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Going With the Flow

Interviews and Profiles





Shawn Zhao

GENERAL COUNSEL

HAIER APPLIANCES GROUP

QINGDAO, CHINA

Shawn Zhao never had a career plan. Personal aspirations didn't exist in China in the late 1960s. His primary goal was to stay close to his parents, which wasn't always easy. China's Cultural Revolution was in full swing. Zhao's parents, who were midlevel employees of the provincial department of forestry in Chengdu, the capital city of the Sichuan Province in Southwest China, were sent to the countryside, along with his older brother, by the government. They worked in the fields, either helping the farmers with the harvest or learning how to work with tools. Schools were closed and Zhao was left in Chengdu to care for his one-year-old brother. Gradually, life returned to normal. His parents and brother moved back to the city. People continued to spend time in the city's teahouses, where they played mahjong and listened to ancient stories. The elementary schools were the first to reopen. Even then, when Zhao was eight-years-old, classes would be suspended so the young students could go to the countryside to help with the harvest.

Like everyone, Zhao is a product of his circumstances. Unlike most people, however, he recognizes how fortunate he is. He often compares himself to his older brother, who was forced to live in the countryside for three years and never had the chance to get an education. His migration was part of China's Up to the Mountains and Down to the Countryside Movement, which sent 17 million youths to rural areas to learn from the nation's farmers.

Zhao, only a few years younger, received more opportunities than his older brother and millions of other Chinese citizens simply because he was born at the right time. The turning point was the death of Mao Zedong in 1976. Deng Xiaoping, who had twice been purged during the Cultural Revolution, reemerged and consolidated power. He was the paramount leader of China by 1978. Deng Xiaoping reopened colleges and stipulated that the open spots would go to whomever scored the highest on college entrance exams, rather than those chosen by the party. “It really leveled the playing field for everyone,” Zhao says. In 1980, he was admitted to Sichuan University, his top choice.

“English is good for you.”

Zhao’s mother convinced him to study English. Before the revolution, her family was prosperous and she attended a private school with American teachers. She told him, “English is good for you. It’ll be useful. I don’t know how useful it will be because nobody can predict the future, but you just need to learn as much as you can.” He took the advice to heart.

Zhao matriculated from Sichuan University in 1984 with a degree in English. He had no concept of becoming a lawyer or where his career would take him. “It’s impossible for you to pursue your individual dream under the totality of the political environment,” he explains. Lawyers did not really exist in China at the time. Since the government had paid for his university education, it was up to the government to decide his future.

He was assigned to stay at Sichuan University to teach English to other students. He knew he wanted to go to an English-speaking country so he could understand the cultural context of the conversation. Exchange professors from the University of Alabama at Birmingham found out about his wish and offered to help him. A year later, he found himself walking about Birmingham as a graduate student working toward a degree in American history.

He studied American history to better understand China. “We have a saying that you can’t see the mountain very well because you are actually on the mountain,” Zhao explains. To really understand China, he knew had to leave home.

Epiphany in a used car lot

Zhao was close to completing his MA in history. He was thinking about what would come next. He was considering pursuing a Ph.D. in history and looking for work as a professor. But first, however, he had more mundane tasks to take care of, like buying a used car. As he was browsing cars in suburban Birmingham, a second-generation Chinese American approached him and offered his assistance. After helping with the car, the two got acquainted and more advice followed. “History is about people’s stories and so is the law,” the man told Zhao, who had never considered going to law school before the chance meeting in a used car lot.

It was an eye-opening epiphany. Court cases lead to precedents, which affect later rulings. It was like how he learned English, which brought him to the United States to study history, which gave him the background to study law.

He took the LSAT and was admitted to several law schools. He received a full tuition scholarship to Saint Louis University Law School. “At that time, we were destitute so the choice couldn’t have been easier,” he says.

The Socratic method was very different from Chinese instruction, where it is essentially a one-way road. “To be quite honest, at first I was very, very uncomfortable with this type of teaching,” Zhao remembers. But the critical thinking skills he acquired have been useful ever since.

Back to China

After Zhao earned his JD, he joined the St. Louis office of Armstrong Teasdale, where he worked with Anheuser-Busch to set up the brewer’s first operations in China. He also worked on projects in South America and around the United States. While he was working at the firm, he received a piece of advice that has stayed with him: “If you’re not learning 25 percent new things in your work, it’s probably not the right job for you.” Armstrong Teasdale decided to open a Shanghai office to support Anheuser-Busch in China. Zhao signed on. The fast development was obvious. He knew there were opportunities in China. After three years at Armstrong Teasdale, he heard about an in-house position at Marconi Communications. “At that time I was thinking that in-house life would be perfect because you don’t to do timesheets,” he remembers.

He convinced his wife to return to China with their young daughter. After all, he said, they could always return to the United States after two years if it didn’t work out. Eighteen years later, they are still in China.

In-house life

There are many metaphors to describe in-house life. Zhao has heard in-house lawyers described as the brake that slows down business. He prefers to characterize it as a navigation system on a new car. In-house counsel can make sure the ride is smooth and safe so the business can concentrate on the deal.

In-house lawyers also have to deal with the consequences of their legal advice, Zhao observes. They should provide end-to-end advice, which means they have to understand the business. He gives the example of litigation. From a pure legalistic perspective, if a customer doesn’t pay for a product, it makes sense to sue. But from a commercial perspective, it could cause reputational harm. Becoming a well-rounded business leader is as important as knowing the law when working in-house.

Zhao describes his younger self as a “daredevil lawyer,” who would work through the night to help his business clients penetrate the Chinese market. As corporate counsel for Cisco, he supported a US\$1.2 billion business. By insisting that each employee sign-in during compliance training, Zhao was able to persuade the US Department of Justice that the company had a robust training program.

Later, as managing counsel for Greater China at Google, he provided support to Google’s operations in China, Hong Kong, and Taiwan.

When Zhao joined HPE in 2010, he inherited a legal team of 20 individuals that was divided into two groups. One group handled commercial contracts. The other group was compiled of general legal lawyers who handled employment matters, board resolutions, and corporate filings. Zhao didn’t want his team to become pigeonholed. He assigned a lawyer to each business unit to provide dedicated support to establish ownership between that lawyer and the business team. Internal clients would know whom to call when they had a question.

In late 2016 he joined Haier Appliances Group as its general counsel. It is his first time working for a

Chinese corporation.

Zhao urges lawyers to remain detached from certain business dealings. Especially in younger lawyers, pride can infiltrate negotiations and cause others to lose respect. "Perhaps we should not get too emotional and lower our egos a bit," he advises. A humble ego has certainly served Zhao throughout his career. As someone who earned a JD from an American law school before most Chinese even knew what a lawyer did; worked for technology companies as they grew exponentially; and rose to leadership positions, he says it all just fell into place. "One thing leads to another," he says, "I just went with the flow."

Getting to Know... Shawn Zhao

IF YOU COULD VACATION ANYWHERE IN THE WORLD, WHERE WOULD YOU GO?

I've been telling my family that we should go to the Maldives. I just want to go there to stay at one of those bungalows above seawater. And even if I don't swim very well, I can always jump into the sea anytime I want and see the tropical fish in the crystal clear water. It'll be so fun! But it turns out Maldives is going to be a long flight and several layovers, so we haven't been able to coordinate our time well enough for the family to go together.

WHAT DO YOU DO FOR A HOBBY?

I bike at home and I do planks or pushups, things that will get me sweating or get my system running. I also enjoy music. When I was young, I played violin, and I'm picking up my guitar again right now. So, sometimes I just listen to music or play some music for fun. I still play several songs I used to play in my college years that I learned from my American teachers like Bob Dylan's "Blowin' in the Wind" and Peter, Paul, and Mary's "Puff the Magic Dragon." They were so old my kids would laugh when I play those but I enjoy it.

IF YOU COULD LOOK BACK AND OFFER ONE PIECE OF ADVICE TO YOUR 20-YEAR-OLD SELF, WHAT WOULD IT BE?

Wow, that means if I have a chance to relive my life? I don't know. I think time or God has been very kind to me, so I didn't have to have a serious plan of what I need to do and I wasn't given the opportunity to actually make important decisions by myself. Oftentimes, it's just circumstances and conditions that made it so. But nowadays I think if I relive my life in today's world, I think I would have to have some kind of plan and perhaps plan it out better than I did. I mean obviously today's world is more complex so it perhaps requires more planning than just going with the flow.

[Joshua H. Shields](#)



Editor

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