

From Dream to Reality

An Interview with Chen Pei,
Chief Executive Officer, Zhongsou

EDITORS' NOTE In addition to his current post, Chen Pei is also the promoter of China Search Alliance, the designer of the third generation of intelligent Chinese search engine that has proposed the concept of "searching quotient."



Chen Pei

COMPANY BRIEF Having entered into the Chinese search engine market in 2002, Zhongsou (www.zhongsou.com) has grown to be one of the biggest Chinese language search technology forums and service vendors in the world as well as the representative of the third generation of the intelligent search. Insisting on the business philosophy, "Innovation Lightens Future," Zhongsou maintains a global leading position in the technologies of personalized search, intelligent navigation, and information customization. At the same time, Zhongsou takes advantage of its advanced browser and instant messaging technology to make personal portal application software combining the browser, the new search engine, and the online community.

Internet users in China know Baidu, and Internet users around the world are familiar with Google. With these two companies already representing a large portion of the total market share, why did you decide to provide another search engine service?

What Zhongsou sees is that, nowadays, search engines can't meet the real needs of our clients. If we believe that the Internet will exist for a long time – for 100 years, for example – then we should perceive the search engine as a 10-year-old child, who is destined to have a shocking transformation in the future. With the increasing number of Web pages and people demanding faster access to information, it is quite obvious that a simple search box can't satisfy our clients any more. Clients need the best, and they look for what is most valuable. Thus, Zhongsou has decided to develop a personal gateway from a single search engine. Our key technique combines search engine technology and personalized syndication technology, and in this area, we are ahead of Google and Baidu.

Zhongsou entered the personal gateway business much earlier than other competitors. When they were focusing on doing traditional search engines, Zhongsou was conducting

research on how to personalize a search engine, so from this point of view, Zhongsou is a precursor, and is in the leading position in techniques, products, and concepts. If you compare all the products in the market, it is quite obvious that ours are the best, because we spent four years discovering what our clients' requirements are in personalizing a gateway, including both technique and product requirements. This was once our dream, but after four years of combining our dream with our clients' needs, our dream has become a reality.

When it comes to the problem of developing the company's ability to innovate, do you think small firms can follow in the footsteps of big companies?

In different periods of time, every company has its own strategy, so there is not a certain pattern we can follow. As we can observe

I think

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from the changing market, most technical innovation comes from small firms, because only by providing techniques that can improve the current situation can those small firms win the market. So it is understandable that each firm has its own way.

Now, under these circumstances, do you have any competitors?

Zhongsou started doing search engines with a very clear vision of what kind of competition

we could be facing. Since search engines are such important products to the world, if we have any competitors then they must be the best in China or even in the world, like Baidu and Google. If we believe that the personal gateway represents the future, then Zhongsou will match the competitors for sure. So we can do things that are ahead of our time, which we do and have been doing, even when no one else was taking it very seriously. It took us four years to become the precursor, and being the precursor gave us many advantages. For the past 10 years in the Internet field in China, precursors became the business leaders. From personal gateway to search engines, precursors can always become business leaders, because the Internet has a very short history, and does not need to take a very long time to achieve success; it is a fast speed business, so it is very hard for new starters to surmount precursors. Google and Baidu are two very good examples. They occupied the market first, and consolidated their status through the advantages provided by having very faithful believers. I think Zhongsou will become a leader in the personal gateway business, because no matter what other people do, they will have to compare it to what Zhongsou did first.

President Obama has pointed out that SME (small- and medium-sized enterprises) are the backbone of world economic development. After the worldwide financial crisis, do you agree with him?

In China, this point may be even more accurate. There are 50 million SMEs in China. Statistics show that the value of the final products and services produced by SMEs represent more than 60 percent of the GDP, that the taxes they paid are about 50 percent of the total national revenue, and that they provide more than 75 percent of work opportunities in the cities. SMEs are the new force of technical innovations: they made 65 percent of the patents of China, 75 percent of the technical innovations, and they have accomplished more than 80 percent of new product development of China.

This financial storm was felt by every company, not only the SMEs, but also big enterprises like General Motors Corporation. During the financial storm, SMEs are facing a major survival crisis, but we can see that those who have technical innovation abilities are still vivid. So the secret to successfully overcome the financial crisis is not the scale of the enterprise, but the core competitiveness of it. ●