

learn

# Steve Jobs

is the entrepreneur most admired by US teenagers



# 51%

of British women now go to university

SOURCES: JUNIOR ACHIEVEMENT USA/  
DEPARTMENT FOR BUSINESS, INNOVATION AND SKILLS

# Dragon lady

## ENTREPRENEURSHIP

Building a sustainable business out of other people's waste

**W**hat would you guess happens to a newspaper after you have read it? The chances are good that it will end up with Yan Cheung of Nine Dragons Paper Holdings Limited in Dongguan, China. And it won't take long either. "The newspaper that you put in your newspaper bin - three weeks later, it's in the hands of someone in China," explains Bill Moore of Moore & Associates in Atlanta, a consultant on recovered paper. But how does this happen?

### RESOURCEFUL RECYCLER

Rewind to 1990. In that year, Cheung created America Chung Nam (ACN) on a shoestring personal investment of US\$3,800. Her plan was to buy recycled paper in the United States and export it to China. She had observed that Americans love to consume paper, using more than 700 pounds per person each year. And the Chinese desperately need to produce paper-based cardboard boxes in which to export goods all over the world.

Driving around the US from dump to recycling facility in a Dodge minivan, Cheung and her husband filled containers that had just arrived from China carrying clothing or electronics with waste paper, and sent them back. She sold the paper to small domestic Chinese producers who manufactured packaging materials. It wasn't long before she and her husband were filling a lot of containers.

### PRINTING MONEY

Five years later, and armed with a strong cash flow from ACN, a reliable source of high quality recycled paper and a clear understanding of the appetite for packaging materials in China, Cheung returned to Hong Kong. There she launched Nine Dragons to take that stream of waste paper and process it into kraft liner board, test liner board or corrugating medium - the basic papers used to make a cardboard box.

Over the next 15 years, Cheung's operation may as well have been manufacturing cash directly. Nine Dragons built capacity to produce more than 8.8 million tonnes of paperboard a year, and today it is the largest producer in China and one of the largest globally. The self-crowned 'Queen of Waste Paper' rivals Oprah Winfrey and JK Rowling as one of the richest women in the world. At the same time, waste paper has become the biggest export by volume for the United States.

### PAPER TRAIL

There are two useful insights from Nine Dragons that can be boxed up and shipped to entrepreneurs everywhere. The first is that new ventures can easily be created with things that already exist. It is easy to believe that in order to start a company, you need a technological innovation, or a huge investment to build something that nobody else has. But Cheung started with nothing more than trash -



**Paper queen**  
Multi-millionaire recycler Yan Cheung turns trash into cash

available to everyone and free.

Second, ideas don't become opportunities until somebody acts. The fact that Americans were generating paper waste and that China needed massive amounts of cardboard was no secret to anyone, even in 1990. Yet someone, an entrepreneur, had to get into her Dodge minivan and make the opportunity happen.

### PACKAGED SOLUTION

Also contained in this story is a bigger idea. It's about where solutions to big problems come from. The problem of paper waste is huge. For years, people have known that every 120 pounds of recycled paper

saves a tree. And that recycled paper requires 64 per cent less energy than making paper from raw materials.

Governments have tried endless and costly schemes to convince people to recycle. But this knowledge and these efforts have amounted to little meaningful change. By building a business on products that use an average of 85 per cent to 90 per cent recovered paper, Cheung saves a lot of trees and a lot of watts in addition to making a lot of money. She and entrepreneurs like her who build sustainable businesses out of problems create ecological solutions packaged for success. ●

## details

By Stuart Read, professor of marketing at IMD, Lausanne, and Nick Dew, assistant professor at the Naval Postgraduate School.



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What I've learnt  
Digby, Lord Jones