



Howard H. Li

EDITORS' NOTE Howard Li was selected by *Forbes (Asia)* as one of the 25 most influential Chinese Americans in U.S. Business. In 2006, U.S. President George W. Bush named Li as Commissioner of the White House and President Advisory Commission on Asian American and Pacific Islanders. Li has formally served as advisory council member of the New York State Retirement Systems and was a Director of United Way of New York City. He is co-Chair of coalition of Asian American Business organizations and Vice Chair of China General Chamber of Commerce –USA.

COMPANY BRIEF Waitex (waitex.com) was established in 1981 in New York City by Howard H. Li, sole owner. After 33 years in business, it has become a worldwide conglomerate of companies that cover the business of global supply chain logistics, factoring financial services in China, and real estate investment and development. Waitex owns and operates 10 modern distribution centers, totaling nearly three million square feet with more than 1,000 employees in the U.S. Waitex processes and distributes over \$5 billion worth of consumer goods for over 500 companies annually. Waitex Group's affiliated entities with Italy and Hong Kong investors invest and develop high-end commercial properties including Florentia Village Luxury Outlet Malls in seven major cities in China. Creative Life Style Mall will also open in 2015.

Would you provide an overview of Waitex Group and the history of the company?

I built the company during the same period when China had its reform and its GDP grew more than 40 times to become the largest hub for manufacturers with huge export volume to the United States. In the U.S., there were gaps in market demand for fulfilling this large volume of imported goods, so Waitex was able to fill the gaps in the market to boost our growth. In addition, technology was advancing at a rapid pace and, in order

Trust, Respect, and Commitment

An Interview with Howard H. Li, Founder, Chairman, and Chief Executive Officer, Waitex Group

to facilitate the expansion of the business as well as the changing economy, we acquired a software company to create an ERP system as well as a proprietary warehouse management system. This allowed us to stay at the forefront of the industry.

Your goal in founding Waitex was “to create an organization where trust, respect, and commitment to the client flowed from top to bottom.” Would you expand upon this?

Our principle and mission has always been to put customers first and this has permeated our company culture. We believe it is important to build trust with our customers as we process more than \$5 billion worth of goods in our warehouse, and we have to be accountable for the storage and distribution of products. We work hard to ensure our reliability and efficiency so goods are sent out to our clients on time, meaning they can protect their partnerships with their vendors. Our business is flexible and we are always willing to work around the clock for our customers.

Of around 1,000 employees, more than 250 employees have worked with us for more than 20 years. They truly care about the company's mission and have forged deep relationships with customers.

Would you discuss your real estate business and opportunities for growth in this area?

In the U.S., our real estate portfolio includes office buildings and three million square feet of warehouse distribution centers. We are also involved in 300,000 square meters of land in Bayonne, New Jersey, which will be developed as a mixed-use property with commercial and residential space.

In China, we have invested in about 20 billion RMB worth of real estate projects. We own a factory and mixed-use developments, as well as several high-quality residential developments. Our first outlet in Tianjin has made more than 6 billion RMB in sales and received 12 million visitors in the past three years. Currently, there are seven other Florentia Villages in the pipeline, through which we're estimated to have more than 10 billion RMB of sales in 2017.

We are developing an Autopark on 487,000 square meters of building area that will comprise a world-class racetrack and showrooms, as well as an auto experience center.

What has made Waitex Apparel so effective and would you describe this part of your business?

Thirty-four years ago, we started doing apparel import, wholesale, and design in the heart of the fashion district. We have a women's and

men's division with our own fashion labels, and we managed to obtain exclusive licenses with some of the largest companies in the U.S. such as NBA, NFL, NHL, MLB, Champion, and Fruit of the Loom (Russell). About five years ago, a public company in China acquired a portion of the shares of our apparel division to continue its upward expansion.

What are your thoughts on current business conditions in China?

There are a strong number of MNCs (multinational companies) who understand the global market. Waitex, as well, is involved in both the United States and China markets. During these 30 years of economic reform, China has seen unprecedented growth in finance and large-asset acquisition. Many of the products sold in China have gone up in price and the competition has become very stiff – the growth is also starting to slow down. As China has already established itself as the second largest economy in the world, the slowdown in the growth is only expected; their 7 percent growth have been dubbed by the government as the “new normal.” The new focus seems to be on the environment, technology, education, and health and wellness markets. The government has many new regulations that have the ability to open up new opportunities.

What advice would you give to international investors and companies who are eager to do business in China?

Currently, China is the biggest manufacturer and international trade player in the world. It is also one of the top-tier markets for consumers due to its huge population. China also has the largest personal and family savings in the world.

Companies need first to understand what they are good at and what makes them special. Then, they have to figure out what the China market and Chinese consumers want. After that, due to globalization in the 21st century, everything moves quickly and they have to be able to keep up with the changes. Next, they need to understand China's accounting and legal system governing items such as foreign currency control, foreign investment regulations, and tax law. Finally, they need to have a basic understanding of Chinese culture and realize that it is very important to cultivate relationships and networks to be successful in China.

What China currently needs is a strong talent and management pool and an improvement in technology. There is a concern about their reliance on imported natural resources and, as of this moment, most of their leading luxury brands are from overseas. ●