



Staying ahead of the curve

In a constantly dynamic field, young Chinese entrepreneurs are helping the Jewish state break into – and remain relevant in – the lucrative Chinese market

By NOA AMOUYAL

“There is a Chinese proverb that says, ‘Consider the end of a journey as its beginning,’” Holo Zheng said from TechCode’s office located on Tel Aviv’s bustling Rothschild Boulevard.

Before meeting Zheng, our texts messages were in Hebrew, and upon arriving at her office I was greeted by her dog, which she recently adopted here in Israel.

Unlike most expats, Zheng has fully integrated herself into Israeli culture. As the general manager of TechCode Israel, the first China innovation center in the country, Zheng is an example of the new face of Israel-Sino hi-tech cooperation: Israelis and Chinese with a foot firmly – and warmly – placed in both worlds.

While that ancient Chinese prov-

erb was meant to explain the TechCode philosophy – which believes in a holistic approach to identifying end-goal demands to enter a certain market and work backwards – it can also exemplify the Chinese millennial generation’s need to predict the needs of the ever-evolving hi-tech market and stay ahead of the curve.

For them, the end is not a mere destination, but truly the start of a journey.

Zheng is also a former member of the Israel-Asia Leaders Fellowship, which builds a network of young Israeli and Asian professionals looking to establish long-term, strategic partnerships in their area of expertise.

The fellowship, run by the Jerusalem-based Israel-Asia Center, is an eight-month program that provides

future leaders from Israel and Asia with the skills, knowledge and networks to become force-multipliers in strengthening Israel-Asia relations throughout their future careers.

According to Israel-Asia Center founder and executive director Rebecca Zeffert, nurturing the future Israel-Asia leaders in key influencer fields is critical for ensuring a secure and prosperous future for the State of Israel in this Asian century.

Considering just how much Israel has to gain from China, in particular the country’s rapidly evolving economy, the onus is on Israel to understand the needs of its dynamic



market, she said.

"While China's interest in Israel may focus on investment in technology and innovation today, Israel needs to be thinking about how to continue to nurture this relationship with China for the decades to come, especially as China is increasingly strengthening its own innovation capabilities," Zeffert said. "Israelis need to be more keyed-in to developments – both on the ground and at a leadership level – in China, in order to better understand and identify new areas for collaboration and longer-term opportunities."

And what better way to do this than tapping into China's next generation?

Today, there are more Millennials in China than there are people in North America.

According to Zak Dychtwald, author of *Young China, How the Restless Generation Will Change Their Country and the World*, "A young generation is coming of age in China that has already begun to lead the nation's powerful economic and political future. They impact and often define every market they enter.

"Whether you're trying to score a job at your local manufacturing plant, get your kids into college, plan a trip anywhere in the world or sell soda, cellphones or solar panels, this young Chinese generation will impact you personally and professionally over the next half-century," he added.

That is certainly true for Israel, which is why sage advice from Zheng should be taken seriously, not despite her age, but

because of it.

"However, they are also an incredible resource to be tapped into – in terms of their knowledge, ideas and perspectives," Zeffert asserted. "They are highly educated and dynamic, and over the past few years have been witnessing tremendous social, economic and tech trends in China. They're avid users of social media and cashless payments revolutions that are beyond anything that yet exists in the West – developments that are changing the face of how China's 1.3 billion people buy, sell, communicate and make decisions. Any Israeli company or university looking at accessing this market should be listening to them and taking note."

DURING OUR hour-and-a-half conversation, Zheng spoke about the ins and outs of the hi-tech market with the acumen and knowledge of a seasoned veteran – no doubt due to her successful background as a producer at Shanghai Media Group.

While her tone and demeanor may come off as modest, she knows of what she speaks.

In Israel, Zheng runs TechCode's Israel office which describes itself as "a network of incubators and accelerators, with specific specialization and emphasis placed around innovative automotive and IoT [internet of things] start-up companies and small businesses."

With offices spanning seven countries around the world, TechCode helps companies formulate their recipe for success to enter the lucrative Chinese market.

Zheng came to Israel after obtaining her master's degree in the United Kingdom. There, feeling unfulfilled professionally, Zheng was inspired by Singapore's former prime minister Lee Kuan Yew's memoir, which had a chapter that read as a love letter to Israel. Zheng believed that some time spent in the

Start-Up Nation could help launch the next phase of her career.

"There was no place to activate what I learned. I was a seed with no soil," she said of her time in the UK.

Companies like TechCode were not born by accident. China is now undergoing a sea change about how it does business: "China's innovation policy puts entrepreneurship and innovation first. Every individual and company is taken into consideration. This is now the motto of government officials," she explained.

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– Rebecca Zeffert

"We set up programs and provide customized road maps for companies looking to break into a foreign market, usually China," she said. "We also work with the Israeli government to see how our companies can benefit from local government policies."

While the Sino-Israel partnership remains strong, TechCode aims to go beyond making noise in the media.

"Israel is getting a lot of attention from China and vice versa. Attention is not what we need now. What is missing is a coherent methodology. There are Chinese companies reluctant to set up shop in Israel





REBECCA ZEFFERT, founder and executive director of the Israel-Asia Center, speaks at a conference. (Israel-Asia center)



GENERAL MANGER Limin Wang helps industries that are expected to make a big splash in China in the years to come. (Israel-Asia Center)



HOLO ZHENG, general manager of TechCode, speaks at an Israel-Asia Center event. (DayDayUp)

because there is no integrator here,” she said, explaining TechCode’s work to fill that void.

Recently, TechCode launched its Path to China program, which helps Israel work with companies in smart mobility, artificial intelligence and big data realms. As for working with China specifically, the company offers training programs so Israelis can become acquainted with best practices needed to operate in the country.

THE NUMBER of Chinese investments in Israeli venture capital funds has declined since the banner year of 2014, dwindling from nine to three funds, according to an IVC Research Center report from February. The total amount of money raised by funds with the participation of Chinese investors has also gone down, from \$1.3 billion in 2014 to \$360 million so far this year.

However, Zheng is not dismayed. She believes more start-ups will enter the Chinese market in the years to come, especially ones in the automotive industry.

That’s not to say that bringing the two peoples together in business is always smooth sailing.

“There’s sometimes difficulty in understanding needs and goals from both sides,” Limin Wang, general manager of DayDayUp in Israel said. Wang, who, like Zheng, is also an

alumna of the Israel-Asia Center’s Israel-Asia Leaders Fellowship, like Zheng, works to connect China to potential innovators around the globe.

Their “shared office space houses entrepreneurs and innovators from around the world, and serves as a platform for promoting cross-industry and cross-cultural connections, communications and collaborations,” the company’s website explains.

As such, at their Tel Aviv office, Wang has a front-row seat to the future of the Israel-Sino hi-tech cooperation.

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– Holo Zheng**

“Sometimes intentions are not always clear. Chinese companies want Israeli companies to stay focused solely on the Chinese market, while Israelis always want to diversify into the United States and Europe as well. And sometimes Israelis find navigating Chinese regulations daunting,” Wang said.

To combat this, they provide sem-

inars, exclusive dinners and demo days for their major partners to help them understand these regulations and the complexities of the Chinese market.

At DayDayUp, the accelerator looks to industries that are expected to make a big splash in China in the years to come. Smart cities, health care and Industry 4.0 – a kind of automation and data exchange in manufacturing technologies, like cloud computing – are just some examples of such.

They’ve connected huge multinationals like Airbus, BMW and MetLife to China, and in Israel work closely with the Economy and Industry Ministry. In Israel, they work with some 80 start-ups that are engaged in their six-month tailor-made accelerator program.

“We provide Israel with the largest hi-tech market in the world. China is right now rapidly transforming to an innovation-based economy and this presents huge opportunities for the Israeli economy,” she said.

Zheng agreed the sky is the limit for this blossoming partnership on a cultural and commercial level.

“People here are very optimistic, hard-working, but have an open-minded spirit to everything they do,” she said. “The Chinese are very goal-oriented, but cautious. So the two cultures working together is a beautiful mixture.” ●