

The background of the slide features several large, overlapping, flowing shapes in shades of orange and yellow. These shapes have a glossy, liquid-like appearance, with some areas being more translucent than others, creating a sense of depth and movement. The overall composition is dynamic and modern.

Upgrading PRD industries

“The importance of international and technological collaboration to upgrade PRD industries & the important role of Hong Kong in this process”

Dr Tim Moore
19 January 2010

This document is for public review.
© Sagentia 2010.

SAGENTIA

Background

Sagentia SGAI is an innovation & technology consultancy

We have offices in Cambridge, Washington & Hong Kong

We develop new technologies, products and services that change the basis of market competition.

We take a multi-dimensional approach to opportunity discovery and problem solving, drawing on our combined technical expertise, business acumen and industry experience from around the world

Sagentia SGAI was created from a partnership between Sagentia and Automatic Manufacturing Ltd (AML)

Premise:

“International collaboration is required to maximise innovation in the PRD – Hong Kong is pivotal in achieving this.”



General issues

In general, some companies are experiencing problems:

- 1) Financial benefits for both parties are failing to meet expectations.**
- 2) Mismatch in expectation of design & manufactured goods quality**
- 3) Lack of coherent management between both parties means slow speed of getting products to market.**
- 4) Lack of innovation by both parties**
- 5) Concerns over Intellectual Property Rights (IPR) ownership**

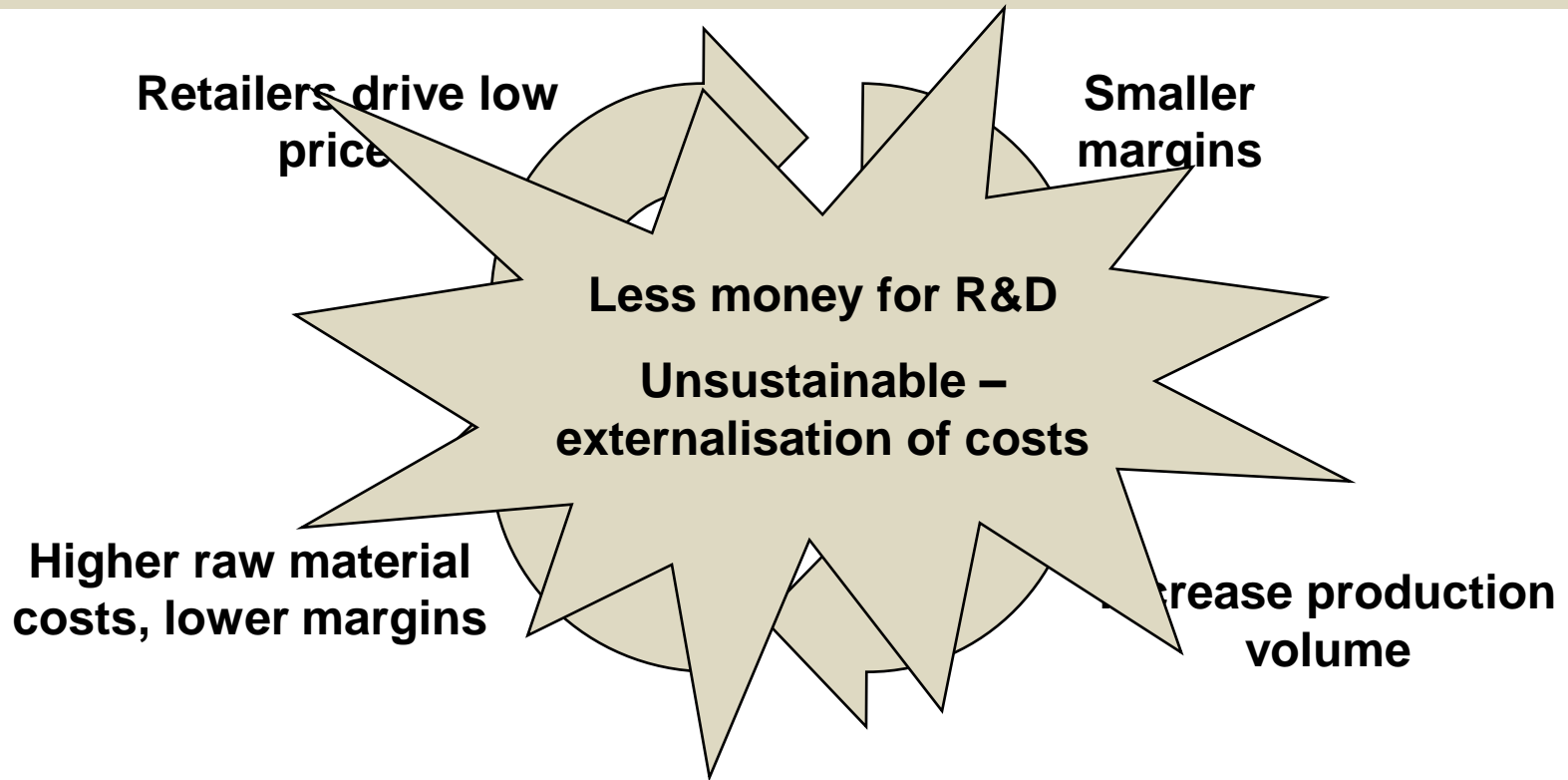
Short sighted: companies returning their manufacture back to their home countries

With further international collaboration, the PRD can to resolve these issues

- **The current manufacturing methodology is unsustainable**

Obviously, there are many exceptions to the generalisation above

For consumer products: one of the causes



Innovation can break the circle:

- Technology
- Use case
- Design
- Market channel

How does innovation break the spiral?

Case study: Jemella Ltd (ghd)

- ghd is a hair straightening iron manufacturer
- RRP: US\$250 @ ~2m units pa
- Biggest competitor: US\$50 @ ~2m units pa

The innovation:

- Technology: new type of heater from Korea to give better straightening performance
- New market channel: through hair salons NOT retailers
- High quality product

Requires market understanding, technology links & strong IPR

- In a global economy, this requires international collaboration
- Apple: another example of the results of market-based technology innovation & international collaboration



The role of Hong Kong

From an international perspective, Hong Kong is pivotal to innovation processes in the PRD

- Tested and trusted IP system

Shenzhen - Hong Kong innovation circle must be deepened and broadened

- Similar role as Cambridge has in the UK
- World-class Universities and science parks
- Mix of culture and international connections: the perfect environment for realising innovation

Hong Kong has the ability to develop

- International business and technology angel networks as well as incubation centres
- Funding mechanisms for technology, start-up companies, ideas and/or products (product stock market)

Sagentia SGAI has benefited from using Hong Kong as a gateway to link international innovation into development and manufacturing in the PRD



www.sagentia.com
info@sagentia.com

Dr Tim Moore: +44 7530 187961, +852 6054 0552

Email: tim.moore@sagentia.com



Sagentia Ltd
Harston Mill
Harston
Cambridge
CB22 7GG
UK

T. +44 1223 875200

Sagentia Inc
8161 Maple Lawn Boulevard
Suite 475
Fulton, MD 20759
USA

T. +1 240 547 6600

Sagentia SGAI Ltd
Unit 6-7, 13/F
Wah Wai Industrial Centre
38-40 Au Pui Wan Street
Fotan
Hong Kong

T. +852 2866 8701

many minds make bright work®

SAGENTIA