

Good morning, faculties, Students, Ladies, Gentlemen and Friends:

It is indeed an honor to be one of your distinguish speakers for your Entrepreneur Lecture Series. For the next 50 minutes, I will try to share some information with you about things we do that may be useful to you and for your future references when you enter the job market.

I would like to give special thanks to Annie Tang and Jean Ip of the Hong Kong Economic and Trade office in San Francisco, Lawrence Tang of the InvestHK in San Francisco, Anthony Wong of the Hong Kong Trade Development Council in LA and Michael Sze of the Hong Kong Trade Development Council in HK for their continuous support and the printed material provided to you today.

Information about our company and/or organization

I was born and raised in Hong Kong. My father has 10 children. I am the 8th in the family. I have attended Rosaryhill High School, a privately run Catholic School, graduated in 1973 and left HK the same year. 1973 was the year when the HK Stock Market crashed, lost 90% of its value and also the same year when Bruce Lee passed away. I will tell you a little about how I start my business in 1980. After I have finished my MBA at the Chaminade University after obtaining my BBA from the UH TIM School, I work for my former boss Carolyn Tong Chee for 3 years managing her apartment hotel in Waikiki. She has encouraged me to start my own business and promised to hire me back if I failed. It was 23 years ago. I have soon found out starting your own business with a brand new mortgage, car loan and a new baby was not easy. In many occasions, I have thought of quitting. But two persons gave me the encouragement, my father who taught me hard work, honesty and integrity and Carolyn as a mentor given me the courage to move forward. Regretfully, my father has left me in 1992 at the age of 92. But many of his hand written notes, his thoughts and his teaching continue to provide me with inspiration & support, especially in challenging times.

I am wearing two hats today, as the President and Executive Director of the Hong Kong China Hawaii Chamber of Commerce (HKCHcc) and as an Entrepreneur founded and operated more than 10 Companies for the last 23 years. My resume was provided to BYUH. I am therefore not going to spend the time to go over my business and non-business affiliations. You can read it at you own leisure. My resume is also posted on our web page under the page named "President's Corner".

I will give you a few advises. It may be applicable whether you are planning to work for someone or getting into business yourself. It has helped me and I hope it will help you.

- 1) Prepare to work hard and continue to improve your skill – learning does not ends when you finished your degree here

- 2) Learn a second language – especially if you are planning to work outside of USA
- 3) Travel to see what opportunity is out there and I am not talking about Las Vegas
- 4) Give back to your school, alumni and your community and it does not always have to be money, sometime your time and your mentoring of another student maybe you all need to do
- 5) Involve in politics, which party is not important, but be sure to get involved
- 6) Become a good ambassador of Hawaii when you travel the world
- 7) Honesty and Integrity in the things you say and do
- 8) If you are looking at commercial activities in Hong Kong and China, please consider joining Hong Kong China Hawaii chamber of commerce (HKCHcc) as student members. We are not a lunch, dinner or cocktail club, nor do we have fancy annual installation banquets. Our single focus is business and getting things done!**

I will focus today's talk on my non-profit activities. My non-profit and community service activities have been an important part of my life for more than 18 years. It has a very positive impact on my professional life. I have devoted 40% of my time working with various organizations hoping to make a difference in people's life. For the last 8 years, I have devoted much of my time with many business and community leaders trying to improve the business climates in Hawaii. We work with Chamber of Commerce, for profit and not for profit organizations to testify at the legislature to support or against legislation negatively affecting Hawaii business.

My typical 15 hours work day starts at 5:30 in the morning, 6 days per week. When I get into my office in downtown Honolulu, I will spend 15 minutes to organize my day's work, start making call to East & West Coast of USA and Canada. In the afternoon, I will make calls to China, Taiwan, Singapore and Hong Kong. Hawaii is situated at the time zone when you can conduct business with North America in the morning and Asia in the afternoon.

I would like to take a minute to find out how many of you are from the Pacific Rim Countries (HK, Singapore, China, Taiwan, Philippine, Indonesia, Japan, Korea, Thailand and others)? How many of you have visited the Pacific Rim Countries during the past 3 – 5 years?

Most of the scholars and business leaders have predicted the 21st century is the "Pacific Century" when we will experience the highest economic growth rate and business opportunities in the Pacific Asia Regions. During the high-tech boom years of 1996 to 2000 when the financial crisis hit Asia in 1997, some have expressed doubt that "Pacific Century" is nothing more than a text book idea. A series of events have proved critics wrong.

China has emerged to take the financial and political leadership in Asia. Its economy has continued to grow at 6 – 8% ranges for the past 6 years and expect to growth at the same rate in the foreseeable future. During the 1997 – 98 financial crises in Asia, most Asian countries have seen their currencies devalued 10s to 100s of times. China has maintained it exchange rate to provide stability in the region. Some has argued the RMB is not a convertible currency. But when China exports 100s of billions of goods, maintaining the relatively high exchange rate when compared with its neighboring countries did provide and continue to provide much needed stability for the region.

Hawaii is situated in the middle of the Pacific Ocean. Can Hawaii benefits from its strategic location?

Let us look at Hawaii from different prospective:

Hawaii from our prospective

From the prospective of the United States, and

From the Pacific Asia Regions with special focus from Hong Kong, China and Taiwan

Hawaii prospective

I am talking about people that live, work in Hawaii and to call Hawaii home. In the past Hawaii has been advertised as the melting port of Asia. We have a high percentage of Asian population. Does an Asia tie automatically translate into business opportunities for the State? Many of the first generation immigrants understand and stay connected with their home countries. After the 1st generation, it is not known how much of the Asian ties could really translate into business & understanding when many have lost their language skill from their original home countries. Many do not understand or appreciate their home cultural and family ties. Their generalization of our Asian ties is correct, but difficult to translate it into practical terms. I will leave it up to the scholars in the field. The aging of the Hawaii population and the brain drain are major concerns. More than 100,000 of the young and brightest have left Hawaii during the past decade.

United States Perspective

Hawaii as one of the 50th States of the USA, it has both benefit and handicap our State's ability to launch business initiatives like the "one stop visitor VISA" from selective countries in Asia. We are the only State in the Union when Air and Ship must do all imports and exports of goods. Both Air and Ship are heavily regulated by regulations like the Jones Act and others. At the same time, we have also benefited especially in the area of military. Military is the 2nd largest industry in Hawaii after the tourism. Further build up is expected using Hawaii as the forward

looking base as many military planners perceived China as United States major challenger both in business and military in the 21st century.

Asia Pacific Perspective

When you mentioned Hawaii, Hawaii has translated in the mind of the people into “Sun, Sea, Surf, Sand and Hula Girls”. When I came to Hawaii to attend the School of Travel Industry Management at the University of Hawaii back in the early 70s, comments from friends and relatives were Hawaii such a fun place, could I really focus in School? I wish I could really enjoy more of the Sun, Sea, Surf, Sand and Hula Girls when I attended college. I was taking 21 credit hours and working 60 hours per week made doing any fun things really difficult. In any event “Sun, Sea, Surf, Sand and Hula Girls” are all people think about Hawaii in 1973. 30 years later, it is still what most people think about Hawaii today.

What is the mission of the Hawaii China Hawaii Chamber of Commerce?

In short, our mission is to position our Chamber of Commerce as a dynamic player in promoting business & trade between Hawaii, China and Hong Kong.

Before I go further on what we are doing. You may want to get a little background information on how Hawaii business is being promoted in Asia in the past during the previous administrations. Why the lack of well thought out business initiatives had hurt Hawaii!

The State is being perceived as the major facilitator in tourism, trade and business in the past. We are expecting the State to continue to play an important role under the Governor Lingle’s new administration. We are hopeful that they will focus on substance over form when laying out the Hawaii business blueprint.

The State’s role in promoting Hawaii business is both a blessing and a curse.

It is a blessing in the sense that no major business in Hawaii able and willing to take the leading role to promote Hawaii business beyond our State’s boundary.

It is a curse in the sense that yet to find a successfully business model that any government really know how to run and promote businesses. Many projects were launched with focus primary on political consideration and a much lessor degree on accountability and results.

The lack of investigative reporting in Hawaii meant that anything distributed to the News Media by the government were published without questions creating the false impression that 100s of business deals were created with entities outside of Hawaii. In reality, the majority of the deals advertised were nothing more than MOUs (Memorandum of Understandings). The organizations receiving the money are not allowed to speak the truth or risk losing all future funding. We

have spoken to business executive from Hawaii currently living in the Far East. The general comments from them are messages from Hawaii is one of confuse, inconsistent and lack of direction. The State, under its new administration is trying to change it, but it will take time. We are hoping that they will engage partners focus on getting things done with emphasis on substance over form.

Why the “Hawaii Business Center” initiative is important to Hawaii?

Major airlines have discontinued direct flight to Hawaii from Asia (airlines like the Eva Air and China Airlines discontinued their Taipei/Honolulu direct flights). Other major airlines (Cathay Pacific, China Eastern and etc) have look at direct flight from Hong Kong and Shanghai to Hawaii, but ultimately decided against it.

Why are airlines flying over us?

Yield is the major reason (yield is the revenue airline get per passenger mile). When the majority of people visit Hawaii as tourist, group fares and advance purchased tickets are some of the lowest yield tickets to airlines and therefore least profitable. Airline could make up the difference through cargo revenue. But there is not enough outbound cargo to make the revenue formula work!

Inability for foreign owned carriers to pick up passengers in the U. S. Cities to continue on to another U. S. destination under current regulations made non stop flight between most Asia cities and Hawaii unprofitable.

How do we tie our business assets together and deliver a strong business message?

Much often you hear talks that we have the Super Computer on Maui, the Advance Telescopes on Maunakea on the Big Island, the Bio-Tech Research lead by the UH Medical School, the Health Care Industry, the Education Expertise in tourism and other training offered by major Universities in Hawaii including BYU-Hawaii and lots of excess capacity on underwater cable line for data transmission.

If the above are assets Hawaii can offer to the world. We are not putting together a message that is consistent and easy to understand.

Let me illustrate it this way. If you want to purchase a Rolls Royce automobile, you probably want a Rolls Royce that is fully assembled, not in a room full of Roll Royce engine parts. For illustrative purpose, The State has been telling the world that we have some of the best engine parts. But the World is looking for a fully assembled car.

We need to create a “brand” that equates “business” like Silicon Valley (meant high tech) and San Francisco (meant Banking) in California.

We probably want to continue use the “brand Hawaii” meant “Tourism” or the “brand Kona” meant “Coffee”, why not use the “brand Honolulu” meant “business”? By using a distinguished branding representing various business sectors of the Hawaii State, we will no longer promote a confused and non-cohesive message to the outside world.

After the brand is created, how are we going to use it and promote it?

We must first break the old way to promoting Hawaii business, not based on accountability, but political affiliation. We must create a level playing field. Under the previous system, thousands of dollars are passed out to do trade deals or trade mission to create massive publicity. Off the record, people in the inner circle often jokes about the annual government paid vacation and in return just signed off on trade deals publicized in news media which is nothing more than MOUs.

Once the accountability enforced and financial incentive removed, we will soon find out that those meant businesses stay and others may not hang around anymore. The initial outcome may cause the number of participants to decrease; it will soon be replaced by people focus in business and getting things done. We want to attract qualify and well informed participants.

Invite the people that are actually doing deals in the Far East to work with the State by helping them to work with each others.

Business opportunities come across the State should be information accessible to all and not in the control of a few.

It can probably be accomplished in two ways. Firstly, we can use computer match-making (similar to the one used by the Hong Kong Trade Development Council) to create a level playing field and Secondly, strengthen Hawaii Ethics rule to provide mandatory jail time or meaningful large fines for violators abused of their power (i.e. Hong Kong Independent Commission Against Corruption (ICAC)).

If you are planning to venture outside of the State of Hawaii, what should you do?

- Seek out local entities focus on promoting and actually doing business locally and internationally
- Look beyond the name – it could be misleading
- Get connected with the local Chamber of Commerce in the region of your interest
- For Americans, get connected with the local American Chamber of Commerce

- Call the organization you have in mind, find out how much do their Officers and Directors know anything about business overseas (if that is your target market) – the number of trade missions attended is not an accurate gauge for experiences as many are paid for by government as a mean to reward loyalty. It has nothing to do with trade.
- Who are their collaboration partners? Belonging to any worldwide organizations with how many thousands members has little meaning most of the time. For many non-profit organizations, the Officers' knowledge holds the key.
- If you are entering the China market for the first time, consider working with Hong Kong based companies with direct ties in China. Many of the Hong Kong firms have years of experiences deal with China, especially Southern China. The Guongdong Province alone handles more than 40% of China's trade. **The Pearl River Delta (PRD) Initiative will create a strong economical tie between Hong Kong, Macao and major cities in the Guongdong Province like Shenzen & Zhuhai. If you want more information about the PRD, send us an email.**

Once you have located a credible entity to work with you. You are required also to do your homework.

- Find out if there is a market for your products and/or services
- Consider working with a reputable partner
- Observe local rules and customs
- Invest some money and time
- Do not lose your focus – it is so often when you hear business executives came back from a foreign trip impressed, if you look closer, they were impressed by things other than business and for the wrong reasons!

Like marriage, a lasting relationship takes time to know each others before taking the dive. The wine and dine during courting are fun things. But it is by no mean a measurement for successful relation.

In closing, I would like to share with you “The Paradoxical Commandments” written by Dr. Kent Keith in the 60s to end my speech. It has shared many of my father's life philosophy in our daily teaching and dealing with people.

1. People are illogical, unreasonable, and self-centered, Love them anyway.
2. If you do good, people will accuse you of selfish ulterior motives. Do good anyway.
3. If you are successful, you win false friends and true enemies. Succeed anyway.
4. The good you do today will be forgotten tomorrow. Do good anyway.
5. Honesty and frankness make you vulnerable. Be honest and frank anyway.
6. The biggest men and women with the biggest ideas can be shot down by the smallest men and women with the smallest minds. Think big anyway.
7. People favor underdogs but follow only top dogs. Fight for a few underdogs anyway.

Hawaii Failed Business Image and Continued Missed Opportunities

8. What you spend years building may be destroyed overnight. Build anyway.
9. People really need help but may attack you if you do help them. Help people anyway.
10. Give the world the best you have and you'll get kicked in the teeth. Give the world the best you have anyway.

Thank you.