

Jiuzhou turns 50

Alexander Wiese

Jiuzhou was founded in 1958 and at that time was a manufacturer of communications components. Their headquarters was and still is in Mianyang City in the Sichuan province, one of the high-tech industrial centers of China. Today this company is made up of a conglomerate of 48 different firms that are all connected with the communications industry. Because of its size, Jiuzhou belongs to the top 500 Chinese companies. Last year they were ranked 264 in this list that is updated yearly. Their 50th anniversary was reason enough for us to pay a visit to Jiuzhou's Shenzhen Branch, which relates to satellite receiver products.

We already reported on Jiuzhou back in our 03/2007 issue and mentioned among other things that they were the only satellite company with a Metro station located in their facility. But in the meantime, Jiuzhou moved to a much larger office complex. And wouldn't you know it, the Metro station is not on their grounds but a few 100 meters away: shortly after the publication of this issue the Ke Ji Yuan station on the prolongation of Shenzhen's #1 Metro line will be opened. That's a nice birthday present for Jiuzhou!

Mr. Nung Yue, in charge of Jiuzhou's building operations, explained to us, "Construction began in 2003 and was completed in 2007. We now have a total of 36,000 Sq-m of office space at our disposal." At the moment, not all of this space is in use. There are currently 2000 employees working in the nine-story building. "The building can actually handle up to 4000 employees", revealed Nung Yue. Obviously, Jiuzhou's management has quite an optimistic outlook for the future.

Now, what does management have to say? We asked Shenzhen Jiuzhou Electric Co., Ltd. General Manager York Xie about the situation at Jiuzhou. He told us, "In 2007 we realized sales of US\$ 120 million. In 2008 we are expecting an increase of about 60%." Wow, that's the kind of increase that most other companies can only dream about. We wanted to know how these sales are distributed. York

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▲ On the roof of the Jiuzhou Electric building: seven dishes, naturally from their own production line, were professional erected so that the development engineers can receive all of the receivable satellites with maximum signal strength. Nung Yue, responsible for building operations, can be seen here with a developmental engineer.



▲ Jiuzhou's General Manager in Shenzhen/China is York Xie

Xie explains: "50% of our production goes to the local Chinese market and the other 50% is exported." He also gave us a look at their business politics: "40% of our sales are related to production for dealers while 60% is geared towards programming providers." The latter is quite noteworthy because these providers are actually quite picky about who supplies their receivers. Their business model is based on the receivers not only providing perfect reception but also that they function reliably and that customer support is guaranteed even after years. "These requirements can be fulfilled by only a few manufacturers", explains York Xie, "In China there are only two such qualified manufacturers, and one of them is Jiuzhou."

10% to Eastern Europe and 10% to North Africa." Most of the dishes are OEM, that is, they are delivered from the factory with the customer's logo already stamped on the antenna.

Professional headends are also produced by Jiuzhou. We spoke with Yonchin Shou, Sichuan Jiuzhou Electronic Technology Co., Ltd. Export Department Director, about this side of their business. He explained, "Our customers are naturally local distributors and even a few cable companies." Yonchin Shou explained the geographical distribution and surprised us by revealing

But Jiuzhou isn't just a receiver manufacturer (not only DVB STB but also ATSC STB and IP STB), they also manufacture dishes. Daisy Liu from Sichuan Jiuzhou Electronic Technology Co., Ltd. is the Project Manager of Dish Antennas, and told us, "Jiuzhou manufactures Ku-band antennas such as 45, 60, 75, 90 and 92.5 cm dishes." Dishes are also manufactured for the C-band in 1.2, 1.5, 1.8 and 2.4-meters.

"The 60 and 75 cm sizes are our best sellers", she reveals, "60% of our production is exported, of that 60% goes to the Middle East, 20% to South America,

◀ Jiuzhou's imposing new office building in Nanshan's southern technology park, a part of Shenzhen city. The nine-story building houses the offices, the building to the right houses the reception hall as well as a café and recreation room. The building doesn't have nine stories arbitrarily: "Jiu" in Chinese means "nine". Since this is the last and highest number, "Jiu" also means "long life".



▲ Who wouldn't want to buy a dish from Daisy Liu? She is Project Manager in the Dish Antennas Business field.





that 40% of these products go to Latin America. "30% goes to Eastern Europe including Russia, 20% to the Middle East and 10% to Southeast Asia." This distribution, which we did not expect, explained Yonchin Shou with a

◀ **David Xia, right, is the Overseas Sales Manager and is explaining to Alexander Wiese the sales success of Jiuzhou's satellite receivers.**

wink of his eye, "It's the price – our products are roughly half of other overseas manufacturers, but mostly higher than other Chinese manufacturers" In this way Jiuzhou can get a high market share in Latin America, because in those countries quality is the most important criteria. 20% of their professional production is geared towards analog technology, 30% to digital and 50% is for fiber optic networks.

Jiuzhou is also a source for

◀ **Components are checked before and during production. Here we see two technicians working in the test lab.**



LNBs. We spoke with Jerry Chu, Vice President of Shenzhen Xiang-Cheng Electronic Technology Co., Ltd, a sister company of Jiuzhou and also headquartered in the new Jiuzhou office building. He told us, "In China we are the first to release a monoblock LNB for an offset of 4.3° to the marketplace." It's meant for the European arena for reception of ASTRA at 19.2° and 23.5°, or also 23.5° and 28.2°. It's an excellent solution if the HDTV channels are to be

◀ **Even the software has to be tested. Here a technician is checking the software functions of a Jiuzhou receiver.**



received at the same time. "We offer the monoblock LNB in all the different variations: single, twin and even quad." Jiuzhou

◀ **12:00 noon is lunchtime. Jiuzhou's canteen offers their employees a large variety of lunch dishes. Jiuzhou takes care of its employees. They work from 8:30AM to 6PM and on Saturdays to 12PM. Their lunch hour is actually one and a half hours during which many employees take advantage of an afternoon nap, a common practice in China.**



also offers monoblock LNBS with 3° and 6° offsets. And beyond all of that, C-band LNBS are also manufactured, "but they only make up about 5% of our sales and those numbers continue to decrease", revealed Jerry Chu, "Multiswitches are doing quite well for us; we've been making them since 2007 and offer them as OEM products." They are also planning for the future: "An engineering team is busy working on developing LNBS for the Ka-band but they will only reach the market in a few years", at a point in time when Jerry Chu expects that demand will be there for them. He can increase LNB production to a maximum of 1,000,000 pieces per month.

Now we wanted to know what their satellite receiver sales looked like. The best person for this question is David Xia,

This is Linda Lee. She is the Assistant Director in the Overseas Marketing Department and handles Jiuzhou's marketing in the media and at trade shows. She travels quite a bit, "I was recently at a trade show in France", she tells us of her travels. She always puts her heart and soul into her work. "I am proud of this company; we are all like one big family." Company events, such as sports, involving all of their employees regularly take place at Jiuzhou. The idea is that all their employees should feel a connection with their company. It's no surprise that it's fun to work at Jiuzhou; the successes of this company make every employee happy.



Shenzhen Jiuzhou Electric Co., Ltd Overseas Sales Manager. He leads 19 employees in export sales team. He took a look at his statistics and explained, "45% of our receivers go to Europe and 50% end up in the Middle East including Turkey and North Africa with the remaining going everywhere else."

David Xia is looking at a new market in North America. "In 2008 we want to expand our exports to that region", he explained, and it will mostly involve receivers for the American terrestrial HDTV ATSC market. "At maximum capacity we can produce 900,000 boxes a month", comments David Xia, "and thus far we have managed to increase overseas sales 30% every year."

We also spoke with him about

Jiuzhou's market politics: "In some markets we use our own brand name that we want to position in the high-end sector."

"In peace lies strength" says Buddha. Thus, Jerry Chu, Vice President of Jiuzhou's sister company that produces LNBs and multi-switches, also cannot be perturbed.

Jiuzhou also works with some key distributors in different markets for OEM/ODM business. "We have already successfully introduced our brand names in countries such as Thailand and Indonesia", reveals David Xia, "These countries are fairly close to us but we want to expand to other countries in small steps, in particular Asia and Australia." Another large target market for 2008 is Latin America.

Last, but not least, Shenzhen Jiuzhou Electric Co., Ltd. Gen-

Yonchin Shou is Director Export Department and responsible for the professional products.

eral Manager York Xie revealed to us some new products, that will be launched soon:

- HD DVB-S2 CI (Jan/2008)
- HD DVB-T CI (Feb/2008)
- ATSC-T HD STB (Jan/2008)
- ISDB-T STB (Jun/2008)
- HD Viaccess DVB-S2

(July/2008).

Jiuzhou is a large series manufacturer that, with excellent technicians and engineers, develops and produces products that are sophisticated yet economical. Sure enough, this strategy as a large manufac-

Here the engineers are working on the further development of DVB-S boxes.

turer in a globalized world with its stiff competition has definitely proven itself. Jiuzhou has developed this strategy so much and achieved corresponding growth rates with concentration on one goal: that is high quality with high production capacity.

Jiuzhou can proudly celebrate their 50th birthday in 2008!

An engineer is working on the software for an HDTV box.

