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Unique Business Opportunities in China

The Dutch-Sino IT Tour 2009

Amsterdam/Rotterdam, February 27, 2009 – The current financial and economic situation is challenging. Companies need to reduce costs, must work on product development and need to find new markets. There are attractive business opportunities in the fields of IT, telecom and media sectors between China and the Netherlands. The Sino-Dutch IT Network aims at:

- Building solid relationships in the IT, telecom and media sectors between China and the Netherlands
- Promoting offshoring to China as a sustainable way of IT sourcing
- Promoting the Netherlands as the Gateway to Europe for the Chinese digital technology sectors

Our upcoming study tour to China is meant to facilitate companies and organizations in the Netherlands and China with partnering. Two main focus areas: China as a potential market for Dutch IT-companies, and China as an alternative offshore (out)sourcing destination.

One of the focus areas will be offshoring. For more than 20 years, companies in the Netherlands have been outsourcing IT-related work to suppliers in various offshore countries. There are two main reasons for offshore sourcing: the possibility to reduce costs and the availability of specialized IT skills abroad. So far, hundreds of Dutch organizations have executed offshore software projects, including small and medium sized firms. The Dutch financial and banking enterprises are the most active offshore users, including ABN Amro Bank, Aegon, ING, Postbank and Rabobank. Though as a country, the Netherlands is not particularly large, the deals that the Dutch companies have made have often been major. The recent ABN Amro Bank contract with several Indian offshore vendors was one of the largest contracts ever won by any Indian IT company.

Indian software providers started offering their services to Dutch clients more than twenty years ago. This country is now the most popular offshore destination and hundreds of Dutch firms have outsourced IT work to India. The total annual value of this work exceeds more than 900 million Dollar. As a matter of fact, the volume of the Indian software exports to Holland is almost the same as to Germany, which is a much larger country!

On a more incidental basis, software orders have also gone to many other offshore destinations. Due to the current financial and economic situation, it is expected that the Dutch offshore market will continue to grow.



The fast growth of China

The Chinese software industry has emerged to become a global player in just 5 years. In China, more than any other nation today, structural changes happen quickly. Chinese human capital indicators are as impressive in quality and quantity as those of India. According to American research firm IDC, Chinese cities are expected to unseat Bangalore, Mumbai, and Delhi in India, and Manila of the Philippines, as favoured offshore delivery centers by 2011.

The Dutch IT cooperation with China is currently limited, and only some Dutch companies do outsource IT to China, or are operating a captive center. A few Chinese IT-service providers have a presence in Holland. This situation makes China rather unknown as an offshore destination. See also: China as an upcoming IT destination, <http://www.gpic.nl/chinconn.pdf>

In order to promote China, many marketing and promotional efforts are therefore required (as the Indians have been doing for more than 20 years). Organizing a Dutch IT business mission to China is a useful option to generate publicity and to bring a group of interested companies - and potential users of offshore services - to China.

2009 Dutch IT Tour to Mainland China

■ 16–23 MAY 2009 – BEIJING AND CHENGDU

China is an interesting IT-market and a fast growing supplier of offshore IT services and is well worth a visit. From 16 – 23 May 2009 the Sino-Dutch IT Network will organize again an IT mission to the People's Republic of China. The participants from the previous trips were very positive with the informative and well-varied program, the opportunities for networking and the IT offerings in China; some have already started IT activities in China.

Growth in offshore interest

The interest for offshore sourcing is growing in the Netherlands by the day, and many companies are currently investigating the advantages of international IT collaboration.

Taking part in an IT tour is an excellent way for potential offshore users to acquire information, to network, and to speed up the decision-making process.

Focus

The next trip to China will focus again on offshoring. We expect Dutch participants from companies that are investigating offshoring; they can be from end-user organizations or from IT companies. In addition, consultants and investors will find the mission informative. Participants from other European countries can join the tour as well.

Eye-opener

The Netherlands still lacks sufficient knowledge about the promising Chinese IT sector. The goal of our business mission is to give the Dutch participants detailed information about offshoring, and especially about the opportunities in China. We will strive to have participants from large, small and medium sized companies taking part in the IT study tour.



Photo: a previous Dutch IT-delegation in Shanghai

In order to make a business trip of 7 days attractive, the delegation will visit IT service providers in two Chinese cities. The destinations will be a Tier-1 city (Beijing) and a Tier-2 city (Chengdu). The business mission will have an informal character with a visit to e.g. a university, an IT Park, an Indian company, practical network events with Chinese entrepreneurs and also with attention to cultural elements.

■ DRAFT PROGRAM

	Morning	Afternoon	Evening
Sa 16MAY2009		Departure Amsterdam Schiphol Airport	On board
Su 17MAY2009	Arrival in Beijing Transfer to hotel	Lunch Free afternoon for adjusting to time difference or culture	Informal welcome reception and dinner. Small Talk with Dutch entrepreneurs: China, culture and the IT Industry
Mo 18MAY2009	Visit to Dutch IT company Finalist	Lunch Visit a major Beijing University, Department of Science Visit software company	Dinner Lecture: First Hand Experiences, Jean- Luc Verhulst, CEO of Finalist
Tu 19MAY2009	Questions and Answers Session with the Ministry of Information Industry Software and Integrated Circuit	Lunch Visit to the Forbidden City On Special Request: meetings with Chinese IT companies	First Life China, an Unique Networking Event with Chinese IT companies in the Beijing Region
We 20MAY2009	Departure from hotel and transfer to the airport Departure to Chengdu	Arrival in Chengdu Lunch City tour	Dinner lecture: Why Chengdu is different
Th 21MAY2009	Visit to Dutch IT/BPO company Lighthouse IP	Lunch Visit to IT park and software company	First Life China, an Unique Networking Event with Chinese IT companies in Chengdu
Fr 22MAY2009	Optional: visit to IT company or: free morning for culture (e.g. panda center) or shopping	Optional: visit to IT company or: free afternoon for culture (e.g. panda center) or shopping	Farewell dinner and Chengdu by Night
Sa 23MAY2009	Departure from hotel and transfer to the airport Departure to Amsterdam	On board KL 0892 18:50 Arrival Amsterdam Schiphol Airport	(Optional: extension of the stay in China)

Organization

The organization of the Dutch business mission will be handled again by Mr. Paul Tjia, founder and managing director of GPI Consultancy, and by Mr. Victor de Pous, who has a track record of 25 years in the IT industry as a corporate lawyer and industry analyst. Victor de Pous and Paul Tjia are working together on the foundation of the unique Sino-Dutch IT Network. Several Network IT-Events already took place in Amsterdam.

During the last years Victor de Pous researched the business models and legal aspects of software in-depth. His White Paper 'Open Source Software and Politics' is available in Dutch, English and Mandarin. In 2006 he published his study 'Open Technology' on the conditions of IT provision, and in early December 2008 'The Law of IT Interoperability'.

Paul Tjia co-authored the handbook 'Offshoring Information Technology - Sourcing and Outsourcing to a Global Workforce' (Cambridge University Press, reprinted in 2007). It contains a special section on China and will be handed out to the participants, in preparation for the tour: <http://www.gpic.nl/bookTOC.pdf>

In recent years, the Sino-Dutch IT Network was invited to attend the China International Software and Information Service Outsourcing Summit in Dalian: <http://www.csio.org.cn/> and the Global IT Outsourcing Summit in Shanghai: <http://www.globalitoutsourcing.org.cn/>; Paul Tjia gave presentations.

■ BUSINESS AND MEDIA PARTNERS

Partners

We work together with the press (computer media and business magazines) and with partner organizations:

Deloitte, business advisers with a Dutch China-desk:
<http://www.deloitte.nl>




One of our partners for the China-tour is **Syntens**, an innovation-agency of the Dutch Ministry of Economic Affairs: <http://www.syntens.nl/>. Syntens conducts the project 'Opportunities for Small and Medium Sized Enterprises in China', which includes a focus on IT: <http://www.mkbkansenchina.nl/>

heliview

conferences ■ training ■ research

Heliview is a major Dutch organizer of seminars, conferences and training events. IT is one of its core areas: <http://www.heliview.nl/>. This partner plans to send out an invitation to around 20.000 of their contacts.



Established by Victor de Pous, **First Life** is the only Dutch network event where professionals in the IT-sector can meet informally on a regular basis. It takes place every month in Amsterdam. The China-tour will be promoted among the participants: <http://www.firstlife-net.nl>

Under discussion: our main mediapartner will be **ICT Media**, publisher of magazines such as CIO Magazine and TITM (Tijdschrift IT Management). It also organizes events such as CIO Day. ICT Media will promote the China-tour in its publications and also on its website <http://www.ictmedia.nl/> Readers of the magazine will receive a discount when participating. One of its journalists might join the tour.



Sino-Dutch IT Network Event

On 20 January 2009, the previous edition of the "Sino-Dutch IT Network Event" took place in Amsterdam (16:00 - 19:00 hours, in Restaurant Dauphine). The central theme was the growing IT-cooperation between The Netherlands and China, and the purpose of this informal event was to foster personal relationships. The upcoming China-tour will be promoted among the its contacts.

Dutch Sponsors:



<http://klmclubchina.com>



<http://www.finalist.com/>



<http://www.lighthouseipg.com/>

Participation

Logistics / arrangements

- The above program of the tour is meant as an indication; the exact program will be arranged in consultation with participants and local organizations.
- It is our experience that participants often prefer to travel on their own to and/or from China. In case of an earlier arrival, the participants will make their own reservations and will pay the costs involved directly to the airline and the hotel. Participants will arrange a visa for China and travel insurance. Also medical vaccination – if required.
- On 17 May, the studytour will commence and the participants will meet in Beijing. The participation fee for the tour includes hotels in China (17-23 May), all transport within China, organizational costs, match-making arrangements, company visits, guides, lunches and dinners. The total fee is 3600 Euro (excl. VAT) will be invoiced by GPI Consultancy. It does not include the air ticket from Amsterdam to China v.v.
- A discount is applicable if a company has more than one participant.
- Partners of participants are welcome to join this tour. A separate program, with a focus on tourism, will be arranged for them.
- The organization has the right to cancel the mission in case of insufficient registrations or calamities.

Further information

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