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Marketing Campaign in China case

MHG Systems

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Abstract
MHG Systems is a bio-energy ERP provider worldwide, but it has not operated in Chinese market so far. The aim of the thesis is to make a market campaign in China case. Find required partners and clean energy projects which are suitable for the service of MHG Systems.

Subject headings, (keywords)
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1 INTRODUCTION

1.1 Explanation of the final thesis

China is a huge market. To succeed in sales any start-up has to focus on specific product, service and geographic and territorial area. Also MHG Systems as a provider of MHG Bioenergy ERP Service has to take these facts into account when planning and implementing marketing and sales strategy in Chinese market.

Furthermore, to create a complete end-to-end solution various service providers are needed. To make a successful business concept and gain a market-leader position fast in such a niche-business MHG must be able to create a reliable partner network. The aim of the thesis is to identify required partners, service providers and clean energy projects in China.

1.2 The content of the thesis

Like all research projects my thesis includes different parts or steps. The main steps of the process are:

---- A survey of energy utilities and projects going on the following fields feedstock-based power, heat, biodiesel and similar production feedstock-based power, heat, biodiesel and similar production (up-date of work training report).

---- A survey of service providers and their competiveness to serve as best-match-partners in order to provide MHG Bioenergy ERP Service in various parts of China (operators, maps etc.).

---- Planning and implementation of “KISS-promotion material” for target groups. This work is done together with the employers of MHG Systems. (main benefits presented in understandable way matching with Chinese culture and decision making style for example).
A survey of mobile hardware options in order to provide MHG Bioenergy ERP Service in challenging user-environment (Chinese language, reliability, use ability, cost effectiveness etc.).

Contacting the most potential projects/customers with help of FCCC to introduce the MHG Service and ask their interest to pilot or buy the service (FECC is a Finnish Environmental Cluster for China, focus on promoting the development of cleantech industry for Finland).

Dealing with MHG’s potential customers.

Designing a business case together with FECC.

The thesis requires a close co-operation with FECC and its project organization (Finnish Cleantech Industry Promotion). Hosting Chinese visitors and media in Mikkeli is a part of the thesis. This approach helps me to understand the complexity of required communication as well as marketing and selling tactics and strategies resulting in prosperous business in clean energy production for MHG Systems.

1.3 Introduction of the company

This thesis is done for MHG Systems, MHG Systems Ltd is one of the world's leading suppliers of bioenergy ERP systems. The company utilises its partner network to produce customer-oriented IT and map service solutions designed for developing bioenergy and forest energy, and field work business operations. MHG Systems is headquartered in Finland, at the heart of one of Europe's most heavily forested areas, from where the company offers its services to customers around the world. [URL1]

MHG Systems offers its customers an MHG ERP and MHG Bioenergy ERP system and also consultation and training services on bioenergy and forest energy business operations, and field work management. In addition to the aforementioned, MHG Systems provides its customers with its know-how on modern IT technologies, mobile technology and geographical data. It also offers a technology platform which it has developed in-house [URL1].
2 ENERGY UTILITIES AND PROJECTS

In this chapter I will introduce the capacity of feedstock material, Chinese forest and biomass fuel production.

2.1 Market Potential

2.1.1 Capacity of feedstock-base

According to China's energy development trend. The biomass electronic power will become 5.5GW in China, bio fuel will become 2 million tons, biogas utilize capacity will become 19 billion cubic meter, biomass solid fuel will become 1 million tons until 2010. And biomass installed capacity will become 30 GW, biomass fuel will become 10 million tons, biogas annual utilize capacity will become 40 billion cubic meter, biomass solid fuel will become 50 million tons, biomass annual utilize capacity will account as 4% of one time energy consumption capacity until 2020 [URL2].

2.1.2 Capacity of Chinese forest

According to "the World's Forests 2005" report, the world's per capita forest area is 0.6 hm2, while for China is only 0.1 hm2. "People's Daily Forum" claims that: China's per capita forest area is 1/5 of the world's average. The forest coverage is 18.21% in 2005. If China's per capita forest area increased by 1 times to per capita 0.2 hm2, forest coverage rate must reach over 30%. The reality is that, even China plant trees at all the planned forest land, China's forest coverage can reach 28% [URL3].

2.1.3 Biomass fuel production
Today grain is no longer as raw materials of biomass fuel production. China’s national strategy is that biomass production should be turned into fuel ethanol with sweet sorghum, cassava, sweet potato as raw materials, especially suitable for saline-alkali land, wasteland and other low-quality and climate-arid areas.

Although China has a large number of saline-alkali land, cultivable wasteland and other land-poor to plant sweet sorghum, and a large number of barren hills and slopes Jatropha oil plants such as trees and pistache can be planted, there is a lack of reasonable land-use assessment and scientific planning approach. At present, although a number of jatropha and other oil-bearing plants have been planted in the southwest region, but the scale is not enough to support large-scale production of biodiesel.

Therefore, biomass fuel resource is a critical factor that constraint the implementation of large-scale development of biomass fuels [URL4].

2.2 Government strategy and policy support

2.2.1 Biomass energy policy

China will do its best to cultivate more than 13 million hectare special biomass forest until 2020. Then it can provide almost 6 million tons biodiesel and 12 million KW capacity annual wood material and biomass forest market share will account more than 50% of the total objective of biomass development in China [URL5].

From the policy perspective, China’s biomass energy development direction will adhere to the non-grain-based principle. In September 2007, the National Development and Reform Commission issued guidance, requiring no longer launch new fuel ethanol projects using corn as the main raw
material. Meanwhile in the "bio-ethanol fuel and motor gasoline" of the Eleventh Five-year Development Plan", clearly point out that government support the use of cassava, sweet sorghum, straw and other non-grain raw materials to produce fuel ethanol [URL6].

The National "Eleventh Five-Year" Plan also proposed that "speed up the development of biomass energy sources, support the development of straw, waste incineration and landfill power generation, construction of a number of straw power plants and forest wood power plants, expand the biomass solid briquette, fuel ethanol and bio-diesel production capacity. " [URL7].

Obviously, in China the forestry bio-energy development is gradually taken seriously by government bio-energy industry will be further developed in a long-term.

2.2.2 Government policy

Chinese government has decided to set up a new "smart electronic network "to let the power from biomass and other renewable energy can be used by all the people in future .Meanwhile, chinese government itself invests 10 billion to set up a company named China energy conservation investment corporation to promote energy conservation and environment protection industry and make sure that the policy and strategy will be surely implemented [URL8].

In order to ensure the steady development of biomass energy industry, the Chinese government issued a series of laws, regulations and policies and measures to actively promote the development and utilization of biomass energy. The People's Republic of China Renewable Energy Law, which in force from January 1, 2006, clearly define and confirm the China government effort to stimulate the development of wind energy, solar energy, hydro power, biomass, geothermal energy, ocean energy and other renewable energy sources in order to protect the needed energy security of the whole society [URL9].

2.2.3 Province policy
Most of the provinces are interested in new energy industry especially when the price of petroleum rise higher and higher. Thus they have created some important policies to promote the development of the industry. For instance, Heilongjinag province decide to develop the biomass energy as a strategical strategy industry. Jiangxi province has closed all the coal companies similarly. ShanXI province is planning to start 14 bioenergy projects until 2010 [URL10].

2.3 Energy utilities and projects

In this section, I will introduce some important Chinese bioenergy companies and their projects. Naturally, it is not a comprehensive list but gives a good snapshot of major companies.

2.3.1 Projects of China Biodiesel International Holding

China Biodiesel International Holding Co., LTD, incorporated in British Virgin Islands (registration number: 681276), is an international renewable energy corporation focusing on biodiesel R&D, manufacturing, marketing and investment. With the successful placing and admission to London Stock Exchange in June, 2006, China Biodiesel is using the international capital to support the development of biodiesel industry, and enjoy Chinese rapidly-growing biodiesel market actively.

The leading product of the company is biodiesel, a renewable, non-fossil fuel alternative to mineral diesel. It is produced from a variety of oils including used cooking oil or any animal or vegetable oils in origin. Compared with mineral diesel, biodiesel burns more efficiently and discharges less carbon monoxide than fossil diesel. Nowadays, it is also a good substitute for many petrochemical materials. Due to the great demand from the market, the company expects great profitable development [URL11].

For the time being, there are two core production bases: Longyan Zhuoyue New Energy Development Co., Ltd. and Xiamen Zhuoyue Biomass Energy Co., Ltd., both located in Fujian Province, South China. The company has a technical center, which has capability of scientific R&D.
The center focuses on the R&D of transferring waste animal and plant oils to biodiesel. Moreover, the company succeeded in developing some unique techniques of production and holds some patents nowadays. The company is the first one to realize the industrialization of biodiesel in China, and is becoming a leading enterprise in this area.

Due to the leading advantage in techniques, China Biodiesel is playing an important role in China’s biodiesel industry. For the past few year, CBI has taken several national important projects to promote the development of biodiesel industry, such as the National Key State Torch Project, the Chinese National 11th Five-year Plan, and etc. The company is also getting much support from the government, including some governmental subsidizes and several favourable tax policies [URL12].

2.3.2 Projects of Tian Guan group

Henan Tianguan Enterprise Group Co., Ltd, which is located in the historical cultural city—Nanyang, is one of the 50 most important fast-developing enterprises Group in Henan province. Tianguan is one of the four enterprises authorized by national government to produce fuel ethanol, and one of the main enterprises of the state new energy and high technology industry base, It is also the only national recycle economy demonstration enterprise in the alcohol industry and the only enterprise approved to establish postdoctoral center in alcohol industry. There are more than 5000 workers in the company and the total assets reach RMB5.9 billion. Tianguan has 3 manufacturing factories, 2 wholly owned subsidiary companies, 8 holding subsidiary companies, 4 joint stock companies, 1 national class engineering technical center and one provincial biofuel engineering technology research center [URL12].

Tianguan Group owns the biggest wheat milling processing production line in China with capacity of 1,050 thousand tons per year, the biggest wheat gluten production line in the world with capacity
of 60 thousand tons per year, the biggest production capacity of 500 thousand tons of fuel ethanol and 180 thousand tons of qualified ethanol, and the biggest industrial biogas plant in Asia.

The products involve seven categories such as bioenergy, biochemical engineering, organic chemical products, fine chemicals, industrial gas and electric power. The main products of the company include more than 40 products such as fuel ethanol, edible alcohol, wheat gluten meal, fully degradable plastics, glacial acetic acid, acetate, DDG feed, carbon dioxide bio-gas, etc. With the operation of Tianguan Luohe company stock-controlled by Tianguan Group. The Group’s annual sales revenue will reach RMB 4.6 billion yuan, and its taxes and profits will reach 0.2 billion yuan [URL13].

2.3.3 Projects of Jilin fuel alcohol company limited

Jilin Fuel Ethanol Co., the first large-scale fuel ethanol producer in China and Asia's largest developer of corn and biochemical technology, is located in Jilin Economic & Technological Development Zone in JiLin City, The company's first production line was officially launched 2003. The main products and production capacity are

---- Fuel ethanol 40million tons /year.
---- Lees protein feed ( DDGS ) 32tons / year.
---- Corn oil 2.25tons / year of ethyl acetate 5tons / year.
---- Processing and conversion of cor each year 126 tons .

The company continues to explore the domestic and foreign advanced technologies and processes and it has been able to developed a unique proprietary technology and processes. The leading product of the company fuel ethanol and the operations of the company has been successful and it has created social and environmental benefits to the Chinese People [14].

2.3.4 Projects of Hefei Tianyan Green Energy Development Co., Ltd
Hefei Tianyan Green Energy Development Co., Ltd is a feedstock based high-tech corporation specialized in exploring green sources and manufacturing green products. Founded in 1999, Tianyan has been applied to the design and construction of green sources engineering. Market occupation ratio of product has been over 50%, covering Beijing, Tianjin, Anhui, Hebei, Shandong, Guangxi, Guizhou, Gansu, Northeast China and so on, as well as exported to Italy, Japan, Thailand, Malaysia, etc.

Tianyan mostly develops and produces four products including centralized gas supply unit of biological substance gasification, power generator unit of biological substance gasification (fixed bed, fluid bed), heat supply of biological substance gasification and straw molding machine of biological substance [URL15].

2.3.5 Project of He Nan Province Xin Pu Straw Power Limited

Xin Pu Straw Power Limited is a feedstock based bio company located in San Straw in North China Plain, The land in that field is fertile and rich in wheat, corn, soybeans, and cotton.

The company has started a $2 \times 12$ MW cogeneration project. The total investment of this project is 200 million yuan and it covers an area of 11.73 hectares. This project was started on October 31, 2006 and it was approved by Henan Development and Reform Commission. As mentioned above, the scale of construction is $2 \times 12$ MW generating units, $2 \times 75T / H$ in the temperature, and it uses wheat, corn, cotton stalks as raw materials, the estimated annual consumption of about 160,600 tons of straw. This project will resolve the air pollution caused by burning straw, but also to solve the poor quality of fuel energy conversion. It also supports regional development such as the annual increase in income for farmers 5,000 yuan [URL16].
2.3.6 Projects of Hebei New Energy Power Co., Ltd

Hebei New Energy Power Co., Ltd. is a professional dedicated to the development of renewable energy use and cut carbon development in high-tech enterprises. It was established in June 2006. The company's main operations include: direct-fired CFB boiler straw, straw blast furnace feed and straw fuel delivery system so compact shape, with a number of proprietary technologies and patents as well as strategic partnership with Chinese Academy of Sciences, Datang Power Ma Tau power plant, in Cotton industrial companies and groups such as Malta, Spain. The company wholly owns Guantao Thermoelectric Co., a new energy and biomass company [URL17].

2.3.7 Projects of Liuzhou Minghui Biofuel Co., Ltd

Liuzhou Minghui Biofuel Co., Ltd covers an area of 3.335 hectares. It has invested 65 million yuan in Guantang Industrial Park to build a bio-diesel production line with the capacity of 100,000 tons per year. Liuzhou Minghui Biofuel Co., Ltd. is a high-tech enterprise registered in Guantang Industrial Park, Guangxi Liuzhou High-Tech Zone in July, 2006. It is mainly engaged in the production, marketing, recycling treatment and utilization of waste animal and plant oil (swill oil, plant oil residue, etc.) and of production techniques R & D.

Aiming at advancing the industrialization of green and recyclable energy, Liuzhou Minghui Biofuel Co., Ltd. is devoted to the R&D and industrialization of production techniques of biomass energy based on market operation. They produce drainage oil, animal oil and plant oil [URL18].

2.3.8 Projects of ZheJiang DongJiang Energy CO., LTD

ZheJiang DongJiang Energy CO., LTD was founded in 2006, with total investment of RMB 160 million and the registered capital of USD 20 million. The company mainly produces biodiesel,
glycerin, surface active agent, plasticizer, innoxious solvent, and vegetable asphalt rubber converting agent, etc. The first stage project has an annual capacity of 50,000t B100 biodiesel and 300,000t B2 biodiesel, and 20,000t top-grade grease chemical materials. Especially, the biodiesel is a clean fuel which takes the waste animal and plant oils, etc. the recovery biological sources as raw material, and can replace the diesel oil. As a novel clean energy, the diesel has the advantages of innocuity, safety, and energy conservation, etc., so more importance is attached to the diesel around the world [URL19].

2.3.9 Projects of LongYuan Power

Donghai Longyuan Straw Power Generation Project, the first demonstrative biomass power generation project of Longyuan Group, was formally put into production in June 2008. In the project, simply discarded crop straws are used as fuel and the combustion pattern with a bundle of fuel directly put into the furnace that was independently developed with domestic technologies has been adopted for the first time. About 180,000 tons of crop straws will be consumed annually, and the discharge of carbon dioxide can be thus reduced by 118,000 tons. It is an environment-protecting and energy-saving project that has really integrated social benefits, environment-protecting benefits, and economic benefits.

[URL20].

3 SERVICE PROVIDERS AND THEIR COMPETITIVE STRENGTH

3.1 Introduction

The aim of the chapter is to make a survey of service providers and their competitive strength to serve as best-match-partners for MHG Bioenergy ERP Service in various parts of China (operators, maps etc.).
3.2 The standard elements to get a best-match-partners

In this part I list 6 main ERP operators in China and analysis their competiveness to get the best-match-partners to promote MHG bioenergy ERP business in China. I will focus on following characteristics of the company:

---- Introduction of the aimed company.

---- Industry Position and Brand.

---- Technology and Research.

---- Marketing Channel.

---- Products Line.

---- Possible cooperation with MHG.

3.3 UFIDA

3.3.1 The introduction of UFIDA

Founded in 1988, UFIDA Software Co., LTD, is a leading supplier of proprietary enterprise ERP/management software, service and solutions in China. UFIDA went public in May 2001 in Shanghai Stock Exchange. The company was honored as a state-level Key ERP Enterprise in 2004. They are the most representative enterprise in China’s software industry, especially in ERP field [URL21].

3.3.2 Industry position and brand
UFIDA is the largest management software supplier in the Asia-Pacific and China's largest supplier of ERP software, and other softwares products like management, financial, group management, human resource management and SMB management software. It aims to be a mobile business service supplier and a world-class management software company.

From the information above we know that UFIDA is ERP leading supplier in China, and it is one of the best-known ERP brands in China.

### 3.3.3 Technology and Research

At the moment, UFIDA's products are considered to be efficient, and they offer significant benefits to their users. UFIDA is R&D system consiss of its headquarters R&D Center in Beijing, Nanjing Manufacturing Industry R&D Base, Shanghai Advanced Applications Research Center, Shen Zhen Electronic Industry R&D Campus and Nanchang Software Development Base, employing a team of 1400 specialists. UFIDA's 41 subsidiaries and branches, 60 customer service centers, 150 training and education centers and 3000 service specialists make the largest service network in China's management software industry [URL21].

### 3.3.4 Marketing Channel

UFIDA has a wide client base in China, we know that over three million users are using its software each day at the moment, and over 600000 enterprise clients use its products every year, UFIDA develops both business agents and own sales branch in these cities below: Bei Jing, Sheng Zhen, Shanghai, Tian Jing, Nan Jing, Zhe Jiang province, Si Chuan province. Sheng Yang, The analysis shows that UFIDA has more than 500 business agents and 40 subsidiaries and branch offices in China, and 60 customer service centers, 100 authorized training centers and more than 3000 sales and marketing workers [URL21].
3.3.5 Products Line

UFIDA's major lines of products are ERP/enterprise management software, group enterprise and industry solutions, SMB management software and online service, covers a wide spectrum of industries, scales of enterprises and growth stages. UFIDA has the most powerful enterprise management software R&D system, the largest scale support, implementation and training service network and the most integral industrial ecological system in China and the Asia-Pacific.

3.3.6 Possible Cooperation with MHG

Firstly cooperating with UFIDA in a suitable way. MHG's ERP brand could grow rapidly and become well knew by Chinese customers.

Secondly, it is a good way to promote MHG if UFIDA is a partner of MHG. On the other hand, if UFIDA becomes an agent of MHG, with the help of UFIDA's 500 business agents and 40 subsidiaries, obviously MHG ERP will be promote rapidly by UFIDA.

Thirdly, UFIDA is already the biggest player of management and financial ERP in China, Bioenergy ERP industry is growing fast in China, it could be possible to make a joint venture between UFIDA with MHG to run the business together. Although UFIDA is a very potential partner for MHG, MHG can also make joint venture with other ERP or bio energy companies in China to expand its market share.

3.4 Kingdee International

3.4.1 The introduction of Kingdee

Kingdee International Software Group Company Limited (www.kingdee.com) is a listed company in Hong Kong Stock Exchange. It is one of the leaders in the Chinese software industry, a distinguished enterprise management software and middleware provider in Asia-Pacific region and
a world renowned online management and e-business application solution service provider. Its mission is to lead advancement of management model of enterprises, encourage e-business and enable customers' success. Currently, Kingdee provides management consultation and informatization services to over 600,000 enterprises, government departments and organizations around the world. It's the biggest player in SME management software market in China in terms of market share for four consecutive years, In 2007, IBM and others jointly invested in the group and became its strategic shareholders. Kingdee and IBM are partners right now [URL22].

3.4.2 Industry position and brand

Actually the ERP business in Kingdee is quite similar with UFIDA. They are both among the biggest and most successful ERP companies in China. So the industry position of Kingdee is top 2 in China and meanwhile it is considered to be the best known ERP brand in Chinese market.

3.4.3 Technology and Research

The group has established software parks in Shenzhen, Shanghai and Beijing and one abroad software park in Singapore. The group serves more than 600,000 customers around the world, including Mainland China, Hong Kong, Taiwan, Singapore, Malaysia, Indonesia, Thailand, etc. So having software parks in both domestic and Singapore can support its global ERP business and expand to new ERP market [URL22].

3.4.4 Marketing Channel

Kingdee has 44 branches engaging in selling software products and providing services, as well as over 1,200 business partners for consulting, technology, implementation service and distribution. Kingdee’s sales network spans across four regions, namely Southern, Eastern, Northern and Western China, covering a total of 221 cities and districts.
Moreover, IBM, HP, Intel, SUN and Microsoft are its technology partners. Meanwhile the popular and leading consult companies like Zheng Nie Un Ce, AMT, You Zuo are its close consult partners [URL22].

3.4.5 Products Line

Kingdee product line offer those kinds of ERP as following field:

---- Financial ERP solutions for companies, organizations and administrations, Industry solutions for manufacturing industry, pharmacy, real estate, tobacco industry.

---- Commercial trading ERP and cross industry solutions ERP for group, small and medium enterprises

---- Enterprise Resource Plan (ERP)

---- Human Resource Management (HRM) and Knowledge Management (KM) software

---- Value Management (VM) manages businesses in the capital market.

---- Customer Relation Management (CRM) manages businesses in the consumption market.

Supply chain ERP:

Supply Chain Management (SCM) manages businesses in the supply market; and e-Business components process special commercial applications on Internet.

Mobile ERP:

Kingdee mobile business abides by the business concept of “Enable Your Success” of Kingdee Group, establishes an organic mobile platform integrated with enterprise, information and human
being for enterprises and takes the lead in business activities in real time. It has two sub-brands, iFly and mobile ERP [URL22].

3.4.6 Possible cooperation with MHG

Brand promotion:

Kingdee could be a potential partner, because it is a top ERP provider in China. It is one of the top three big ERP companies as same as UFIDA in China, and also a well known brand, if Kingdee could be a partner of MHG then it would be a very good way to promote the MHG brand in China.

Marketing promotion: From its channel network we know that it has 1200 business partners covering 221 cities. As a result, if Kingdee were a agent or a joint venture partner, then MHG ERP can be promoted rapidly by Kingdee's widely market network.

Localization technology promotion: From the products line we know Kingdee has Financial ERP, Industry ERP, Supply chain ERP and Mobile ERP. Kingdee has a rich experience in develop this kinds of ERP technology, and especially I would like to point out that the Supply chain ERP and mobile ERP are the products that we provided as well, in these two fields Kingdee can help us to promote a more localized systems, that's a big advantage.

By the help of its 4 software park center, we could see that the future of localized technology cooperation is very promising. Moreover, currently actually no company can provide a bioenergy ERP especially for Chinese bioenergy companies, not even Kingdee. But at least in supply chain and mobile ERP fields, it is possible for MHG to cooperate with Kingdee.

3.5 SAP China
3.5.1 Introduction

SAP is the third independent software supplier and the biggest enterprise management and collaborate business solution software supplier in the world and a listed company. SAP China established in Beijing in 1995, SAP-China has set up branch offices in Shanghai, Guangzhou and Dalian cities. As the absolute leader in ERP market.

SAP's market share rate grow 50% or even more annually. SAP in China has many partners, including IBM, Accenture, Capgemini, HP, Intel, Sun, BearingPoint, Deloitte, IDS-Scheer, Atos Origin, Abeam, PCITC, CLP & P China, Neusoft high-dimensional Fidelity, Digital, Delta, Hampshire, Gu Cheng Enterprises, purple Beyondsoft, up policy, Beijing Ao Weiao, Fujian Telecommunications Union, A. Levy Sichuan Sheng Pu, etc.. SAP works in a number of projects in close cooperation with these partners, SAP aimed to use advanced management concepts and methods to help Chinese enterprises to become more successful [URL23]

3.5.2 Industry Position and Brand

SAP is particularly focused on ERP and it is the one of the biggest IT companies in the world, SAP's brand is very professional and popular in China.

3.5.3 Technology and Research

SAP delivers flexibility and responsiveness through:

---- Service-oriented architecture: An open architecture in which functionality is aligned with business processes and packaged as interoperable services. Built for flexibility, service-oriented architecture (SOA) helps IT to meet diverse business challenges such as creating new services, processes, and products – with greater ease and at lower cost then traditional information architectures.
----  SAP NetWeaver technology platform: The unified technology foundation that runs SAP Business Suite and allows you to administer, integrate, and extend business processes and applications across your customers' business networks. With SAP NetWeaver components, tools, and applications, you can orchestrate business processes, compose applications, and deploy innovative solutions.

----  SAP BusinessObjects portfolio: Offers a broad range of tools and applications designed to help you optimize business performance by connecting people, information, and businesses across business networks [URL23]

3.5.4 Marketing Channel

SAP's marketing power in China can be describe as follows:

----  SAP Business Objects: this section has 18 business partners in China

----  SAP Business All-in-One: this section has 23 business partners in China.

----  Technology partners: this section has 6 partners as following:

        ----  Dell China Co., Ltd. Fujitsu (China) Holding Co., Ltd.
        ----  IBM China Co., Ltd.
        ----  Redflag Software Co., Ltd.
        ----  Sun Microsystem China Co., Ltd.
        ----  Unisys China Co., Ltd.

        ----  Consultant partners: this section has almost 50 partners in China.
Deposit partners: this section has 6 partners as following:

--- Atos Origin China Co., Ltd.

--- ASAP Technologies Co., Ltd.

--- Asialink Technologies (Shanghai) Co., Ltd.

--- Dimension Info Tech Co., Ltd.

--- Freudenberg IT (Suzhou) Co., Ltd.

--- IBM Global Services (China) Co., Ltd.

3.5.5 Products Line

The SAP's product line includes:

--- SAP BusinessObjects

--- SAP BusinessObjects Explorer

--- SAP BusinessObjects Edge

--- Crystal Reports [URL24].

3.5.6 Possible cooperation with MHG

SAP is a very popular brand in China. Basically a wellknown brand means that the service is valuable and has high quality. If SAP were one of MHG's agents or a joint venture partner then at least the brand of MHG will be known rapidly in China.

Move over, SAP is very professional in ERP field, It can support our technology and enhance its service, The new president of SAP China said that SAP is planning to expand to energy field. They will research new information platform that used in energy field, Thus it is a great
opportunity to make a cooperation with SAP. I strongly recommend that MHG try to be a partner of SAP, it could offer lots of advantage for the company.

3.6 Other Companies

In addition to the companies listed above there is a large number of other potential partners. Some of them are listed below.

3.6.1 Oracle China

Oracle is the world's largest enterprise software company, and the acquisition of Sun has made it the only company that can deliver a complete, open, and integrated, IT stack to its clients. The Oracle stack includes every software and hardware technology needed to manage business information and streamline business processes, and because the Oracle stack is open and integrated, it reduces IT complexity and increase its TCO [URL24].

3.6.2 Inspur China

Inspur has been the leading supplier of computing platforms and IT application solutions in China. It is also the largest server manufacturer and server solution supplier in China. With a-share companies, “Inspur Information” and “Inspur Software”, and Inspur Worldwide Co., Inspur has formed two major industries, servers and ERP, and industrial clusters of computer, software, mobile communication, intelligent terminal, semi conductor, etc. Inspur has extended its users all over China industries and governmental institutions including finance, communication, government, education, manufacturing, tobacco, etc., meeting the information-based demands of governments and corporations all-around. Inspur’s sales income exceeded 23.2 billion RMB in 2008 [URL25].

3.6.3 Digital China Holdings Limited
Digital China Holdings Limited is a leading integrated IT services provider in China. Digital China was listed on the main board of the Stock Exchange of Hong Kong Limited on 1 June 2001 following a spin off from the Legend Group. It focuses on providing customers with sophisticated and applicable IT solutions, driving technological innovations for work and life and enhancing the digitalization process in China.

In order to achieve these goals, the group is striving to become the premier IT services provider with the most comprehensive services for a majority of Chinese users. Digital China focuses on eight major business segments in the China market: IT Planning, Business Process Outsourcing, Application Development, System Integration, Hardware Infrastructure Services, Maintenance, Hardware Installation, Distribution and Retail. A full range of IT services are available to industry clients, large enterprises, SMEs and individual consumers [URL26].

Digital China has regional centres in 19 major cities in China. Leveraging on its strategic partnership with over 100 leading IT vendors world-wide and a network of over 10,000 re-sellers and agents across the country, the Group provides the best and most convenient IT services to users in China. With extensive experience in the market, the Group is a leading IT Services provider to the financial, telecommunications and government sectors. Digital China has also sustained to be the leading IT products distributor for year.

4 CHINA MOBILE HARDWARE USER-ENVIRONMENT

In order to install MHG ERP into China mobile system, the company must have some knowledge about local networks and their functions. In this chapter I make a short survey about mobile hardware options in challenging user-environment (Chinese language, reliability, use ability, cost effectiveness etc.)
4.1 Chinese language

Firstly there is default Chinese language import software in most of the China mobile phones. It is called “pinyin import”. Because Chinese word can be expressed by “pin yin”, the users just need to type Chinese pinyin words into their mobile when the users use the MHG ERP. I list here some pinyin words concerning MHG bioenergy ERP.

Biomass means “生物能源” in Chinese and pronounced as pinyin “sheng wu neng yuan”. So the users can type “sheng wu neng yuan” and the result will be “生物能源”. More examples are shown in Figure 1.
--- An example of pinyin import.

--- The pinyin “sheng wu neng yuan” means bioenergy.

--- The Chinese pinyin “sheng wu zhi” means biomass.

--- The pinyin “zhui zong” means tracking.

--- The pinyin “ye wai zuo ye” means field work.

--- The pinyin “di tu fu wu” means map service

--- The pinyin “chu shi ruan jian bao” means starter package.

Figure 1: Example of MHG ERP vocabulary in Chinese.
4.2 Mobile phone operating systems in China.

There are four operating systems in China.

The first one is Symbian, provided by Nokia. The user interface is shown in Figure 2.

![Symbian Interface](image)

Figure 2: Symbian interface.

The second alternative is Android, provided by Google. Figure 3 shows the user interface of Android.
The third operating system used with mobile devices. The user interface of Windows Mobile is shown in Figure 4.
Figure 4: Windows Mobile interface.

OMS Open mobile system, shown in Figure 5 is provided by China Mobile Telecom.
In China the most users use Symbian, Android or Windows Mobile. MHG ERP can be used in Nokia N73, thus Symbian suitable for MHG ERP. But Android and Windows Mobile are developing fast too, so those two systems can be a backup choice.

4.3 Cost of mobile internet

MHG must be able to use data transmission in their mobile devices. There are big differences in data transmission rates in different parts of the world. In China the normal GPRS cost is 1kb/0.03 RMB.
It is also possible to order a data packet to your mobile devices, some cost of the data packets are listed below.

---- 10Mega/5RMB/month.
---- 20Mega/10RMB/Month.
---- 50Mega/20RMB/Month.
---- 500Mega/100RMB/Month.
---- 2000Mega/200RMB/Month.

5 MHG TEAM “KISS-PROMOTON” MATERIAL

5.1 Marketing promotional materials

After I have been able to identify the potential customers and partners, I have to develop some material for MHG, This material can be used both in MHG’s website as a marketing material or in a business meeting with potential customers and partners.

Naturally MHG has a lot of material in different languages but not in Chinese. It’s my task to do that.

5.2 MHG website

MHG Systems has on its website a lot of material, see Figure 6.
Figure 6. Brochures of MHG Systems.

I will add the Chinese material to this site. See Figure 7 below, the second line is Chinese material.

Figure 7: Material added by me.
5.3 Chinese material

5.3.1 Introduction of bioenergy ERP

The material includes the basic introduction of MHG and the function of bioenergy ERP. See Figure 8 and 9 for more details.
MHG Systems is a leading provider of biomass ERP systems. MHG Systems' headquarters are located in Europe, the region with the highest forest coverage, serving customers worldwide. We work with partners to establish sound relationships, responding to customer needs in the biomass and forestry sectors. We design solutions based on information technology services and digital map services, enabling our clients to operate more efficiently and reduce costs.

MHG Systems provides services in the following areas: biomass, agricultural fuels, electricity, thermal energy, cutting, chipping, pellet production, timber management, and forest products.

MHG Systems offers services that help customers explore new business models and use technology to improve supply chain management and control, making the biomass supply chain more efficient.

Figure 8: The first part of the general introduction.
Figure 9: The second part of the general introduction.

5.3.2 Modules of MHG ERP

My material includes all modules of MHG ERP. See Figure 10
MHG ERP (business resource planning)野外场地信息管理系统是各种信息管理服务的集合，可以根据任意工作涉及野外场地的商业活动进行系统定制与整合。

Figure 10: Modules of MHG ERP.

5.3.3 MHG mobile and tracking service.
In this material I introduce MHG mobile and MHG tracking service. See Figure 11 and 12.

Figure 11: Page one of the MHG mobile and tracking service.
Figure 12: Page 2 of the MHG mobile and tracking service.

5.3.4 Company profile document.
This material includes the company profile of MHG. See Figure 13, 14 and 15.
知识产权:
MHG ERP 完全是在国内发展的。

管理层成员及其背景:

- Seppo, 总经理，
  是国内最优秀的生物技术和森林工程师学位的生物学家和森工专家。他有各种学科的教育背景和经验，比如芬兰森林和公司服务。例如，芬森林研究所和Soroor Enso森林中心。

- Olli Ikonen, 董事会成员。一个拥有计算机学位的IT建设和技术的软件专家。
  他在几个不同的IT领先的芬兰信息公司的角色是技术专家，比如TietoEnator，SysOpen和Tietoehdas。

- Veli-Matti Plosila, 工程管理学士，技术和软件销售经理，Plosila’s
  在设计IT解决方案服务方面有经验的专业技术。在加入MHG之前，Plosila
  应用设计和实施Mikkeli大学的IT系统和实施土地管理应用程序等项目。

- Jarmo Ylilinen, 董事会成员和销售代表。
  在超过60个国家的销售和森林专家的背景。
  Ylilinen的专长在为生物质和森林的木材采购和供应链的供应链服务，技术和操作
  方面。在成立Porin Log 公司前，Ylilinen为Caterpillar, Ekona Ltd, Pöyry
  Ltd, 和Metsäliitto等世界著名公司工作。

- Volker Blasig, SAP 专家，MHG销售代表和顾问。
  他负责日常过程信息管理(PDM/PLM)提供顾问咨询和解决方案。

我们的口号:
从技术到生活，从野外到城市。

客户情况参考:

MHG的目标客户是在以下方面的公司：能源，生物燃料，回收利用，加热供暖（森林产业，能源工程），燃料供应商，
市政部门，森林公司，森林管理协会，其他公司，森林服务和森林机械公司)主要的聚焦客户是在生物资产链投资的大企业，今天MHG的客户
遍布在世界各地的生物质的供应链。

现在的和潜在的市场:
生物质发电超过2006年整个芬兰发电量10%。一个世界记录。在芬兰经常是由400个发电
厂发电，利用不同的燃料和生产技术，生物质燃料在2020年占火力发电和生物质生产基地扩大到38%（与2008年的28.5%相比），
将增加生物能的发电量，对整棵树的砍伐从现在的300万立方米到2020年的1000万立方米。

在世界范围内，到2020年每年对生物燃料的需求可望达到1000亿欧元。另外控制CO2
含量水平的需求不断增加，价值链将推动实现实际检测方案的市场的发展。
5.3.5 MHG field work and mobile service.
This material includes MHG field work and mobile service. See Figure 16 and 17.

Figure 16: Page 1 of MHG field work and mobile service.
5.3.6 Feedstock.

This material includes the introduction of MHG’s son company Feedstock Optimum. Figure 18 and 19 show only the four slides of the whole material which is 20 pages all together.
原料优化公司（简称FSO） – 公司简介

- 原料优化公司是一家对生物材料流的利用和技术开发公司，在芬兰的物流中心和生物能源业务发展的心脏城市科沃拉市注册成立。
- 根据各公司的背景和优势互补的原则，FSO公司在2009年3月由MHG系统公司，Mainito公司，Porini Log公司和俄罗斯技术专家，博士Georg Cheremisin先生共同发起成立。
- FSO公司和全球领先的研究机构和公司的伙伴网络密切合作，为从事生物球团（球）业务的客户提供最佳的做法和技术。

Services

- 生物能能源商业服务
  - 物流
  - 采伐和运输技术
  - 生物能源的可行性分析及其他相关研究
  - 热，电，颗粒，生物煤炭生产的新兴技术（研究，市场调查，代理和市场营销服务）
  - 球团和顾问（原料研究，运营成本，市场调查，技术概念研究，电力供应等）
  - 市场营销服务和咨询
  - 合作伙伴服务（产品引进和市场推广材料设计和制作，网页设计）

Figure 18: Page 1 of Feedstock.
颗粒和生物煤炭咨询服务

- 通过可行性分析来确定项目和合资企业的建议
- 原料来源的调查，供应链建设与管理工具
- 物流和运输优化
- 装卸技术
- 终端/燃料电池分析，规划和建设
- 中间存储分析，规划和建设
- 水分监测技术
- 最后储存安全等问题，蒸汽/爆炸的风险控制
- 有关干燥和热利用技术
- 产品结构和添加剂的最优化，包括像黑色颗粒和生物煤炭颗粒类型的选择
- 质量控制实验室的服务
- 安全，防爆和防火问题
- 技术评估，生产作业，原料可利用性和客户需求
- 颗粒和生物煤炭生产和供应链的质量体系的发展和认证

生物煤炭优势

**易干部署**
- 能够在没有耕种的地方作业
- 没有现在服务或建筑

**灵活性**
- 调整到最佳生物质位置
- 利用一整个范围生物质原料

**更好的经济效益**
- 运输成本降低75%
- 价值较高的燃料可以不作改进的被燃煤发电厂利用

Figure 19: Page 2 of Feedstock.

6 DEALING WITH MHG'S POTENTIAL CUSTOMERS
After identifying potential customers and partners in China and creating some marketing material in Chinese language it is time to start the most important part--- meet the potential customers and do some business with them.

6.1 MHG's project strategy

MHG/FSO is dealing with the whole bioenergy sector, from stump to boiler/field to pelletizing plant including all the equipment and expertise needed to consult and build-up a pellet/biocoal/biogas facility. This is done by the network of MHG experts case by case.

MHG is searching for a pilot project with biomass/recycling related industry to customize MHG Bioenergy ERP for Chinese practices

MHG is doing co-operation with FECC to find customers and partners for its pilot project. FECC’s mission is to enhance and promote the business and technology. It finances 50% of the survey and the participating companies like MHG pays 50%.

6.2 Guodian case

Together with FECC MHG has been able to identify a possible partner Guodian group. Guodian group is focusing on 4 areas in cleantech as follows.

--- Energy & cost saving in thermal electricity

---- safety control in Nuclear Electricity (Guodian Group is planning to get National license in the next a couple years. that's why they are eager to seek advanced technology from Finland)
--- key instruments in wind energy industry (those "small-scale" instruments may be more flexible & easy to be introduced to China Market)

--- Solar battery.

Guodian Group is open for different kinds of cooperation, e.g. engineering consulting, process optimization, technology transfer, products purchasing, M&A, JV, training program etc.

The main objective is to achieve concrete agreement at Guodian day (May 24) at Expo, when official signing ceremony is highly expected.

6.3 Other cases

In addition to the Guodian case I have been involved with some other cases. During this process I have met representatives of companies like:

----- Guangzhou paper group.

----- China Mobile Communications Corporation.

----- Huawei Technologies Co., Ltd.

----- China United Network Communications Group Co., Ltd.

In those meetings I have been working as a translator and assistant. And MHG has used my marketing material. For confidentiality reasons I can’t go to details of these meetings.
7 CONCLUSION

The aim of my thesis was to help MHG Systems to extend their operations to the Chinese markets. Before a firm can start its operations in new markets it must carry out different kinds of studies and surveys. In my thesis I have done the three fundamental surveys:

---- Identifying potential customers.

---- Searching partner candidates.

---- Survey of Chinese mobile phone networks in order to use it with MHG ERP systems.

When a company has studied the new potential markets it is time to start the actual operations. The first step is to create localized marketing material. My task was to translate the MHG’s material to Chinese.

In additional to that I had an opportunity to take part in the business meetings with potential customers and partners, I was working there as an assistant and I also learned a lot about international business.


http://www.bioenergy.cn/bioenergy/2008/0913/182237.html


[Figure1] http://www.google.com/ime/pinyin/

[Figure2] http://www.21xa.com/news/?ID=2010-05-21&ID=13594217102

[Figure3] http://www.android123.cn/Androidzixun/46.html

[Figure4] http://www.sun0769.com/digi/mobile/compare/t20090426_485899.html

[Figure5] http://www.rd3721.com/tech/info7627.html

[Figure6] http://mhgsystems.com/index.php?option=com_content&view=article&id=154&Itemid=8

[Figure7] http://mhgsystems.com/index.php?option=com_content&view=article&id=154&Itemid=8

[Figure8] http://mhgsystems.com/index.php?option=com_content&view=article&id=154&Itemid=8