions to the internet model.

## Wdds.roboo.com: A viable O2O Road? (Forthcoming)

*Faculty Advisor: Jianwen Liao; Case Researcher: Huanping Cui*

The recent forays into online fields from Wanda Plazas, the top offline shopping venue in China, have attracted extensive attention. In order to fully embrace internet, Wanda Group partnered with Tencent and Baidu in launching a joint venture: Wdds.roboo.com, and planned to invest RMB 20.0 billion over five years to push forward its O2O initiative. Wdds.roboo.com embarked on its O2O road by beginning with big data optimization, alignment of three partners' membership systems and rollout of internet financial planning, but got nowhere three years later. Why? Was it due to its poor strategies or lack of internet genes in its organizational structure and corporate culture? What are the viable O2O options for a traditional offline firm?

## Red Collar Group (Forthcoming)

*Faculty Advisors: Yusheng Zheng and Chao Liang; Case researcher: Shan He*

Qingdao-based Red Collar Group is a large firm specializing in garment mass customization. In this case study, we give a close look into the development of Red Collar Group over the recent years, and explore for ways of traditional enterprises achieving transformation by taking advantage of new technologies in the era of a booming internet.

## Brand Innovation

### Hstyle: Taobrand's Evolution Theories

*Faculty Advisor: Yusheng Zheng; Case Researchers: Shan He and Yi Zhou*

Growing out of an overseas purchasing agent, Hstyle is a well-known internet clothing brand. Its Korean fast fashion women's clothing has been a hit since 2011, retaining the honor of the undefeated sales champion. On the strength of its product team-centered business model, Hstyle keeps on growing, and constantly refines and upgrades its business strategy: expanding into a collection of multiple brands from a single one. At the same time, Hstyle is building its own flexible supply chain management system, trying to improve its back-office management service platform and provide a designers' platform. So, can its rapid expansion experience be duplicated? And will its strategy also work with other Taobrands?

### Jiuxian.com: Multi-dimension Connection

*Faculty Advisor: Weining Zhang; Case Researcher: Shan He*

Jiuxian.com is by now the top E-commerce comprehensive service provider in wine industry, but in its early days was just a traditional wine trader, namely a brick-and-mortar-shop operator. It constantly adapted its business model to ever-changing demands and industrial dynamics as it grows gradually beyond its core business B2C into B2B, C2B, O2O and other segments of highly relevance to demands. Jiuxian.com's evolutionary track and capabilities in market discovery present a valuable reference to vertical market participants and other internet firms.

### Letv's Ecology: Related Diversification System?

*Faculty Advisor: Binsheng Teng; Case Researcher: Huanping Cui*

Letv's internet video business is marked by being capital driven. It finances

video copyrights through repeated fundraisings and competes exclusively by video contents. In addition, it structures an ecological model combining platform, content, terminal and application into one. Through vertical integration of these four sections to achieve synergies and interaction, the model creates a relatively complete, compact and highly-open ecological closed loop. However, its critics claimed that, with core businesses being dominated by Letv and non-core businesses being performed through alliances, the closely-knitted closed model is anything but an ecologic system. Instead, it is, at best, a related diversification system. In a complete ecologic system, professional firms should focus on their respective professional duties, and different industries should perform their own functions, and then, ending up with a loosely-knitted multi-industry tie-up. So, is Letv's ecologic system really a related diversification model? Which one of the two: the closely-knitted closed model and loosely-knitted complete ecologic system can deliver the optimal customer experience? And how can we make a tradeoff between the two?

## WeChat's Strategies (Forthcoming)

*Faculty Advisor: Jing Liu; Case Researcher: Yan Yang*

Tencent's sustained high growth rates and high ROEs should seemingly be attributed to its games-dominated online added-value services (accounting for more than half its total revenues). Yet, in our view, the most important contributing factor, in fact, is the key driving forces built on social relations (instant messaging/social networking), which, through the two connections: payment and openness, form an ecologic system with highly robust network externalities. For example, in the PC era, the system is mainly driven by the QQ-dominated social relations, and online services and physical transactions are connected via TenPay and PC terminal-based open platforms, creating an one-stop online life service space, while in today's mobile phone era, it is mainly driven by the WeChat and mobile phone game application-dominated social relations, and online services, physical transactions, offline services and hardware are connected via WeChat payment, mobile phone game payment and mobile open platform/interface (WeChat public account), creating an "all-connected" comprehensive venue and an ecological system. So, was it based on what concept that Xiaolong Zhang (nicknamed as Father of WeChat) and his team structure their WeChat ecological system? And how did they build such an ecological system in practice?

## Tencent's Mobile Phone Games: Precision Marketing (Forthcoming)

*Faculty Advisors: Bing Jing and Case Researchers: Huanping Cui*

Tencent garnered a total revenue of RMB 32.63 billion in 2013, topping the ranking list of Chinese listed online game firms. But as the PC online game market is saturating, and the mobile online game market is booming, what is the strategic positioning of the sector leader Tencent? How should Tencent manage its operating costs of mobile phone game business and enhance its operating efficiency through precision marketing amid increasing popularization of multiscreen servers and rising advertising costs? And what are the core capabilities that underlie its precision marketing capabilities and distinguish it from its rivals?

## Public Welfare Exploration & Social Innovation

### Adream.org: Applying Business Models to Public Welfare Undertakings

*Faculty Advisor: Rui Zhu; Case Researcher: Huanping Cui*

Adream.org stands out for its innovativeness and creativity in public welfare

undertakings. For example, it introduces a financial reporting system being benchmarked against the listed firm standards to enhance its transparency. It slashes costs and enhances efficiency by standardizing its procedures and running knowledge chain stores. It diversifies from an educational product provider into a resource integration platform, and seeks for crowd-creating quality-oriented educational products by partnering with government agencies, schools, teachers, donators and other stockholders. Where does its innovativeness originate?

### Tencent Foundation: Realize Dream of New-type Rural Communities?

*Faculty Advisor: Xinlei Chen; Case Researcher: Huanping Cui*

In June 2009, Tencent Foundation launched its public welfare program titled Dream of New-type Rural Communities in Guizhou and Yunan, aiming to foster a self-sustaining ecological system by leveraging its own advantages in mobile internet and pushing forward economic growth, cultural advancement and community development in rural areas. The program is designed to foster a robust ecological system at first, and then to sustain it through promoting rural traditional cultures and creating jobs for local residents. Does this system have the conditions for it to be reproduced? If so, how should we strike a balance between the program duplication and rural cultural diversity maintenance?

### Paisenbai: How to Structure Social Enterprises' Business Models?

*Faculty Advisor: Jianwen Liao; Case Researcher: Huanping Cui*

As the first NFC orange juice (all pure) producer in China, Paisenbai is a typical social enterprise, and has been sticking to its original intention: reinvesting part of its profits into public undertakings, namely, contributing to solving the issues of industry hollowing-out and relocations of original residents in the reservoir areas. Thank to its 17-year-long efforts, Paisenbai not only make decent profits, but also reaps huge social benefits: far more incomes for local peasants from fruit purchasing prices two times higher than the average for the sector and recycling use of peel residues (instead of being cast away as wastes). How does Paisenbai strike a balance between corporate profit-making and social benefits? Given its NFC orange juice output is far larger than market demand, how should it increase its market demand, business profits and public benefit contributions through business model innovations?

## Tech Innovation & New Energy Resources

### Tesla Drove Into China: Break down or Gear up?

*Faculty Advisor: Wei Li; Case Researcher: Haizhe Mao*

At the Jan. 2015 North American International Auto Show, Tesla CEO Elon Musk claimed confidently that his firm will emerge as an acknowledged global leader in the high-end EV industry, with its annual output increasing to 2.0 million by 2025 and its network of manufacturing facilities covering the globe. Indeed, since its birth in 2003, its technological innovations, team spirits and marketing strategies have repeatedly verified and highlighted its distinctive qualities as a true innovator. However, Tesla failed to gain traction in the tremendous and ever-growing Chinese market. Despite a big splash from its first-ever deal here in 2014, Tesla didn't get that strong market response as expected, and its former China president Veronica Wu also resigned at the end of 2014. How should Tesla do to recover from its failure and rise to the top position in China's AEV industry? What lessons should Tesla learn from its failures in China? Will the long-term prospects for EV industry be really as promising as claimed to be by the likes of Elon Musk?

## Shining3d: 3D Printing Trailblazer in China

*Faculty Advisor: Lede Li; Case Researcher: Xiaoting Liu*

In August 2014, Shining3d, the first-ever true 3D printing stock in China, debuted on the NEEQ, and won a warm reception from a plethora of investors due to its novelty business concept of the industry-wide chains and its persistent attempts to create a fully integrated ecosystem. Fast backwards. A few years ago, when the hot wave of 3D printing swept in here, it was disappointingly greeted with a dismal market: small, fragmented, and lack of advanced technologies and dominant players, and it was exactly then that Shining3d had just embarked on the road to its business expansion in the 3D printing industry. So, how did Shining3d manage to stand out as the industry leader within just a few years? How did it structure and forge its original industry-wide chain? What adaptations were made for its post-internet ecosystem? And what challenges will lie ahead for it?

## Finance Innovation

### JD Crowdfunding: Shed Light on the Sector in China

*Faculty Advisors: Hui Ouyang and Case Researchers: Shan He*

JD Financial Group launched the Crowdfunding Section in 2014. Crowdfunding is to raise funds from the general public via internet. Three months later, JD Crowdfunding rose to be the largest crowdfunding website among all the platforms of its kind in China by the single-month financing amount. Nine months later, JD Crowdfunding made another bold step forward, launching equity crowdfunding operations. As part of JD Group's JD Finance Business Unit, how can JD Crowdfunding give a stronger boost to JD's main business and the healthy development of the Group? And what are the relations between crowdfunding and other operations?

### PHF-QH-VK REITS's Innovations (Forthcoming)

*Faculty Advisors: Hui Ouyang and Xuenan Li; Case Researcher: Xiaoting Liu*

On September 30, 2015, PHF-QH-VK REITs Closed-end Hybrid Securities Investment Fund (QH REITs, for short) debuted on the SZSE, the first domestic REITs to go public and the third REITs play following CITIC and Suning. What breakthroughs did QH REITs make in commercial property securitization? Can these plays be duplicated and popularized in other domestic firms? If so, what bottlenecks to their duplication and popularization should be broken? In this case study, we make an in-depth analysis of this REITs play, and examine the China-specific REITs innovations and development potentials of REITs play in China.

### Competition in Taxi-hailing Application Market in the Dimension of Capital Involvement (Forthcoming)

*Faculty Advisor: Chun-Yan Huang; Case Researcher: Xiaoting Liu*

In the taxi-hailing application market in China, competition among players (especially Uber, Didi and CAR) is intensifying both in terms of intensity and pace over the recent years as the involvement of capital is increasing. In this case study, we look into competition strategies and tactics in today's internet era, analyze fundraising timings for rivals, options for investors and considerations to fundraising amounts, and identify and probe into determining factors to valuations.

### Alibaba's IPO (Forthcoming)

*Faculty Advisors: Chun-Yan Huang and Case Researchers: Di Deng*

This case study substantiates Alibaba fundraising case, reproduce the

whole fundraising process of Alibaba IPO, and evaluate risks to Alibaba, including operational risks and partnership-related risks of great interest to investors.

## Human Resources & Corporate Culture

### Robam: Family Firm's Continuation & Change

*Faculty Advisor: Wei Li; Case Researchers: Yi Zhou and Xiaoting Liu*

Since China's reforms and opening up, a large number of private enterprises have sprung up and expanded rapidly, creating one after another "China Miracle". However, three decades later, these firms have arrived at a critical crossroads, meeting with two big challenges: family businesses' continuation and change. A private firm in Yuhang, Zhejiang gave its own answer to this question last year. Jianhua Ren, Robam founder, chose to hand over the control of his firm to his son following the traditional father-to-son mode, and succeeded in the replacement of old and new managements. Having taken over the firm from his father, the 30-year-old Fujia Ren wasted no time in launching a series of reforms. What can we learn from this family firm's succession experiences? How can should we properly tackle the relations between "veteran employees" and "new leaders"? What challenges will the second-generation leaders meet with while making reforms to their inherited firms?

## Economics

### Difference Comparison of Chinese and US Government Debt Markets

*Faculty Advisor: Wei Li; Case Researcher: Chongqing Gu*

The U.S. T-Bond is among the most important financial products in the U.S. and even global financial communities. As a pricing benchmark for various financial instruments, it plays a critical role in financial market operation. Thanks to its high activity, various participants and high turnovers, the U.S. T-bond market has been a preferred underlying investment for investors. Then, how has the US T-bond achieved its today's market standing? In contrast, the Chinese government debt market is rather underdeveloped both in terms of the size and activity, having failed in playing its due role in both domestic and international financial markets. What are wrong with Chinese government debts? And why? In this case study, we make a comparative analysis of the similarities and differences between the two government debt market systems with a view to inspire readers to probe into related questions.

## CKGSB BCI Reports

### BCI Survey & Its Report Explanation

*Faculty Advisor: Wei Li; Case Researcher: Chongqing Gu, Yan Yang and Xiaoting Liu*

Despite the most dynamic force in China's economy, there have been no indexes reflecting private business-specific operation performance. To fill in the gap, we compile related indexes based on primary information from monthly surveys among private entrepreneurs in the growing CK alumni network. We work out related indexes based on monthly questionnaire surveys, and then write related reports. So far, 12 releases have been completed this year.