

# IM Headline

## The second round Leader Chat Box

# Impact of upcoming financial policies

The October Leader Chat Box was held on Oct. 12 at the World Trade Centre Club. Mr. Martin Glass, Deputy Secretary for Financial Services and the Treasury (Treasury) and Mr. David Stevens, Technical Adviser were honorable guests and speakers at the event. They shared their opinion of the impact of the upcoming financial policies with our marketers, representatives of the retail industry, and politics parties. Mr. Stevens explained to the gathering the reason of adjusting the tax system. He pointed out that the General Sales Tax is a wide and stable tax system and it is necessary for the government to consider implementing such a system. On the other hand, Mr. Glass presented on the structure and contents of the General Sales Tax.

Mr. Ravel Wong, our Honorary Secretary, was the facilitator of the Question and Answer Session. As marketing and sales will be affected once the government has enacted the General Sales Tax, the Q & A session was well packed with lots of comments and opinions from the floor. Notions, such as 'disparity between the rich and the poor', 'label effect' towards the poor (in view of tax exemption) were voiced strongly. Marketers also raised concerns over the absolute necessity for such as introduction at a time when the financial status of government is steady. Mr. Glass stated that the tax is to "take precautions before it is too late" and Mr. Stevens also used cited of other countries in defense.

Mr. Glass told the audience that the SAR government welcomes views from the HKIM. WhasssUp!



Mr. Ernest Ngai, our Vice Chairperson of HKIM presented the souvenir to Mr. Martin Glass



From left to right: Mr. Ravel Wong, our Honorary Secretary of HKIM, Mr. David Stevens and Mr. Martin Glass

# A nouncement

## Attention! Report of 'WIN on Marketing'

'WIN on Marketing' went on air on 3 Oct. It is jointly produced by the Hong Kong Institute of Marketing, Master of Science Programme in Marketing of The Chinese University of Hong Kong and Radio Television Hong Kong. From the programme lots of marketers have gained much marketing knowledge and learned about

Episode	Broadcasting Date	Topic	Broadcasting Date Radio programme
8	21 Nov	Promotion *Mr. KM Yim	26 Nov
9	28 Nov	Distribution Channel *Mr. KM Yim	3 Dec
10	5 Dec	Service *Mr. Ernest Ngai	10 Dec

successful stories of the industry elite. Actually, the reputation and rating of the TV programme rise steadily higher by the day.

Meanwhile, Mr. KM Yim (Chairman of HKIM) and Mr. Ernest Ngai (Vice Chairman of HKIM) are the Consultant and Guest Presenter in last three episodes. They will be sharing their marketing experiences and analysis of some successful cases and stories with us. Apart from TV programme, they will be also be teaching marketing skill on the Radio programme which will be broadcasted on RTHK Channel 1 from 8:30pm to 9:00pm.

Furthermore, more than 1000 audiences have already registered as students of our e-learning course. We have also received many enquiries about the course. Why not visit the following website for further details:

<http://marketing-edu.etvonline.tv>

Anyone and everyone can become a student of the course after they have filled in a simple registration form. There is no enrolment quota. Those students who have achieved 1000 points may be awarded with a DVD set of 'WIN on Marketing' for their own keeping. Please action now! **WhasssUp!**

## Dream of Business Starter

Mr. KM Yim, our Chairman, was invited by our honorary adviser, Dr. Michael Chan, to be a judge of 'Centennial Business Competition'. The competition is aimed at encouraging creation and implementation of business starters through the process of planning and applying their innovative idea.

After much stringent and lengthy judging, the winning team is 'Chinoiserie' whose business

is to provide one stop service of wedding such as tailoring: making eastern cheongsam and western dinner suit.

To celebrate, the ceremony cum media conference was held on 20 October. Chairman K.M. Yim attended and presented the souvenir together with Dr. Michael Chan. They also officiated the shop opening and shared the happiness with those present.

**WhasssUp!**



# Up Coming Activities

Date	Activities	Type
2006/11/18	<b>Professional Marketing Symposium 2006—Media evolves : Innovation &amp; Creativity</b> Symposium Mr K K Tsang, CEO, GroupM Mr Crid Yu, Head of Sales, Hong Kong and Southeast Asia, Google Inc. Ms Teresa Fung, General Manager, JCDecaux Pearl & Dean Limited Ms Pandora Ip, Senior Vice President, Marketing & Sales, Media, General Manager, PCCW Limited Mr Siu Sai Wo, Chief Editor, Headline Daily Limited	
2006/11/24	<b>Visit to Datatrade Ltd</b> Visit Mr. King Leung, Managing Director, Datatrade Ltd	
2006/11/25	<b>The Ultimate Buying Decision - Every Marketer and Sales Person Should Know</b> Seminar Mr James Lu Executive Director, Hong Kong Hotels Association Council member, The Hong Kong Polytechnic University	
2006/12/1	<b>Visit to PCCW now TV Chai Wan Production Studio</b> Visit Ms. Janice Lee, Executive Vice President - TV Marketing & Content Management, now TV	
2006/12/2	<b>Proficient Negotiator Training Workshop</b> Workshop 2006/12/3 Mr Hardy Law Former trainer of British Army and Hong Kong Tourist Association	
2006/12/4	<b>Hole-in-One Branding Work Camp</b> Workshop Mr. Ravel C.S. Wong <i>Lecturer, School of Journalism &amp; Communication CUHK</i> Guest Lecturer, Chinese and Bi-lingual Studies The HK Polytechnic University	
2006/12/5	<b>Integrated Marketing - Your new marketing approach</b> Seminar Mr Nicolas Pechet, Strategy Director, Fusion Consulting, Hong Kong <a href="#">Mr Rick Field</a> , Founder of Patriot Consultancy <a href="#">Mr King Leung</a> , Managing Director, Datatrade Ltd <a href="#">Mr Jackie Wong</a> , Director - Platform, CRM & BI Practice, Tectura Hong Kong Limited Moderator : Dr Lo Wai Shun, Senior Researcher, Harvard Business School (Asia Pacific Research Centre)	
2006/12/9	<b>Print Production Knowledge Workshop</b> Workshop Mr. Nolan Tam, Managing Director of Best Tri Printing Company Limited	
2006/12/16	<b>Visit to Ocean Park</b> Visit Mr Paul Pei, Director of Sales and Marketing, Ocean Park Corporation	

For more details, please contact Ms. Fung on 2152 3018 or Mr. Chan on 2104 2280

# O ur Wisdom Your Boom

## Why firms exist?

**W**hy firms exist?

Economists such as Ronald Coase have for decades attempted to search for an answer. The quest has never been easy, and the process is similar to the development of “survival of the fittest” by Charles Darwin.

After all, every firm should have a reason for existence. Without knowing the reason, it is like doing something for nothing. This lack of focus and direction will inevitably cause the firm to be weeded out in the natural selection process. In order to remain and sustain in business, it is necessary to at least define and prioritize what the firm wants to achieve.

Is it for profits? As suggested by Peter Drucker, *“business exists to supply goods and services to customers, rather than to supply jobs to workers and managers, or even dividends to stockholders. Business management must always, in every decision and action, put economic performance first.”*

However, this is not agreed by Jim Clemmer, who sees *“profits are a reward, but not a purpose.”*

Is it for social contribution? John Paul II regards *“the purpose of a business firm is not simply to make a profit, but is to be found in its very existence as a community of persons who in various ways are endeavoring to satisfy their basic needs and who form a particular group at the service of the whole society.”*

Although profit is a key determinant of the firm’s survival, profit should not be the only

factor that the firm should consider when identifying the reason of existence.

Is it both? In *Built to Last* Jim Collins found out that the great companies which stood the test of time worked hard for both profit and social contribution.

Is there truly an answer to this question which firms seldom care about? While there are no easy answers, there are answers, and the real answers are complicated.

Let’s take a look at Johnson and Johnson’s credo.

*We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services.*

*In meeting their needs everything we do must be of high quality.*

*We must constantly strive to reduce our costs in order to maintain reasonable prices.*

*Customers' orders must be serviced promptly and accurately.*

*Our suppliers and distributors must have an opportunity to make a fair profit.*

*We are responsible to our employees, the men and women who work with us throughout the world.*

*Everyone must be considered as an individual.*

*We must respect their dignity and recognize their merit.*

*They must have a sense of security in their jobs.*

*Compensation must be fair and adequate, and working conditions clean, orderly and safe.*

*We must be mindful of ways to help our employees fulfill their family responsibilities.*

*Employees must feel free to make suggestions and complaints.*

*There must be equal opportunity for employment,*

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*development and advancement for those qualified.  
We must provide competent management,  
and their actions must be just and ethical.*

*We are responsible to the communities in which we  
live and work and to the world community as well.  
We must be good citizens – support good works and  
charities and bear our fair share of taxes.*

*We must encourage civic improvements and better  
health and education.*

*We must maintain in good order the property we  
are privileged to use, protecting the environment  
and natural resources.*

*Our final responsibility is to our stockholders.*

*Business must make a sound profit.*

*We must experiment with new ideas.*

*Research must be carried on, innovative programs  
developed and mistakes paid for.*

*New equipment must be purchased, new facilities  
provided and new products launched.*

*Reserves must be created to provide for adverse  
times.*

*When we operate according to these principles,  
the stockholders should realize a fair return.*

Johnson and Johnson surely knows the survival techniques.

Without a clear understanding of the purpose of business, the enterprise may lose focus and direction easily, and may eventually go bust.

## Cash is king

Who really cares about mission and vision when profitability is the summary measurement of revenue generation and cost control? Besides MNCs, company with less resources to develop the so-called meaningful mission statement would allocate more efforts on activities contributing to profitability.

For SMEs, in order to efficiently and

effectively utilize limited resources, profit maximization rather than concept execution would be their focus. CRM? Concepts mean nothing. After all, if they fail at managing customer relationships since day one, they would not be able to survive and remain in business.

And how do they manage customer relationships?

Forget about the investment in information technology. SMEs would rather spend money on software that helps them handle accounts receivable and accounts payable than on activities that cannot be professionally managed by machines, rigid programming codes and inflexible systems. SMEs are more concerned on cash flow. Sales are strictly about closing the deal. It is easy to make a sale happen for good sales professional, but it is not easy to collect money, especially if the customer makes the payment full in credit but not in cash. Close or lose the deal really depends on the c, not “customer” as perceived by many but in fact “collection” of debts. If the customer does not pay which ends up in bad debt, then sales efforts made throughout are wasted. During this last yet important stage, who cares about the relationship? After all, cash is king.

The ratio of customers to sales representatives is also an important factor in determining how good each customer relationship can be. It is quite obvious that many-to-many won't help, as this will only create confusion in communication flow. Many-to-one is even worse because of inefficient resources allocation. Unless the one sales representative is good at customer segmentation, otherwise, the worst situation is that customers who deserve the most attention will get the least,

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and customers who don't need attention at all will receive the most. The result is going to be disastrous. One-to-one is always the most ideal situation, since each customer receives the necessary attention required, however, it is also the most expensive way to build a relationship. This is the concept of one-to-one marketing advocated by Peppers and Rogers.

SMEs usually manage customers by tier. For those who are being categorized as key customers will be handled by senior management, and the rest by sales representatives. SMEs would not advertise heavily either because they do not have the budget to reach the mass or they prefer to focus on quality and rely on word-of-mouth, this helps them maintain the ratio at a controllable level.

## Human Touches

Although customers govern the life or death of almost all enterprises, customers are only humans. They too have emotions and feelings. With the introduction of information technology, human touches seem rare. Everything handled by human in the past is now replaced by automated system.

Is this really what the customer wants? Fact is, if the customer likes to be treated automatically, then the market would not develop the shortcut buttons to bypass the non-customer-oriented step-by-step inquiry process, and allow the customers to reach the operators within the shortest time possible.

Is information technology here to help enterprises understand customers more so that they can offer services better suited to customers' needs, or is it unconsciously weakening the ties between customers and

enterprises?

As the old saying goes, "trust is earned, not granted." It is hard to build but is extremely easy to break. It takes many touchpoints to build a positive relationship, but just one bad touchpoint to ruin all previous efforts.

If at every touchpoint the enterprise can enhance the experience of the customer, trust is built. With trust, profits comes. With profits, the ability to contribute to society comes next.

This is just how it works - simple yet few firms can bring to execution. [WhasssUp!](#)

**Disclaimer: This essay does not represent any opinion by HKIM**

# I nterview

## Congratulations to our member Mr. Sean Lin for being elected as the awardee of 2006 Ten Outstanding Young Persons

and  
the birth of his daughter on 25 September 2006

BY Alice Choi Queenie Luk

### A non-marketing marketer

Sean is a charismatic gentleman.

Being elected as the outstanding young person could be the proudest moment of one's life and should be made widely known and put emphasis on. However, Sean just touches on it lightly as something trivial, but spend more time share on the wisdom of living a meaning life.

Sean does not acquire any marketing qualifications, but his marketing sense could indeed outperform any ordinary marketers. How could Sean live an excellent and wonderful life? Let's explore his story.

### Being an innovator, bringing forth the new

Sean is an innovator.

In the early 1990's, entering The University of Hong Kong (HKU) and The Chinese University of Hong Kong (CU) has been the dream among thousands of students. Unlike the majority, Sean did neither choose HKU in which his **brother** had been studying, nor CU which had already offered his an admission. He chose to enter the Hong Kong University of Science and Technology (UST), a newly established and unrecognized institute at that time. 'If you never try, you will never know,' Sean says with a smile on his face, 'everything about UST is new and innovative, like the campus, the history, and more importantly, the attitude towards education. Firstly, she reacts to changes very quickly; secondly, she

has a very open attitude, for example, she allowed me, a student who did not study any business subject before, to enter business school.' Sean's determination to be a pioneer and innovator accounts for his autonomous life in the future.

### Selling 'peace', promoting 'Hong Kong'

Sean is a policeman.

Having participated actively in student associations and contacted with the society, Sean's intention to contribute to the community has been gradually growing. While the word 'policeman' had never come to his mind in the past, Sean applied for the position of police inspector right after graduation for not only once. Finally, his wish came to a truth.

'Being a policeman is something like playing on the arena of marketing,' Sean says, 'The duty of the Police is to maintain public order, reduce the crime rate, disseminate the message of peace, promote business opportunities and finally, market Hong Kong to the whole world.' The linkage between the police and marketing is well pointed out.

### Influencing others with himself

Sean is a vanguard in voluntary work.

Having been on the frontline in the years in the police force as investigator and negotiator, Sean also holds the same position in the sector of voluntary work.

Sean's fondness in social service could be well

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demonstrated by his dedication to the voluntary work organization 'Friends Unlimited' as the chairperson and other similar associations. Alike what many people should have done before, Sean had once declined his friend's invitation as voluntary worker with the reason 'I'm busy and do not have time', until at an occasion that he finally joined, and the experience completely changed his attitude. Today, Sean devotes himself in persuading others to do the same as he does.

## Role-modeling himself for youngsters

Sean is an outstanding young person.

Having been elected as the 2006 outstanding young person in civic and social services classification, Sean amplifies his rationale behind taking part in the election, 'An award would no doubt be a significant identification to me. However, I would see this more prominently as an encouragement to youngsters to learn actively and serve the society eagerly.' He also explains that participating in voluntary work could not only broaden one's horizons and social network, but also aggregated the power through the co-operation.

## Secret of Achieving 80.20

Sean is an excellent time manager.

Although Sean carries multiple roles as a policeman, a voluntary worker and a father, he well handles everything in his life. As shared by him, the key behind that is the application of the 80/20 rule: to achieve 80% of effectiveness with 20% of time. With the rule applied, one could allocate himself more time whether to strive for a 100% result with the remaining 80% of time, or to do whatever he or she likes.

## Conclusion

Sean is a successful player on the marketing arena.

Sean has been on the one hand putting effort serving the society, and on the other hand driving others to join him with his enthusiasm, and by making use of his 'promotion channels' of policemen, voluntary workers and outstanding youth. Considered 'serving the society' is a commodity, Sean would definitely be a professional and outstanding marketer. **WhassssUp!**

**Disclaimer: This interview does not represent any opinion by HKIM**

## Sean Lin



### Birth :

8 December 1971

### Education :

MBA, MSC, BBA of Hong Kong University of Science and Technology

### Professional Qualification :

Certified Information Systems Auditor (CISA), Certified Information Security Manager(CISM), Certified Information Systems Security Professional (CISSP)

### Occupation :

Senior Inspector of Hong Kong Police

### Civil Services :

President of HKUST Alumni Association, Member of HKUST Court, Chairperson of Friends Unlimited.