

If there's anyone who knows how to spot an opportunity in China, it's Tan Yew Sing, president and founder of Inti College Malaysia (Inti). That's why today, Inti is arguably the most successful among Malaysia's private colleges at tapping China's education market. Over 800 students from China attend Inti's colleges in Malaysia, probably the single biggest Chinese student population in the country.

Apart from recruiting students directly from China, Inti also franchises its educational programmes in China — five educational institutions in China (in Beijing, Shanghai, Wuhan, Xian and Hong Kong) currently offer Inti's franchise programmes, and another three are expected to sign up by the end of this year.

Tan believes Inti is the first Malaysian private college to adopt the franchising strategy in China. Inti's franchise model isn't big on franchise fees, only earning the group mainly royalties, but it's an important tool for tapping the China market.

"These [Chinese franchise partners] become our feeder colleges," says Tan. Students taking Inti's franchise programme at Wuhan's Hua Zhong Normal University, for example, study the first one or two years of the programme in China, but complete the final year in Malaysia. Not only does this boost Inti's Chinese student numbers in Malaysia, it also ensures that its colleges get a steady stream of serious, "high quality" students.

"[When you] recruit directly from China, sometimes you get good students, sometimes

INTI BUILDS A BRAND IN CHINA

recruit students who are not sincere [in wanting to complete a course]," Tan explains. "But when you have this franchise model, the students coming are genuinely sincere, because they have to study two years before they come."

Building the Inti brand name and a network of educational partners in China took some doing, but Tan saw the potential of China's education market early on.

In 1993, Inti was still privately held under Inti Higher Learning Centre Sdn Bhd (the group is now listed on the Kuala Lumpur Stock Exchange under Inti Universal Holdings Bhd).

Malaysian corporations were flocking to China and signing hundreds of memorandums of understanding (MoUs) with Chinese partners, but the education market would remain closed to Malaysian colleges until a 1997 agreement on educa-

the Malaysian and Chinese governments enabled Malaysian colleges to recruit students from China.

It wasn't the easiest time for a Malaysian private college to enter the China market, which is why Inti Higher Learning Centre's shareholders decided against venturing into China directly. But a company called Inti Education In-

ternational Ltd (IEIL) was incorporated in Hong Kong in 1993, which would set up a small operation in Beijing — the Beijing Inti Management College.

Two-thirds of Inti Higher Learning Centre's shareholders, including Tan, took up stakes in IEIL (the other shareholders, who were more risk-averse, chose not to).

Today, the Beijing campus has about 700 students, some of whom come to Inti's Malaysian campuses to complete their studies, but it was

ning, says Tan, who is the non-executive chairman of the IEIL board.

IEIL was one of the earliest foreign investors in China's education sector and, as a result, the Chinese government was quite wary of it.

"I still remember at that time [the government was] quite resistant to all this, but we told them to let us set up [and] if anything went wrong, then they could stop us," Tan recalls.

IEIL worked with the local Beijing Machinery Technical University to set up Inti Beijing, which began life in rented premises.

The company was in the red for the first few years, and it was only after the 1997 agreement that things began to turn around — the Chinese began to have a better understanding of Malaysian education, and Inti Beijing became profitable.

IEIL's profits may not contribute directly to Inti College Malaysia's bottom line, but by getting involved in China early, Tan has built up the Inti brand and established strong ties in China.

Take Inti's relationship with Beijing's Tsinghua University, one of China's premier



Tan: As far as educational institutions