

VALUE OF RELATIONSHIPS

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tertiary institutions. Tan has nurtured this friendship since 1993. In 1994, Inti and Tsinghua signed an academic exchange agreement; a few years later, Tsinghua translated one of Inti's MBA programmes into Mandarin for the China market.

Last year, Inti set up an office on the Tsinghua campus (the Tsinghua-Inti Training Centre). Tsinghua has granted Inti Management Services Sdn Bhd, an Inti division, the right to offer its "Study in Contemporary China" programme to senior executives from Singapore, Malaysia, Indonesia, Vietnam and Bangkok.

The six-day executive seminar on business and investment in China, conducted at Tsinghua, has attracted senior managers and business owners, including managing directors of public-listed companies in Malaysia. Inti has already sent two groups for the programme this year, and plans to organise a third group, of English speakers, in October. Inti is also hoping to work with Tsinghua to offer Mandarin classes.

It takes time to build relationships like this in China, and that's where being an early bird in China's education market has helped. "We have to spend time nurturing [relationships before talking about business]... that's why it was good we started early." This is especially true in the education business: "In education you cannot start on your own, you must have a local partner, or franchise," he adds.

Having laid the groundwork and established Inti's presence in China, Tan has begun to reap the benefits and is now in a position to plan his next move. "As far as educational institutions go, Inti is a pioneer in China. We went in, we have a lot of students coming in because of our franchise agreements, we have a good network in China," says Tan. The question is, when and how should Inti use all this?

Tan says Inti will continue to develop its franchise strategy in China. For example, he plans to franchise certificate-level courses for working adults in China. But the question of whether the group should invest and set up campuses in China is still "under intensive review."

"China is attractive," says Tan. "If I want to set up a campus in many towns, will they want Inti to go in." Still, Tan and his partners are deferring a decision until the regulatory framework for private education in China becomes clearer, with new statutes expected this year. "I don't want to over-invest in just one country," he explains.

For now, franchising remains Inti's main strategy, not just in China but in other markets as well. With the franchising model, if the government changes its policies towards private education, Inti can leave the market without losing much.

"If you build, the payment period is very long. Once you build a campus and put in, say, RM160 million like we did in our Nilai campus, and if the Chinese government changes its mind, what do you do?"

But Tan is hopeful that China's private education market will come more attractive, going forward. "I think within this year the government will come up with another Act ... to mobilise the private sector involved [in education], with better terms and incentives," says Tan. "[The policy towards private education] will be more aggressive, more liberal; there will be a bigger market," he adds.