

# **Training Service Market in China: A Comparative Case Study**

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*Along with China's reform and opening, various sectors of Chinese society have witnessed tremendous developments, as reflected in the evolution of the educational training market. However, it is clear to see that the success of similar cases depends largely on the cultural and spiritual elements of the businesses. Successful organizations largely benefit from a positive and respectable corporate culture initiated and strictly followed by their founders. There is a hope for China's future educational training market to benefit from a combination of a positive and respectable culture with a well-established organizational structure inherited from the traditions.*

## **BRIEF INTRODUCTION ON CHINA'S TRAINING SERVICE MARKET**

### **Scale of China's Training Service Market**

The emergence of the non-degree training services in China started in the 1990s and such businesses began to flourish in 2004 after the central government issued the "Private Education Promotion Law Implementation Regulations". Its total market value has maintained an average double-digit growth over the past years. International Data Group (China) estimated that China's private spending on education totaled RMB 560.8 billion in 2008. China's education and training industry reports show that education and training market value exceeded RMB 680 billion in 2009 and that it could reach RMB 960 billion in 2012 (representing a CAGR of 12%), equivalent to the total land transfer sales volume in China 2008 (Cao, 2013).

### **Training Service Providers**

Driven by strong market demand, China's private training institutions have mushroomed across China. Currently China has nearly 120,000 such institutions. From a national perspective, the majority of the high quality training service providers clustered in Beijing, Shanghai, Guangzhou, Xi'an, Chongqing, Chengdu and Wuhan, all with high concentrations of colleges and universities. Beijing has about 2,500 such institutions with relatively big size, Shanghai, 2,200 and Guangzhou 1,800. For training service institutions with relatively healthy operations, their profit margins are generally above 30%, and could reach as much as 70%. However, generally speaking, China's training service market has demonstrated characteristics of "big market small workshops". Looking at Shanghai for example, training companies with annual profit exceeding RMB 1 million accounts for 60% of the total and those with annual profit exceeding RMB 10 million accounts for only 2.1% of the total. Currently no Chinese training service provider has market share of 1% (Wen, 2013).

### **Businesses of Training Service Providers**

Based on customers' age group, we could classify China's private training service industry into four sub-segments; early childhood education, primary and secondary school tutoring, training for overseas studies and vocational education. In addition, based on the ways that the training services are delivered, we could also identify face-to-face training and long-distance training, i.e. offline and online training, as two distinct types of services. Based on the training contents, we could classify the industry into professional trainings for special skills, foreign languages, IT and accounting, management training, financial training and exams-oriented training. All of these content type classifications have very broad market but foreign language training and IT training are the two key pillars that support China's training service industry.

### **Ranking of the Training Service Providers**

Ranking of China's listed training service companies based on market capitalization. So far, of the 13 Chinese training service institutions listed in overseas capital markets, 11 of them are listed in the United States. The date and location of each IPO is listed below (Wu, 2013):

**TABLE 1**  
**CHINESE TRAINING SERVICE INSTITUTIONS LISTED IN OVERSEAS**  
**CAPITAL MARKETS**

	<b>Training Service Institutions</b>	<b>Time</b>	<b>Location</b>
1	<b>Oriental Century</b>	<b>2006-6-1</b>	<b>Singapore Stock Exchange.</b>
2	<b>New Oriental</b>	<b>2006-9-7</b>	<b>New York Stock Exchange.</b>
3	<b>ChinaCast Education</b>	<b>2007</b>	<b>NASDAQ</b>
4	<b>Noah Education Holding</b>	<b>2007-10-19</b>	<b>New York Stock Exchange.</b>
5	<b>ChinaEdu</b>	<b>2007-11-11</b>	<b>NASDAQ</b>
6	<b>China Education Alliance</b>	<b>2008-1-29</b>	<b>NASDAQ</b>
7	<b>China Distance Education Holdings</b>	<b>2008-7-21</b>	<b>New York Stock Exchange.</b>
8	<b>China Education Alliance</b>	<b>2010-1</b>	<b>New York Stock Exchange.</b>
9	<b>Ambow</b>	<b>2010-8-5</b>	<b>New York Stock Exchange.</b>
10	<b>Global Education Group</b>	<b>2010-10-8</b>	<b>NASDAQ.</b>
11	<b>TAL</b>	<b>2010-10-20</b>	<b>New York Stock Exchange.</b>
12	<b>Xueda</b>	<b>2010-11-2</b>	<b>New York Stock Exchange.</b>
13	<b>Modern Education</b>	<b>2011-7-4</b>	<b>Hong Kong Stock Exchange.</b>

We can see that all the elite players are listed in the capital markets in the US and they represent the key training service companies with strength and niche market. Their ranking based on market capitalization is listed as below:

**TABLE 2**  
**STOCK PERFORMANCE OF THE US-LISTED CHINESE TRAINING SERVICE COMPANIES**

Stock Code	Company Name	2012.12.31	2011.12.30	Issue Price	Increase/Decrease	Trading Volume (10,000)	Market Capitalization (RMB 100million)	PE Ratio
EDU	New Oriental	19.43	24.05	3.75	-19.21%	278.00	30.77	22.33
XRS	TAL	9.60	9.97	10.00	-3.71%	11.26	7.44	24.62
XUE	Xueda	2.45	3.49	9.50	-29.80%	5.54	1.64	245.00
AMBO	Ambow	2.25	7.10	10.00	-68.31%	4.03	1.63	22.50
ATAL	ATA	6.97	7.50	9.50	-7.07%	2.98	1.60	26.81
DL	China Distance Education Holdings	3.95	2.17	7.00	82.03%	1.90	1.34	16.19
CEDU	ChinaEdu,	5.81	5.78	10.00	0.52%	1.56	1.04	22.18
NED	Noah Education Holding	2.30	2.15	14.00	6.98%	2.78	0.8668	N/A
CAST.OTC	ChinaCast	0.09	6.12	6.05	-98.53%	21.80	0.0441	0.29
CEALOTC	China Education Alliance	0.42	0.61	5.50	-31.15%		0.0439	N/A

Note: based on three-month average trading volume

### Merit-Based Ranking of China's Business School

As most training services for senior management are provided by business schools, we use the ranking of China's business schools as a measurement to evaluate China's training service sophistications. The list below is ranking of the most valuable business schools in 2010 (the four benchmarks are post-MBA salary increase rate, work experience (years), annual salary before MBA (RMB 10,000), first-year annual salary after MBA (RMB 10,000)) (Ruan and Zhou, 2010).

**TABLE 3**  
**LIST OF THE MOST VALUABLE BUSINESS SCHOOLS IN 2010**

	Post-MBA Salary Increase Rate	Work Experience (years)	Annual Salary before MBA (RMB 10,000)	First-year Annual Salary after MBA (RMB 10,000)).
China Europe International Business School	114.9%	7.3	11.9	25.6
Guanghua School of Management, Peking University	108.0%	5.2	6.1	12.7
Tsinghua University School of Economics and Management	89.2%	6.3	7.7	14.5
MBA Centre, Lingnan(University) College, Sun Yat-sen University	83.4%	6.1	7.0	12.7
Beijing International MBA at Peking University, BiMBA	81.7%	7.5	13.6	24.7
School of Management, Fudan University	77.8%	7.3	8.8	15.7
School of Business, Renmin University of China	77.8%	5.5	5.1	9.1
Antai College of Economics & Management, Shanghai Jiao Tong University	77.6%	6.4	8.7	15.5
Business School of Nankai University	77.0%	6.4	5.1	9.0
Business School of Sichuan University	76.6%	8.3	4.8	8.4

Based on the two sets of rankings above, we can easily see that New Oriental is the clear leader among the listed training service providers in China and that its market capitalization is more than the rest of the listed companies combined. China Europe International Business School is the No.1 business schools in China, and it also ranked as the best business school in China in 2011 and 2012 by Forbes. Why are these two training services providers ranked highest? The author believes that organizational culture and spirit is a key determinant

## COMPARISONS OF CHINA'S TRAINING SERVICE PROVIDERS

In this section, the author uses case studies to illustrate the cultural and spiritual aspects of China's most successful, less successful and promising training service providers. In a country's training service market, the service providers are the only active factors that determine the present and future of the market.

### Successful Service Providers

The author chose New Oriental and CEIBS as the examples of China's most successful training service providers. New Oriental represents China's best private training service provider, while CEIBS represents the most successful Sino-foreign joint venture training organization in China.

#### *New Oriental*

"New Oriental" was established in 1993, and by the end of 2012, had established 664 branch campuses and training centers across 48 cities in North America and China excluding Beijing and Shanghai. The school has provided tens of millions of student trainings and in 2011 the number of registrations exceeded 2.4 million. As early as 1999 when New Oriental received only 800,000 students annually, more than 30,000 students achieved TOEFL scores of over 610 and tens of thousands of students scoring the GRE test at 2,000 or higher. A large number of New Oriental students got higher test scores on the international scale. For every TOEFL test, as many as several dozen of the school's students earned perfect scores of 677. Among the students going to the US for MBA studies from China, more than half of them have been from the GMAT class at New Oriental; and in various universities in the US and Canada, more than half of the Chinese students are New Oriental alumni.

*Culture:* The core element contributing to New Oriental's success is the New Oriental culture, the core component of which resides in the New Oriental spirit. Describing this corporate ethic, founder and chairman Yu Minhong said, "it's about being committed to excellence, challenging the extremes, breeding hopes in desperations and pursuing achievements out of arduous efforts." Over the past two decades, Yu Minhong took the lead in putting into practice of what he said. In 2008, Yu Minhong wrote an article for the school's 15<sup>th</sup> anniversary called "time passing as a song" in which he elaborated on the creation and sustenance of the New Oriental spirit:

"All the students coming to New Oriental are able to personally feel the existence of a 'spirit'. They come to New Oriental in the hope of meeting the requirements of some English tests or enhancing their language proficiency, but as long as they step into the classrooms, they would be greeted by a passion, a drive to excel and an attitude to love what you live. Over the past development over almost 20 years, New Oriental has successfully integrated two key elements into its way of teaching: humorous language and encouraging inspirational education. It is safe to say that these two elements distinguish New Oriental from others. It is particularly true for the inspirational education which has been a tradition of New Oriental for more than a decade. Many students came to New Oriental frustrated but and upon listening to the professors' lectures, were enlightened to find that life could be much more exciting than it had been and more importantly that glory can be achieved through persistent hard work.

Making failures succeed and make winners even more successful has become the core of the New Oriental spirit. We have always stressed such a belief: never giving up and surrendering to failure in face of difficulties, challenges and unsuccessful attempts is the sole gateway to success. Such an educational philosophy stems from my own experience. I made three attempts in the college entrance examination before being admitted by Beijing University, took a one-year sick leave after being infected by tuberculosis, and sought to establish New Oriental with prolonged hard work following unsuccessful attempts to go abroad over three years upon graduation from Beijing University. It was those rounds after rounds of fighting against failures and illnesses that made me stronger and instilled in me a firm belief that I can make a space for myself in this universe. So I told my story to my students and whenever they heard my encouraging experience and a visible path to success through hard efforts, I could see their faces lighting up and their eyes burning with anticipation for the future.”

*Model:* It's safe to say that what made New Oriental a success is not its distinct business model but its unique educational model. The New Oriental spirit has been fully reflected in its way of teaching. Yu Minhong further commented in its “time passing as a song” that “in the gradually established process of teaching, I intentionally divided the inspirational education into three parts. The first part is about the account of my own story to success and encouraging students through telling my own experience. The second part is interweaving others' success experience or other interesting stories in our classrooms. A few anecdotal examples told in our classrooms include the story of a lion and an antelope, the story of an eagle and a snail and the story of a wolf and a deer, and those stories became popular even outside of our classrooms. Our account about the story of an eagle and a snail is as follows: ‘there are only two kinds of animals are able to climb to the top of a pyramid: one is an eagle and the other one is a snail. The eagle has strong wings that can fly it to the Pyramid Peak while the snail can only climb up little by little towards the top. It only takes an instant for the eagle to reach the top while much longer for the snail to reach the same point. It might be a life-long effort with likelihood being repeated attempts from the very beginning after falling down from the mid-way, but as long as the snail reaches the top, the height that it gets to and the world it sees would be the same from what the eagle gets. Not everyone of us can be the eagle, but each of us can have the snail's spirit, as we can persistently climb to the climax of our life and eventually one day we will be able to look from the very top overlooking a stunning view to appreciate the beautiful world. Languages like this serve as a fuel flowing into the engines of the students and repeatedly stimulate a drive inside them to move ahead.

The third part of the teaching philosophy is to touch students with real practices. I once had infected serious infection in my tonsils that led to a high fever. The fever was so high that even though the temperature was nearly 40 degrees, I shivered with cold. However, I could not find any replacement to take my class at that time. Therefore, I took on my thick coat and other winter clothes, trembling for over five hours to teach in the classroom. Also on the day when my daughter was born, the doctor told us the expected delivery time was 9p.m., but I had classes between 6:30 p.m. and 9:30 p.m., and I chose to go to the classroom and leave my wife alone in the hospital. When I rushed to the hospital after finishing my classes, my daughter had already opened her eye to witness this strange world. In the Beijing of the 1990s, it was common to see blackouts without any prior notices, and sometimes the whole classroom was interrupted in shire darkness a few minutes after a class began. It would be unacceptable to ask the students to leave after they had made not insignificant efforts and squeezed in buses to get here. So I distributed a candle to each student and every time when there was a blackout, a few hundred candles would be lit to light up the classroom building, and the teachers made every effort to give a rewarding lecture. Countless students thought about this experience filled in a touching mood in retrospect, and many of them went to further advance their education in renowned excellent universities from the candle light in New Oriental classrooms. Over the past 15 years, New Oriental's classrooms have been equipped with increasingly better facilities and the working conditions at New Oriental became even better, but one thing was never missing – that is being committed to excellence, challenging the extremes, breeding hope

from desperation situations and pursuing achievements through arduous efforts. We call this the 'New Oriental spirit'."

### *CEIBS*

CEIBS (China Europe International Business School) was founded in November 1994 by the Chinese government and the European Commission as a non-profit joint venture. The Academic Degree Committee of the State Council officially recognized it and it targeted to train international management executives. According to Financial Times, it is one of Asia's first and China's only top 10 globally ranked business schools, and it is Asia's only business school whose core courses are ranked as world's top 30 for many years.

It is also the first business school in China to receive both accreditation from the AACSB International (the Association to Advance Collegiate Schools of Business) and the European Quality Improvement System (EQUIS).

As a pioneer among China's business schools, CEIBS is the first business school in mainland China that offers English-teaching full-time MBA, Executive MBA and a wide array of executive education programs. As of 2011, CEIBS has graduated over 10,000 MBA and EMBA graduates and provided management training for over 90,000 executives.

*Culture:* The organizational culture is reflected in its statements of principles, missions and vision.

- The CEIBS Principle: Conscientiousness, innovation and excellence
- The CEIBS Mission: To educate responsible leaders versed in 'China Depth, Global Breadth'.
- The CEIBS Vision: To become the most respected international business school by linking East and West in teaching, research, and business practice and by promoting China's social and economic development through high-impact knowledge creation and dissemination.

CEIBS' success however is not because of these statements themselves, but because of the way, they have been consistently implemented since the school's foundation. As the author previously mentioned, all of the core courses it provided are ranked as the world's top 30. In addition, its pursuit for excellence is exemplified in every part of its operations, i.e. the recruitment of faculty, students and campuses, which constitutes the business operation mode of CEIBS.

*Model:* The pursuit for the most distinguished faculty team

CEIBS has distinguished itself among Asian business schools for having the best faculty team. Below is a list of the three most prestigious professors:

- Wu Jinglian: Prof. Wu Jinglian is one of the founding professors of CEIBS. He has been a Member of the Academic Council of CEIBS since the school was founded and has been a CEIBS faculty member since 1996. Prof. Wu is a renowned Chinese economist. He is the Honorary President of the International Economic Association (IEA). Prof. Wu is also a Senior Research Fellow at the Development Research Centre of the State Council; Deputy Director at the Advisory Committee for State Informatization, Deputy Director of Committee for State Planning, Member of Advisory Committee to the State Council, a Standing Committee Member of CPPCC and Deputy Director in the Economic Commission of the CPPCC. He has been a visiting fellow or visiting professor at Yale University, Oxford University, Stanford University and MIT. Prof. Wu received the Sun Yefang Award in Economics for five consecutive years. He was honored with the International Academy of Management's (IAM) Award of Excellence and won the first ever China Economics Prize – Outstanding Contribution to China's Economy Award.
- John Quelch: Professor Quelch is a Distinguished Professor of International Management, Vice President and Dean at CEIBS. Previously, he was Senior Associate Dean at Harvard Business School and Dean of London Business School. Over the past twenty years, his case studies have sold over 3.4 million copies, the third highest in HBS history. Professor Quelch has served as an

independent director and non-executive director of 14 publicly listed companies in the USA and UK. He has also served pro bono as Chairman of the Port Authority of Massachusetts.

- Pedro Nueno: Dr. Pedro Nueno is Professor of Entrepreneurship and President at CEIBS. As one of the founders of CEIBS, he has been a member of the Board of Directors and Chairman of the Academic Council of CEIBS since 1994. He is the current Vice-Chancellor and the past Chancellor of the International Academy of Management. He is a member of the Board of Directors at Harvard University. He has served as a consultant for international institutions and corporations including the World Bank, OECD, and Morgan Stanley. He has taught at several American universities including Harvard University and Michigan University, and has been a member of the Advisory Board of many renowned European business schools. His dedication to business was also recognized by the Government of Spain, with the Order of Civil Excellence, and the Government of Catalonia with the Saint Jordi Cross.
- The pursuit for excellent students: All students recruited by CEIBS each year will undergo rigorous selection. In any given year there will be 800-1000 applicants selected to take the entrance exam, of whom 330 will be selected for interview and of those 128 will be recruited. At the end of each academic year, one or two students will not be promoted to the next year if they failed in certain aspects. One of the selection criteria is that the students will bring positive contribution to other students. CEIBS students have diverse backgrounds: they come from all sectors including finance, manufacturing, consulting, industrial and consumer goods; some of them are senior managers and executives of foreign companies and Chinese companies, entrepreneurs, government officials (the highest ranking are deputy ministers), and also children of government dignitaries (including the president's daughter and the grandson of a former US president.) Take CEIBS' EMBA for example, the school wants this program to serve as a place where business leaders can build up their visions. It is the aim of the CEIBS EMBA to help develop its students into world-class management pioneers. The EMBA graduates at CEIBS can not only excel in the actual business environment, but also master good knowledge in specialized sectors, management and international practices. They pursue accomplishments beyond business success, driven by their depth in thoughts and richness in personal charisma. The EMBA students admitted into CEIBS are age 40 on averages, with an average working experience of 16.7 years and 93% of them are senior corporate managements.
- Pursuit of the best designed campus and facilities: CEIBS claims to have one of the most beautiful campuses among all business schools anywhere in the world. It is the world's only college campus designed by world-renowned architects, Pei Cobb Freed and Partners, and the school's architectural beauty combines Western architecture with the subtlety of Chinese beauty and grace and is both artistic and user-friendly. As an international business school founded by a team of Chinese and Western stakeholders and an international faculty team, student body, and way of teaching, CEIBS embodies a combination of Eastern and Western architectural features, mentalities and cultures. The school has the world class convention centers and other facilities which are technologically advanced and second to none in mainland China.

### **Less Successful Service Providers**

The author chose ChinaCast Education and Tsinghua University as the examples of China's less successful training service providers. ChinaCast Education was one of China's private training service institutions listed in the stock market after the New Oriental. Tsinghua University is China's most renowned university but its executive training programs lag behind those provided by CEIBS, despite a momentous launch.

#### *ChinaCast Education*

ChinaCast Education is China's leading distance training service and content provider. Founded in 1999, the company was listed on the NASDAQ in October 2007. The company has invested in three institutions of higher education and plans to invest in another seven within five years. The company aims

to become China's leading private higher education provider to train students with practical and professional skills. The company provides higher education, professional training and international exchange experience to students and establishes China's biggest online education and professional training platform.

On 2 April 2011, ChinaCast Education failed to file its form 20F for 2011 on time and was suspended for trading on NASDAQ. On 9 May 2011, ChinaCast received a notification from the NASDAQ saying it has made a determination to delist the company's securities in view of its significant losses, the inability to control bank account because of the disappearance of its official seal, and an inability to provide audited financial reports of the previous fiscal year on time. On 21 June 2011, after further consideration and taking into account its ongoing investigations into various matters involving former management and its continuing delay in reporting its financial results, the company withdrew its request to appeal this delisting determination. After being delisted from NASDAQ, ChinaCast commenced trading on OTC Markets on 25 June 2011, with the company's shares plunged to USD \$.82 per share on the first day of being traded on the pink sheet market.

Then CFO of ChinaCast Education Group revealed in March 2012 that former Chairman Chan Tze Ngon pilfered the company's coffers of RMB 500 million from 1 July to 28 December 2012 through 12 transactions and that the money was mostly from the two most profitable subsidiaries of the company. After his resignation, he took with him the business licenses of the two subsidiaries, the official seal and financial records. In addition, Chan Tze Ngon had transferred the core assets of ChinaCast Education Group to several natural persons (Zheng and Zeng, 2012).

Although both New Oriental and ChinaCast are listed companies, ChinaCast's development diverged so sharply from New Oriental's because of a distinctly different culture and spirit.

### *Tsinghua University*

Tsinghua University is one of China's top universities and holds the famous motto of "self-discipline and social commitment". However, Tsinghua University's market-oriented training college is not faithfully following this motto. It focuses more on monetary profit while ignoring the Tsinghua culture. It focuses more on recruiting students but not on improving teaching quality.

For example, the two highlights of its executive education recruitment advertisement are that students can receive a diploma issued by Tsinghua University, fulfilling their dream to become a Tsinghua student, and that students can expand their business network during the course. In China, very few students have filed law suit against their universities. However, in 2008, Yu Bo, a company management who studied in Tsinghua's training program sued the university because he was not happy with its sub-par teaching standard.

According to media reports, Yu Bo applied for the 28<sup>th</sup> "Executive Class" at Tsinghua University School of Continuing Education in January 2008 and paid a tuition fee of RMB 37, 000. Contrary to what the recruitment advertisement said that some influential experts and scholars, including Lin Yifu and Lang Xianping, would be teaching some courses, Yu and his classmates found out that none of them showed up. In addition, the quality of teaching faculty was disappointing. The small class originally designed for 60 students finally became a big class for 170 students. Other problems included loose management and shortened courses. On 10 October 2008, Yu Bo filed a lawsuit to Haidian District Court asking Tsinghua University to strictly follow its commitment written on the recruitment advertisement, make a public apology through the media and compensate RMB100, 000 for his monetary losses and psychological distress.

Both CEIBS and Tsinghua University are elite schools that train China's top executives. However, is there such a huge difference in their rankings? The difference is simply that one strictly follows its commitment, the other does not, and the results are accordingly very different.

## **The Hopeful Service Provider**

The author believes that China's training service market will embrace a group of new comers. Hejun Business School is one of them to surpass its predecessors. It distinguishes itself with its unique culture and business model.

### *Culture*

Hejun Business School was set up by Hejun Consulting Group, which was founded in the spring of 2000 in Beijing and has now become one of the biggest general consulting firms in mainland China with more than 1,000 management consultants and investment bankers. Hejun now comprises the largest group of consultants educated and trained in China. Altogether, the team has served more than 2,000 clients from diverse backgrounds. Hejun Consulting Group adopted the "one body two wings" business model, which means the main consulting segment (management consulting + investment banking) is supported by two wings, i.e. capital investment and business schools business. (Wang, 2012)

### *Mission*

- Mission: Hejun's mission is to nurture China's leading entrepreneurs and create China's leading enterprises.
- Living like a lotus: Hejun believes that people should live like a lotus; success is like the lotus flower, whose fate is decided by its roots in the murky waters below. When lotus flower blooms, its beauty is breath-taking. People are stunned by its beauty but they don't know the gorgeous moment comes after a long and lonely waiting. The gentleman works hard on the basic principles.
- Three dimensional training: Hejun believes people need to go through three dimensional training, i.e. personality, attitude and depth. Personality determines destiny, attitude affects situation and depth determines career success. Personality, attitude and depth are like the root of the lotus flower. After careful training and years of accumulation, success will come naturally.
- Have dreams and have a warm heart: Hejun tries to ignite people's hope, and light their life with a warm heart. It tries to waken their beautiful mind and encourage them to be brave, idealistic and persistent.
- Be enthusiastic and determined: Hejun believes people should treat their career as their first love and pursue it religiously.
- The spirit of water: Hejun respects the spirit of water: accommodating capable people, not being deterred by difficulties, braving challenges, and becoming powerful along the way. Be adaptable to the changing environment. Be patient in tackling difficulties and be poised for take-off. Be committed to your dreams and be motivated.
- Respect peace and respect other people: To have a peaceful mind and to be a decent person.
- Targeted, patient and practical: Refuse to be loud, impetuous and pretentious. Refuse to take short-cuts, be patient and nurture sophistication. In the end, you will have a successful career and a fabulous life.
- Carrying forward the Chinese spirit is to have a brave heart. A brave heart serves justice, a sharp mind produces eloquence. Be cautious not to bring damage to the career. Be yourself and not to be misled. Show great foresight. Be brave enough to shoulder more responsibilities.

### *Business Model*

- Dreams and ambitions: Hejun Business School believes talents must have dreams and ambitions. When Mencius was asked, "What is the true business of a scholar?" he answered that the true work of work of a scholar is to align your ambition with the highest ideals of benevolence and righteousness. Zhu Xi said, "If one is not good with studies, he can study hard; if one is good not with comprehension, he can think carefully; but if one does not have ambition, he will be useless." Zhu Xi also said: "No ambition, no success." Hejun believes that to establish oneself,

one has to have strong ambition and that a person without a dream will have a tedious life. Living a day without a dream is like living a day without a soul.

The true faith resides in a belief that one holds to achieve the very top of career progression overlooking the universe one passes. Without such a drive, one will be confined to various dangerous endings: either worrisome cowards or excessively arrogant beings neglecting all things around. If that become true, one will never make any meaningful achievements. Only with such a belief can one set his or her foot on the very top of their career and social establishments with great leeway to progress even higher.

It's vital to set up an easy and well-established gateway towards success as dreams are ignited by passion and achieved through one's daily life habits. It is Hejun's belief that one's success is achieved through natural progression instead of forced by an instant passion or temporary hard work. A true successful winner can trace its story back to the gradual accumulation of good deeds that turn the theoretical preaching into daily practices. Only by doing so can success be at your next stop.

Seeing the best in each student, respect them as they are living to their full potential. Hejun Business School is based on a way of thinking that regards each of its students as if they were living to their full and incredible potential. This is their practice of a belief that everybody is born equal, and with an equal inherent ability to be trained to greatness. The urge to manifest one's inborn greatness, the Hejun philosophy holds, is the most fundamental, formative, and powerful desire that any one is born with. As long as this desire is nurtured and disciplined, good fortune will befall the subject, thus adding to a world that cherishes love and harmony. So how does Hejun awaken and serve this healthy desire? Simply put, as long as you have a belief that treats each of the people around you as an angel they will become the angels that you see them as, and that as you treat each one as an invaluable member of the community, with unique and praiseworthy talents, that they will consistently make efforts to progress in that direction.

The richness of one's expertise determines the height of his career, and a reasonable knowledge structure supports the top-notch professional's career progression. Hejun Business School's training courses aim to structure its students' knowledge from a combination of management, capital and industries, forming one's rich expertise supporting a lifelong progression of career development.

- Truth Grounded in Practice: theoretical preaching is pale and experience from practice is everlasting. Hejun Business School's training program encourages its students to be deeply involved in the local business community, and to find impetus and stimulation from the real business environments and management scenarios to fuel the drive to learn, activate the knowledge in mind, accumulate incremental knowledge and train new leaders of entrepreneurship.
- Teaching: Hejun Business School's teachers do not teach knowledge in the first place because they think knowledge is acquired through the students' own experience and study. What is required from the students in their knowledge structuring has been specified in the reading list provided at the beginning of the study.

What the Hejun Business School teaches and communicates in the classroom is always what the students cannot find in the textbooks– the practices, observations, interpretation, understanding, and even the subtle feelings of what can only be achieved from an experience gained through business dealings. The soft skills were taught and can benefit for life. The classroom courses that could have been boring lecturing thus become an art that can carry far-reaching implications. Teaching in this context could be better thought of as an art creation or a symphony that provokes the meaning of life and listening to the courses would rather be taken as an art appreciation or immersion in a spiritual fulfillment.

- Hejun Business School's Vision: People Oriented: People come first and then the enterprises and career progression. Integrity and morality come before the success of a business. There are six key components of successful management: **namely** strategic planning, strategic organization,

standardized systems, informatization, uniformed IT platforms and platform automation. Harmonious learning environment: always appreciate the merits from other people. Hejun Business School is an organization with outstanding excellence, with no intention to compete with others and yet standing in a prime height supported by its inner establishments. Its noble accomplishment resides in its humble way of breeding the very best. It's fair to believe that within 20 to 30 years, it will become the best business school with the Chinese characteristics internationally. (Wang, 2013)

## CONCLUSIONS

“The times we live in are far from peaceful, with chaos and uncertainty of future. The material life is rich, but our spirit is empty; we have a good supply of food and clothes but have no good manners; we are able to act freely, but are less able to feel; and hard work can create everything, but with pessimism, some even commit crimes or make scandals. Without thinking and solving of problems based on the fundamental values, the society would be more turbulent, and the future would be more obscure – I am not the only one feeling such urgent awareness of crises and anxiety.” (Kazuo, 2012)

The Japanese society described by Mr. Kazuo Inamori is a reflection of the Chinese society, and the underlying crises he perceives are exactly what happen in China. As a practitioner in college education and training the author , sincerely and enthusiastically cares about the culture of China's education and training market, and to put forward, in a high-profile way, the concept of cultural dividend, or spiritual belief or value. Spiritual culture is the soul and core that determines one's success. It is time for China and the world to pay high attention to culture and civilization (Liu, 2012). The management challenges of the times are a fundamental transformation: from innovations that are based on the capture of natural and social capitals and aimed at private profits, to innovations of health and well-being that can benefit the society and ecosystem(Senge, 2011).

Like the overall Chinese society, now it should be a stage of China's training service market attaching great importance to cultural and spiritual value. Alternatively, the uncivil primary development stage would never end. The preliminary comparison of this paper shows that despite the current absence of a decent culture in China's training service market, cases of success driven by a decent culture are abundant, and they will be chosen as the biggest winners in a competitive market. China is a country that enjoys a long and prosperous history, and it's hopeful that its training service market will enjoy a prosperous current and future. Successors in the market will do an even better job. This market deserves more attention and investments from investors and peers in the US.

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