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On-the-ground business experts provide tactical knowledge and advice at summit

Cultural competence is critical to gaining competitive advantage when conducting business in developing markets.

That was a key message from business professionals who shared their expertise at the inaugural Business Across Borders Summit at UNC in February.

“On the Ground in Emerging Economies” featured experts with intimate knowledge and recent practical experience conducting business in emerging markets around the globe.

One participant said the message he took away could be applied to any economy, emerging or mature.

“What I gained from the conference was the importance of substantively engaging with local cultures and understanding the way business is done in a given location,” said Michael Chasnov, a UNC Kenan-Flagler MBA student who is also pursuing a master’s degree in city and regional planning. “And, I heard that finding good local people to help with or lead your venture is critical to sustained success.”

• LEADERSHIP FELLOWS TAKE NEW APPROACH
The one-day summit format was a new venture for the Business Across Borders series, organized by the Kenan Institute Leadership Fellows and sponsored by the Kenan Institute with support from the UNC Center for International Business Education and Research. Leadership Fellows are MBA and undergraduate business students who help connect fellow students to institute opportunities in research, education, and outreach.

The original Business Across Borders format focused on doing business in a single country and comprised two events: a public lecture for students, faculty, and the community and a panel discussion for students and faculty only.

The new format broadened the scope of the series and appealed to more students and business people, summit organizer Alicia Conway said.

“When we polled students and club leaders for topic ideas, there was a clear preference for more expansive subjects, such as micro-financing, marketing, and supply chain,” Conway said. “We chose emerging markets as an overarching theme for our first event in the new format to explore all of these areas.”

Judging by the sold-out attendance, the format hit the mark.

“People got the message that if they were interested in business, we had something for them at the summit,” Conway said. “The feedback has been very positive and we definitely plan to continue the new format in the future.”

• EMERGING MARKETS THEME RELEVANT, CRITICAL
The inaugural summit topic was a natural fit for the Kenan Institute, Director John D. Kasarda told participants.

“The institute focuses on emerging markets because they provide rich learning environments for our students and because they allow us to apply the knowledge we create to promote economic growth in some of the most dynamic markets of the world,” Kasarda said.

“Because of that, emerging markets have been a primary focus of our education, research, and outreach for more than two decades.”

Experts at the summit discussed topics key to operating a global enterprise: financing and establishing a new business; the complexities of human capital; effectively marketing and selling a product; and overcoming infrastructure shortcomings.

Keynote speakers Tony Keck, director of health and human services for the State of South Carolina, and Ray Turi, general manager of strategic marketing services Latin America for Johnson & Johnson Medical Device and Diagnostic Group, offered a general management perspective. Clinical/industrial psychologist and consultant Edwin J. Nichols, Ph.D., led a workshop on organizational strategies to achieve cultural competence and competitive advantage.

MBA student Katherine O’Herron said the summit offered students a rare look at what they will face in all areas of international business.

“It was interesting that while business challenges were similar in different countries, the unique cultures were important to consider,” she said. “All the speakers emphasized the importance of developing and building relationships to find success and to foster economic growth in a region and in a company.”

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Top academics and business leaders explore global supply chain innovation

In today’s global economy, effectively managing the supply chain can mean the difference between profit or loss, expanding or contracting consumer markets and supplier networks, and, ultimately, business success or failure.

More than 90 thought leaders from academia and the private sector convened at UNC in April to examine how the global supply chain is transforming the business and economic landscape today and how innovation in its management can propel business competitiveness and growth in the future.

The conference, “Innovating the Global Supply Chain,” was the first of three planned annual conferences for “next-generation” business leaders and scholars focused on innovations in global business practices. Developed by the Kenan Institute and Center for International Business Education and Research, the three-year program aims to inspire and develop a new generation of scholars to pursue research on leading issues of global competitiveness.

“We have high expectations for this initiative,” Kenan Institute Director John D. Kasarda said. “Our goal is to push the boundaries of knowledge and innovation by bringing together the best minds in academia, government, and the private sector to focus on critical issues of global business practice.”

• ACADEMICS AND PROFESSIONALS LEARN AND CONNECT

The two-day conference examined global supply chain management from outsourcing and off-shoring to information technology in manufacturing and retailing.

Featured keynote speaker Martin Richenhagen, CEO of AGCO Corp., described the processes by which the global agricultural equipment giant transformed its global supply chain. The key has been recognizing the value of people, investing in the regions from which it sources, and aligning internal processes to support its supply chain strategy.

“Globalization improves the development process because solutions can be found anywhere,” Richenhagen said. “And when you invest in a region and its people, they will see your commitment and become invested in the success of the company.”

Participants praised the conference for providing the latest research on supply chain innovation in a forum relevant to both academics and practitioners.

“The North Carolina Department of Commerce has eight offices overseas, and our job is to help North Carolina companies sell their products and services overseas,” said Jean Davis, director of the department’s international trade division. “We might have a small company in rural North Carolina that has some interest in India and wants to figure out how to get connected. By being part of this event and talking with people, we can really reach out across the state and bring more attention and interest to exporting and global business.”

Anthony Selley, director of global purchasing development for Volvo in Greensboro, found the discussion relevant to outsourcing challenges that Volvo faces.

“Volvo is a global corporation with facilities worldwide,” Selley said, “so these discussions are particularly relevant.”

UNC Kenan-Flagler Ph.D. student Vidya Mani said, “The interaction with people from industry and fellow academics was invaluable in developing collaborations for projects to address the key challenges in this field.”

• NEXT-GENERATION SCHOLARS SHARE IDEAS

An invitation-only roundtable followed the conference on Saturday for 30 junior academics from UNC and universities around the world who conduct research in areas related to global supply chain management.

The roundtable offered these “next-generation” scholars the chance to present and share research findings and ideas and discuss challenges and opportunities they face in pursuing their research.

Bradley Staats, assistant professor in operations, technology, and innovation management at UNC Kenan-Flagler, said the gathering “was a rare opportunity for personal interaction, which I found extremely valuable.”

Karan Girotra, assistant professor at INSEAD business school in Paris, praised the cutting-edge focus of the topics discussed at both conference and roundtable.

“The agenda is current,” Girotra said. “It is what companies want to know more about. I analyze business models around a product and what I’m hearing today is that a company can redesign the way it does things and not just redesign a product.”

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Kenan Institute goes One-on-One with Geomagic CEO Ping Fu

As founder and CEO of a growing global technology company, Kenan Institute board member and Geomagic Chairman, President, and CEO Ping Fu knows firsthand the opportunities and challenges facing high-growth companies and the significant economic benefit those companies can offer the economy. A small subset of companies like hers, called “gazelles,” create most net new jobs.

Fu and UNC Chancellor Holden Thorp serve together on President Obama’s National Advisory Council on Innovation and Entrepreneurship. They are helping set national policy to support the growth of job-producing companies.

The Kenan Institute speaks one-on-one with Fu about her journey as an entrepreneur, the challenges and opportunities facing her company, and what government can do to help.

**FU:** My company is Geomagic. Geomagic is a 3D-software company focused on helping companies that do design and manufacturing produce the most innovative products and services. We like to think of what we do as manufacturing for the 21st century. We also call what we do mass customization versus mass production. Mass customization is a process where a product—one of a kind or one of a few—can be created locally to fit to your body, but at the economic efficiency of mass production.

**KENAN INSTITUTE:** What value does the Kenan Institute bring to companies?

**FU:** My company is $7 billion IPO with no revenue and nobody had ever heard about it. So, the university came to me and asked what other ideas I had. I was a reluctant entrepreneur because I really loved my job at the university. I was doing research. I didn’t have to worry about P&L and I had a daughter at the time who was three years old. So I did not think I was going to go out to start a company. But somehow we got to a point where the university just kept pushing and pushing and eventually I said, “OK, I’ll try it.” I thought I would go out and transfer the technology to a commercial company that would hire someone, then I would run back to the university. But it didn’t happen that way because once you start a company, it’s like giving birth to a baby. You can’t turn back.

**KENAN INSTITUTE:** Tell us about your work with President Obama’s National Advisory Council on Innovation and Entrepreneurship.

**FU:** The council is focused on innovation and entrepreneurship. We are really focused on policy changes that will impact the “gazelle” companies—the companies that we call “high-impact,” “high growth.” They are the ones that actually create jobs. If creating jobs is the number one priority for this country, then those are the companies that actually create net jobs. Startups have very high failure rates. The big companies lay off more people than they hire, so the net job creation for large companies is negative. The only positive net job creation comes from gazelle companies.

But somehow we got to a point where there’s no good way for a gazelle company to grow. There is no good access to capital. The market conditions are such that there is no exit and no consolidation. There are too many gazelle companies competing with each other, suppressing the pricing so that none of them can be very profitable and none of them can grow very fast. In some markets, you have 40 or 50 companies doing the same thing.

In the last 10 years, the economic conditions have been very difficult for gazelle companies. So we have to think differently about how we run our business, and the government needs to change its policies so that it is easier to do business.

**KENAN INSTITUTE:** What value does the Kenan Institute being a very unique entity. Serving on the board, I have learned a lot from them. It’s an entity that has excellent research in entrepreneurship, and they can spot the trends of what’s happening in the marketplace. They are the first ones that did the research on the gazelle companies, which is a very helpful concept.

They also do wonderful education, not only for the students that are in the university but also for entrepreneurs who are in this area. Their programs are more practical, more pragmatic, so it complements the business school’s more theoretical approach very well.