

YANG MAMA'S THOUSLAND ENTERPRISES LTD AND NEW VENTURE MANAGEMENT IN CHINA

Professors Phil Rosenzweig and Tomas Casas, University of St Gallen, prepared this case with the research assistance of Wei Zheng as a basis for class discussion rather than to illustrate either effective or ineffective handling of a business situation

On April 23, 2013, at a conference hall in Shanghai's Yangpu District, a glittering event, the "Venture Management and Opening Ceremony," brought together entrepreneurs in three rapidly growing industries: mobile internet, internet gaming and new media.

The host, Shanghai Thousland Enterprise Management Company Ltd. (known as Thousland), opened the event with welcoming remarks from its founder and chief executive, Yang Qiu Ping. Over the following hours, two hundred guests listened to short testimonials from successful entrepreneurs, and start-ups renewed their collaboration agreements with Thousland. Some of these firms, active in software services and online gaming, ranked among Shanghai's most successful new ventures.

The conference gave Thousland an opportunity to recognize and support companies that it had helped launch, and to expand its network and identify promising new ventures. For aspiring entrepreneurs, it was a chance to learn about opportunities for growth, to make contact with other firms and to build connections, called *guanxi* (关系), which were essential to succeed in business in China.

It also provided a glimpse into a particular way in which new ventures were being nurtured in China. To some, Thousland's model was an effective way of launching new ventures in China, a large and growing economy in need of innovation yet still lacking the sophisticated capital markets to support entrepreneurship. To others, it underscored the importance of personal connections and informal networks.

But would this approach be enough to meet China's immense needs?