

Oriental Newsletter

December 14, 2012



Every Man Has His Strengths .Gilbert W.K. Lau



For a while now I have wanted to share my own thoughts on this topic. This is an attempt to study the merits of several remarkable figures who have recently been the focus of world attention, by looking at their journeys thus far. They are 1) Mo Yan, who just received a Nobel Prize in Literature in October; 2) Park Jae-Sang (a.k.a PSY) whose "Gangnam Style" video went viral with over 800 billion views; and 3) the two US presidential candidates, their background and their paths to become the leaders of the Democratic and Republican parties to run for head of state. Let's see what we can learn from them.

The truth is, each person has a different path to success marked by different milestones; no two paths are the same. After all, each person has different experiences, family backgrounds and environments in which they grew up. Personal development also varies, some people are born with high intelligence and good memory, strong language and numeric skills, not to mention good physical coordination, so they excel in academics or in sports; this is known as "early development" in social psychology. In Hong Kong, the general education system and the government's recruitment of senior civil servants are meritocracies, which is suited for this type of people who stand out in early development. In application, it comes with many irrational problems; it certainly does not make for a fine, impartial social system, and therefore is not enforced in Western developed countries such as the USA and the UK. For instance, university graduates joining the Hong Kong Police Force take on the position of probationary inspector as soon as

they graduate from the academy, and have direct leadership over the patrol duties of police constables. In the USA and the UK, however, whether as an undergraduate or a PhD graduate, you would start as an underling in the lowest rank, and advance only by passing open examinations. This, of course, means those who advance are superior to other candidates in intellect, general knowledge and organizational skills. This allows all the newbies to take off at the same starting point regardless of their education, for equal opportunities in learning basic operation skills and frontline knowledge. I really don't understand the management philosophy of the Hong Kong Police Force. University graduate or not, how can an inspector with no experience on the frontline or in basic operations be put in a position to lead seasoned police officers? And in such a complex social environment, isn't this just an inconceivable phenomenon? In a fair society, different ladders should be available as part of a fairness mechanism, to allow those with the ability and perseverance the opportunity to realize that "there are no latecomers in learning, only frontrunners". At Oriental Logistics, our trainee system also requires all new staff to start from basics; advancements are based on continuous assessment of performance, and everyone has the same opportunities. This is why we strongly encourage lifelong learning; continuous learning is the path on which you will find your professional aspirations on the comprehensive logistics platform that is Oriental Logistics.

Many of your friends and relatives might have been in the limelight when they were young, but their development as adults is not worth mentioning. So seize the opportunity presented to you by every challenge, big and small, and every work position you find yourself in at work. My philosophy is, life is meant to be "lived", and not to pass idly. To me, living entails facing the ups and downs, which are part of the laws of nature and beyond anyone's control. What we can do is use our own abilities to overcome challenges, and personally experience the pleasure, anger, sorrow, joy, success and failure from the process – this is the way to truly savor life. As long as we do your best, we will accomplish something. Only by pursuing our dreams would we not be living in vain. If having strived I still do not succeed, at least I can say with pride that I have lived my life with no regrets, that I have given it my all.

On the other hand, there are those like this year's recipient of the Nobel Prize in Literature, Mo Yan, who excel in "late development". There are many possible reasons for "late development", including family education, social factors, slower psychological and mental development, etc. Mo Yan grew up in a poor rural area in a turbulent society, with no formal education; he can be considered a "late bloomer". Furthermore, when we reach a certain age, having experienced so many years of socialization and accumulated so much life experiences, many of us would have very similar levels of intelligence and general knowledge. This, combined with different capability and motivation for learning, creates a great opportunity for those "late developers" to catch up from behind, often surpassing the early winners. This

is why I give our colleagues a lot of encouragement, and frequently remind them to cherish every opportunity at hand, because even latecomers can finish first. And never give up, or those harder-working colleagues would catch up before you know it.

Mo Yan - Nobel Prize in Literature





Of the four remarkable figures, let's begin with Chinese writer Mo Yan. He is the only Nobel Prize recipient of Chinese descent to be recognized by the Chinese government. This is because earlier recipients of Nobel Prize in Physics, Tsung-Dao Lee, Chen Ning Yang, as well as Samuel Chao Chung Ting, who discovered the subatomic J/Psi particle, are all Chinese Americans. Whereas the "Father of Fiber Optics", Charles Kuen Kao, holds an American, a British and a Hong Kong passport; narrowing down his nationality would be a challenge. Then there is Liu Xiaobo, whose Nobel Peace Prize

is not recognized by the Chinese government. And Bao Xingjian, who had already received the Nobel Prize in Literature in 2000, is a Chinese émigré in France. So finally with the seventh recipient, Mo Yan, official celebrations are in order. His success does not mean his rural writing style makes him superior to other writers home or abroad. Literary awards themselves are very subjective, unlike in a boxing match in which points and knockdowns determine the winner, general disputes often exist. But many of Mo Yan's works had already been honored with major domestic and international awards, and their translation into various foreign languages were highly regarded in their own rights. His win was met with a general consensus of the media. Among the four figures discussed here, Mo Yan is the most underprivileged and benefited the least from normal early education.

He was only five years old when the Cultural Revolution hit. Because he comes from a "middle peasant" background, he was forced to drop out of school in the fifth grade at the age of 12, and to make ends meet by helping other famers in the village look after their sheep and by taking on factory work. He was alone and resorted to talking to himself. He later encountered a drought and had to starve. All of this compelled the birth of a great novelist. He did not go back to school and start writing till he was 21, then at the age of 42, using his most family setting, his hometown of Gaomi, Shandong, as backdrop, he officially created his first novel combining his rural style with hallucinatory realism. The Kong Kong media, including TVB and ATV, have reported that Mo Yan's began writing for the purpose of food, but his early manuscripts were repeated rejected by publishers. Stack after stack of manuscripts were returned to him,

while others seemed to have gone missing. At one point, he even sold the movie rights to "Red Sorghum" for a mere RMB800. He had a great desire for public recognition and to make a living off his writing. His success is the result of 30 years of practice in writing, constant introspection and modification of style, and autodidacticism. His determination and persistence, and his dedication to writing novels based in his hometown are what we need to learn. Those who have read his works must find it odd to find that his choice of words is so simple and often contains local slang, yet his narratives can be so coherent and plots so strong readers are naturally drawn into the story lines. It is with perseverance and endless efforts that he has paved the way for this type of unique and extremely rural writing style. Looking at the development curve of his life, he is certainly a model "late developer".

Gangnam Style - Park Jae-Sang

With over 800 million hits on the Internet over just a few months' time, his music video has taken America by storm, even attracting the attention of Hollywood stars like Tom Cruise and Robin Williams, not to mention the numerous parodies that have been created as part of the phenomenon. His popularity has even led Secretary-General of the United Nations, Ban Ki-Moon, to meet him in the UN headquarters in New York (see image). This man is the unattractive South Korean rapper Park Jae-Sang, or PSY (short for "psycho"). His name quickly became an international sensation thanks to his smash hit "Gangnam Style" and the highly eccentric horse-riding dance steps. This shows that viewers enjoy watching the bizarre, the more bizarre the higher ratings. For an Asian entertainer trying to make it in the largely white-protestant-dominated American society, in particular, being eccentric seems to be an effective approach. A few years ago, a young Chinese-American boy named William Hung took to the stage looking like a kook and with his off-key singing. Nonetheless, he earned the praise of the American audience for having the

courage and confidence to pursue his dream of a music career, even well knowing that he is unlikely to succeed. Some of you may not understand, Americans want their young ones to be confident in life and not feel inferior to their peers. But for Chinese people, and most Asian people, we generally want our young ones to learn humility and be courteous. This is a major cultural difference. So for an Asian boy to make it in the American music industry, this may be the only way out. Similarly, would local actor Gill Mohindepaul Singh be able to play the parts that Andy Lau would and have the same fame across Hong Kong? Unlikely. Going back to

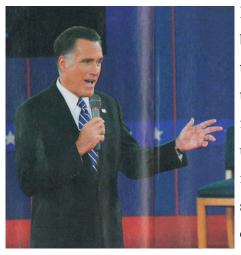


PSY, his "Gangnam Style" was a hit in the international market before it went backwards to the domestic South Korean market. Funny dance moves that put aside all regard for self-image was his key to the western market. And waiving his copyright to the music video has also helped the spread of its popularity through allowing parodies.

Although PSY had a stroke of luck, he has also devoted considerable time and effort into realizing his dream as a rapper. He dropped out of Boston University to pursue his dream at Berklee College Of Music, from which Hong Kong-renowned musicians like Joseph Koo, Leehom Wang and Chris Babida also graduated. He debuted his first album in 2001, which was followed by several Korean and English albums. Finally, with the eccentric "Gangnam Style" he came to international success. Besides the USA, the popularity of K-pop among the youths of Japan has also facilitated the success of the song. His years of learning and perfecting, using "ugliness" as a strategy to enter the US market, drawing in the audience with simple and straight-forward tunes, and packaging all of it with pretty girls and images of a bustling city together make up the perfect formula for his success. Some people may not know, but his horseriding dance moves are representative of the pursuit of sex, as are the lyrics. If he had insisted on the typical style of Korean celebrities like Rain or Ji Jin-Hee, his prospects would have been grim. He has the musical talent, but the path he has chosen is just as crucial. He has had his own difficulties in his career as well as in life. Sale of his first album was restricted due to inappropriate content, he has been arrested for possession of marijuana, his bad luck continued when he was redrafted into the South Korean military in 2007 and was only able to return to his K-pop career after two years of serving two years in the military. With the release of "Gangnam Style" in his sixth album, he rose to fame. I would say that the success PSY enjoys now can only be considered a glimpse of brilliance, whether he could continue on this path to become a top international superstar would depend on his ability to create dozens more hit songs as popular as "Gangnam Style".

Head-to-Head US Presidential Election – Obama vs. Romney

On the same day that I had planned on writing about these two, Barack Obama announced his reelection as the 45th president of the United States. We have gone from Mo Yan in China to the South Korean PSY, and now across the Pacific onto the two US presidential candidates, journeying half way around the globe to cover four of the most talked about individuals today. What are the strengths and experiences that have led Obama and Romney to the final stage of their campaigns for the highest power in America? How many clues have their upbringing, education, growing up, work, and political paths left behind for us to learn about their roads to success?



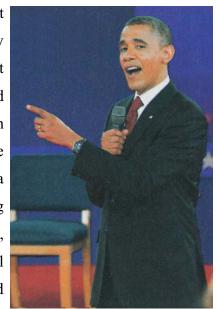
Let's talk about Mitt Romney first. He was the youngest in his family, but the favorite child of his father, who was an automobile executive to the nation's fourth largest automaker at the time. Romney is a true trust fund baby, he graduated from prestigious schools, and has a father in politics – a typical "early developer". Read on and you will understand. At a young age, he attended a top private boarding school in Michigan, his academic scores were not outstanding, averaging somewhere between B and B+, he was in the top half of the class. He dedicated himself to organizing extracurricular activities like funning

and soccer, often as team captain. This helped build up his basic organization and leadership skills. His father left the corporate world to enter politics, and was elected Governor of Michigan shortly after. Mitt Romney later on followed in his father's footsteps, leaving his business career to for one in politics, thanks to influence he had been constantly exposed to at a young age. He comes from a family of generations of devout Mormons, his grandfather was a leader of the church at one time. At the end of his first year at Stanford University, he was sent to France as a Mormon missionary. This was an important turning point in his life, not only did he experience rejection from strangers as a missionary, but he was the driver in a severe car accident involving five fellow missionaries. The accident killed the wife of the mission president and left Romney with serious injuries. Since then, his life began to change. He stepped up to the plate and became co-president of a mission that had become disorganized after the car accident, proving his leadership skills and determination in shouldering his responsibilities. Upon returning to the USA, he and his high school sweetheart Ann Davis decided to get married. After obtaining his MBA from the prestigious Harvard University, he was recruited by Boston Consulting Group (BCG). In the 1980s, he acquired many companies through leveraged buyouts, reselling them once their value peaked, making substantial profits. For this reason, his wealth is double that of the last eight US presidents combined. In recent years, he has once again helped BCG out of its financial difficulties.

What about his political career path? Even though he lost in the 1995 senatorial election, in 1999 he was hired by the Salt Lake City Organizing Committee for the Olympic and Paralympic Winter Games of 2002 as their president and CEO to save the financially troubled event. Once again, he used his business strategies (Romney's strategy in face of this challenge was to first form a team of experts to handle data analysis, to study the overall situation and identify problem areas, then to carry out the necessary remedies. This included reducing expenditure on certain aspects, increasing revenue from broadcasting rights globally, soliciting the sponsorship of various renowned brands, etc. Romney's business tactics make great case studies for us, some of which have been applied in the management of Oriental Logistics. In the end, the Olympic Games broke even, and his ability was recognized by the American public. He

was elected Governor of Massachusetts in 2002, and in 2006, he signed a health reform law to make Massachusetts the first state in the USA in which every resident is covered by health insurance. In fact, the federal health care law signed by President Obama follows the precedent of "RomneyCare". Basically, Mitt Romney's business acumen and management skills are beyond doubt, as he has proven that time and again. But it takes more than that to become the President of the United States. His deeply rooted Mormon background, his extreme conservative proposition, and the chaos the Republican Party found themselves in after George W. Bush, all became Romney's burden. Looking at the economy alone, I personally, truly believe in his ability to bring America out of its low. He is good with numbers and he has the financial resources to fund his own campaign, with the support of a handful of rich people. But is being self-sufficient enough to become president?

Barack Obama can be regarded as another model "early developer", but his upbringing is quite the opposite of Romney's. His family background is by far inferior to Romney's, or we could say he was not as lucky to have been born into wealth. His mother lived in Hawaii and was of predominantly English ancestry, she fell in love with a Kenyan and gave birth to Obama, and later got remarried to a Javanese. Before the age of six, Obama was often alone on the streets of Indonesia playing with other children, while his mother went to work teaching English. Later he moved back to Hawaii to live with his grandparents, both of whom were alcoholics. He was an average student at the local school, but thanks to the cultural diversity in Hawaii, Obama learned



about different cultures, and interacted with classmates of different skin colors, albeit remaining confused about his own background and identity. In the USA, a person's race and skin color represents many things. From my understanding, Obama is like a coconut – black on the outside, white on the inside. In the same manner, he has suffered the pain of his identity crisis with regards to his background and identity. He was also a member of the "choom gang", a self-named group of friends that spent time together and occasionally smoked marijuana. He was on the verge of delinquency.

Thanks to his hard work, he was finally admitted to Columbia University, he later took on community work in Chicago to get in touch with his roots, a common practice in African-American culture. But the black people in the community did not accept him, because Obama also embodied a strong sense of "white culture". In our 15th anniversary special booklet, I mentioned that values, beliefs and behavior are all part of culture. With the case of Obama, he was raised by his grandparents, and even though his parents was rarely around, they had a deep influence on his cultural mentality. This is why his community

work did not go more smoothly. But his desire to help the poor did not change. Later on, he entered Harvard Law School, and thanks to his ability in fusing the opinions of the majority white students with the minority black students, he was elected as the first black president of the Harvard Law Review. He graduated in 1991, got married in 1992. He was elected to the Illinois Senate in 1996, and to the United States Senate in 2004. It can be seen that Obama had a difficult upbringing, suffered from identity crisis, and lacked decent family education. But with diligence, he was able to thrive in the Ivy League to graduate from the world-renowned Harvard Law School. By way of that ladder in the social system, he made his way out of the shadow of his difficult upbringing step-by-step and into the White House, gaining control of the USA and even the world. His success and his capacity have the ability to bring together men and women of different races, skin colors, education, religious faiths and sexual orientations for a united America. This ordinary characteristic is extremely important and necessary for the American society. This is why he has been able to win the support of most Americans for a successful reelection. His struggles have been many times more difficult than those of Romney's, as a humble black man who had no financial support from his father, and striving in a nation where there had not been a single black president before him. All he had was his own endeavors in endlessly learning, and taking advantage of that social ladder for the ultimate breakthrough.

Their Paths to Success - A Reflection

It took me quite some time to gather the relevant information for a concise description of the journeys of these four individuals. I hope you can gain a better understanding of their paths to success and learn from their positive attributes. They will benefit you in your own future paths. Let me summarize:

1) Both the "early developers" (Romney and Obama) and "late developers" (Mo Yan) mentioned here have experienced major defect repeatedly, rejection and disasters. But their losses and failure led them to develop even stronger characters, which later paved the way to great achievements. As the saying goes, "Failure is the mother of success". Without experiencing defeat and the continued cultivation and perseverance, absolute, well-balanced self-improvement would not be possible. Whoever can ensure the most and learn from the experience achieves the greatest success. Take as example, between 2009 and 2010, when our company was faced with the financial crisis and the local and global economies were at a standstill, I said to our colleagues, that if Oriental Logistics could only grow under favorable operating environment and cannot advance against hardship, then the vitality of Oriental Logistics is rather limited. That chapter has since passed. Looking at the industry now, some competitors have closed down for a variety of reasons, but Oriental Logistics continues to stand strong and have even taken the opportunity to expand. Every task comes with some resistance, some even with negative momentum, it all depends on

how much determination we have, and our ability to push through the obstacles, turning curses into blessings. These remarkable figures have shown us their capabilities in this area, they are well deserving of our respect and we should learn from their perseverance.

- 2) To succeed, it takes focus and dedication to develop in a particular field over an extended period of time, like Mo Yan who spent nearly three decades' time learning to write. Romney and Obama also each spent about 20 years working towards their presidential campaigns, but neither of them could have guaranteed success. Even for the younger Park Jae-Sang (a.k.a. PSY), it took more than 10 years' hard work in his music career to make it onto international music charts with "Gangnam Style". In contrast, I have had little accomplishments over this 30-year career; in fact, had I not focused on developing in the logistics industry against all odds, I might not even have anything to show for it today. This is why it is important to understand clearly that overnight success is extremely rare. You reap what you sow. Although after putting in the efforts what you reap in the end may be less than ideal, we must understand that without hard work there would certainly be no harvest, and that in addition to hard work, appropriate techniques must also be in place.
- 3) We all have the propensity to be impetuous at times, especially those at a young age. But being impetuous impairs our ability to cope with unexpected challenges calmly, making defeat inevitable, which leads us into a discouraged and dispirited state. With this kind of mentality, success becomes an even greater challenge. In an old Chinese tale that took place on a bridge, Zhang Liang's blatant display of impetuousness in front of Huangshigong makes a good lesson for us. Though reluctantly, the young Zhang Liang went under the bridge to retrieve the old man's shoe. The old man then tested Zhang again to see if the young man had the discipline to bear his secret teachings. The old man arrived on their agreed meeting time but did not see Zhang, implying that Zhang was not keen on showing sincerity. In the end, after repeated reminders, Zhang finally realized that he had to reach the meeting place before daybreak to arrive earlier than the old man. In any case, Zhang learned his lesson. That old man turned out to be Huangshigong, who in the end passed on his secret teachings to Zhang because Zhang had shown humility, sincerity and generosity. It is worth reflecting on our own careers, how humble have we been in asking others for help and in receiving the help of others? Remember: "The greater the humility, the greater the achievement". I believe each of the four remarkable figures discussed here has their moments of impetuousness, but I also believe they have the self-restraint to earn them widespread public support. But on the other hand, if you often carry a self-righteous attitude and refuse to open yourself to other people's opinions, I can be quite sure that you would not get far. Or you would only be able to bask in someone else's glory.

- 4) Success and failures are just results, they do not come with an explanation on why you have succeeded or failed. We must analyze and identify on our own the reasons and even formulas behind our success and failure. Self-affirmation takes more than just words, it requires action, not based on memories but based on analysis, and not by covering up our flaws but by bettering ourselves. Summarize the most important points and remember them as helpful tools for life. On the other hand, when faced with failure, self-pity is meaningless. Constantly speaking of your negativity and dissatisfaction would only put yourself in a hopeless dead end. Obama did not give up on himself just because he had a difficult childhood and suffered from identity crisis. He did not blame his parents or grandparents for the poor conditions the family was in. He went through a phase of indulgence as a young man, but he quickly reflected on his own actions and was determined to fight for himself. He wrote his destiny. Mo Yan also saved himself from his misery, he worked hard on his writing, constantly modifying the style and direction of his works, ultimately earning worldwide recognition as recipient of the prestigious Nobel Prize in Literature.
- 5) Behind every success lies some degree of pain, perhaps as a by-product of ambition. As a child, Mo Yan was poor, all he had was loneliness and hunger. What is often seen as insignificant in our society today, troubled him for an extended period of time. But it was this merciless force that drove his desire to write. And Obama's first defeat in Congress stirred up a lot of conflict in his family, fortunately with his wife's encouragement he carried on his political career. That's why once elected, one of the first things Obama did was praise his wife for her tremendous support, which had kept him going on his journey. Motivation comes from pressure. It seems the success of Mo Yan and Obama are rooted in their endurance in face of pressure and their ability to dissolve that pressure and turn it into motivation.
- 6) Behind Romney's formula in business success, we can see the management philosophy of Oriental Logistics; the two are closely related. The key elements are "quantitative management", "objective scientific analysis" and "strategic management", which can all be seen in our day-to-day operation. For example, our IR and AR accident report, the KPI service level indicators of various departments, on all operational issues, the first step is objective data collection and preliminary analysis, then with the relevant colleagues we work out a resolution and a plan for its execution. "Strategic management" refers to consolidating the limited resources available and focusing on where they are needed most, so as to maximize results. And what do we mean by "objective scientific analysis"? Simply put, chemical experiments. We experiment with chemical agents. In social science, science refers to the collection of data, and identifying any correlation of the different factors through statistical analysis of data and computation, thereby establishing assumptions and drawing conclusions. Data analysis cannot be 100%

accurate, but we can always go back to verify whether the findings are correct retrospectively. Combined with continuous modification, the answer becomes apparent in the process. "Objective" means "not subjective", there is no room for personal preferences or biases. We believe that numbers are the most objective. You may not all know, but we have an special team in charge of analysis work responsible for project tenders; they carry out cost-benefit analysis as well as different quantitative analyses including Six Sigma analysis. They are a small team of two under the finance department. They often invite colleagues from other departments to assist them on the analysis of various operational and management issues. Today, effective logistics and supply chain management is about cost-effectiveness, project planning, consistent service excellence, and computerization to minimize errors. All of these rely on the abovementioned key elements of modern-day management. These management concepts have been in my plan since I started the business 15 years ago, and that particular business proposal even won me a silver award for SME ventures. Looking back at these 15 years, we have worked together to realize what were once only concepts, and they very well remain a living part of our everyday operation management. We should be very proud of this process, I certainly am very proud of those colleagues who have played a part in it.

7) Romney's defeat in the presidential election shows that having good business acumen does not necessarily imply the ability to lead a country. On the contrary, Obama lags behind Romney in business sense and management experience. This proves that while a nation or an organization needs a business leader, they have an even greater need for true leader with the affinity to bring together people from all walks of life. Oriental Logistics is no exception. We offer different types of work and in different cities and environments. And we need a leader in every one of our teams to play the cohesive role so that we can all work together toward the our goals for the company. I think everyone would agree with my views on this. Don't worry if you lack this ability now, take your time to learn to embrace different opinions. As I have mentioned before, "Perception makes behavior, behavior makes habits, habits make character, character makes destiny." I hope everyone would begin with the most basic, their "perception". Once we can change our perception, we will see changes in the world around us. A lot of times, we complain about putting in the efforts to help others, and rarely receiving the help of other people. Like we often see "angels" giving their blessings to help other people, but these angels always seem to keep a distance from us. But have we considered that when we help other people, when we give to others, we become the "angels" in their eyes? Isn't this kind of giving more precious than any valuable?

Conclusion

We may not achieve the same levels of success as the four individuals discussed here, but their journeys

in face of challenges and in overcoming defeat and failure have set a great example for all of us. When we see someone succeed, we should stop and reflect on what we can learn from them. Whether you are an "early developer", "late developer", born into wealth or poverty, regardless of skin color, gender or race, you have your very own God-given talents. Simply find your path and dedicate yourself to working hard toward your goal. We all have the potential to come out ahead, and succeed in our own rights. This is what I hope to share with you with this article.

Lastly, some words of encouragement:

The first one is for those colleagues who feel they have yet to succeed:

"Between genius and hard work, I would not hesitate in choosing hard work, because it is a catalyst to almost every success"

The second one is for those colleagues who feel they have succeeded, or are close to succeeding:

"Success is a journey, not a destination"

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