

**SME Development Fund**  
**Final Report of Approved Project**

Project Title : The Development & Innovation of Hong Kong Watch Industry  
(Reference No.) (D09 002 016)

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Period covered : From 1 Dec 2009 to 30 Sept 2010  
(dd/mm/yy) (dd/mm/yy)

## 1. Project Details

Please mark with "\*" if any of the following project details is different from that in the project proposal appended to the project agreement.

### Project Reference and Title

The Development & Innovation of Hong Kong Watch Industry (D09 002 016)

### Project Summary (in not more than 150 words)

Over the past years, Hong Kong watch industry has been transforming from a labour-intensive operation towards high technology, high quality and high product value industry. Currently, Hong Kong is the world's second largest exporter of Watches and Clocks in terms of both value and quantity. In 2006, the total export of Hong Kong Watches and Clocks amounted to HK\$46.9 billion and in 2008, the exports increased to over HK\$55 billion. The achievement is obvious. This dominant position in the international market was enabled by the industry's global vision, innovative design, new technology and effective marketing strategy.

The industry is now working in an extremely difficult situation. The recent global economic uncertainty, the rising oil prices, the appreciation of RMB and the changing operating environments in the Pearl River Delta area all added to the burden of the industry. To remain competitive, Hong Kong watch manufacturers must continuously upgrade their strategic planning and development in management and operation, manufacturing technology, marketing and promotion at different distribution levels, in order to achieve a sustainable growth in the volatile business environment.

Hong Kong Watch Manufacturers Association Limited (HKWMA) was established in 1968. It aims to upgrade and consolidate the local watch industry, to promote the local watch manufacturers' interests, trade and contacts with overseas counterparts, and to liaise with the Government for the formulation of appropriate policies and regulations. The Association wishes to apply for the SME Development Fund from Trade and Industry Department to publish a guidebook for industry's reference. The publication will firstly cover the development history and prospects of Hong Kong watch industry. 15 successful watch manufactures will be interviewed for in-depth case study on how did they excel in upgrading technologies, adding value to products, expanding market share and nurturing talents. These findings will be summarised as tips for supporting the continuous development of enterprises and also the entire industry.

To increase the impact of the project, a seminar will be organised, featuring industry gurus to share their insights on the development trend of Hong Kong watch industry and preparation for the future.

To encourage the youth to join watch industry, two exhibitions will be organised in local universities to showcase the development history and prospect of Hong Kong watch industry.

### Project Objective(s) (in not more than 80 words)

- ◆ To record the development history of Hong Kong watch and clock industry and enhance the public recognition of the industry.
- ◆ To increase the competitiveness of Hong Kong watch manufacturers
- ◆ To support the continuous development of Hong Kong watch and clock industry

### Recipient/Collaborating/Implementation Organisation

Recipient Organisation : Hong Kong Watch Manufacturers Association Limited  
Collaborating Organisation(s) : N.A.

Implementation Agent(s) : 1) Institute for Enterprise, The Hong Kong Polytechnic University  
2) PolyU Technology & Consultancy Co. Ltd.

### Key Personnel

	<u>Name</u>	<u>Company/Organisation</u>	<u>Tel No. &amp; Fax No.</u>
Project Co-ordinator :	Mr. Sidney Wong	Institute for Enterprise, The Hong Kong Polytechnic University	3400 2777 2764 5287
Deputy Project Co-ordinator :	Ms. Carol Yuen	Management and Executive Development Centre, The Hong Kong Polytechnic University	3400 2944 2764 5287

### Project Period

	<u>Commencement Date</u> (day/month/year)	<u>Completion Date</u> (day/month/year)	<u>Project Duration</u> (No. of months)
As stated in project agreement	1/12/2009	30/9/2010	10 months
Revised (if applicable)	N.A.	N.A.	N.A.

### Methodology Employed

1. Research on the history of Hong Kong watch and clock industry from:
  - 1) libraries;
  - 2) experienced watchmakers;
  - 3) HKWMA Secretariat Office's Library;
  - 4) Website.
2. Interview renowned watchmakers in the sector.
3. Consolidate the findings from:
  - 1) The analysis of the 15 interviewed firms;
  - 2) The development of the Hong Kong watch and clock industry;
  - 3) The research conducted by the Project Committee;
  - 4) Recommendations provided by senior consultants from The Hong Kong Polytechnic University.

## 2. Summary of Project Results

### Project Deliverables

Please list out the targeted project deliverables as stated in the project proposal appended to the project agreement and provide details of actual result achieved, including beneficiaries, for each of them.

	<u>Target project deliverables</u>	<u>Actual result achieved</u>
1.	Produce 3,500pcs of publication	<ul style="list-style-type: none"> <li>♦ 3,500pcs of the publication “The Development and Innovation of the Hong Kong Watch and Clock Industry” were produced.</li> <li>♦ The publication consists of the following parts:               <ul style="list-style-type: none"> <li>♦ Development History of the Hong Kong Watch and Clock Industry</li> <li>♦ A New Chapter for Industry Development – Cases Studies</li> <li>♦ A New Chapter for Industry Development – Sustainable Development of the Hong Kong Watch and Clock Industry.</li> </ul> </li> <li>♦ The publication carries both Chinese and English versions.</li> <li>♦ Copies of the publication were distributed to the following organizations:               <ul style="list-style-type: none"> <li>♦ Watch &amp; Clock &amp; related associations – 1400pcs</li> <li>♦ enterprises in the sector – 1800pcs</li> <li>♦ Hong Kong public libraries – 50pcs</li> <li>♦ 9 universities in Hong Kong – 18pcs</li> <li>♦ Hong Kong Institute of Vocational Education (Lee Wai Lee) – 85pcs</li> <li>♦ Hong Kong Trade Development Council – 5pcs</li> <li>♦ Distributed in the seminar on 27/9 – 100pcs</li> <li>♦ Others – 42pcs</li> </ul> </li> </ul>
2.	DVDs – electronic versions of the publication	<ul style="list-style-type: none"> <li>♦ The electronic version (in Chinese and English) of the publication were made available on DVDs.</li> <li>♦ 3,500 DVDs were produced.</li> <li>♦ These DVDs were distributed together with the publications.</li> </ul>
3.	Seminar	<ul style="list-style-type: none"> <li>♦ Hong Kong Watch Manufacturers Association organized a seminar “The Development and Innovation of Hong Kong Watch and Clock Industry” on 27 September 2010 at The Hong Kong Polytechnic University. The seminar was well received by 88 participants who were SMEs’ employees and employers and colleague students.</li> <li>♦ Please refer to Annex 1 for details of seminar.</li> </ul>
4.	Exhibitions	Hong Kong Watch Manufacturers Association organized two exhibitions at The Hong Kong Polytechnic University on 13-17 September and 27-30 September 2010. The exhibitions showed the

		<p>development history of the Hong Kong watch and clock industry as well as career prospect of the industry.</p> <ul style="list-style-type: none"> <li>◆ Please refer to Annex 2 for details of display boards.</li> </ul>
5.	Website	<ul style="list-style-type: none"> <li>◆ The electronic version of the publication was uploaded to Hong Kong Watch and Clock World's website <a href="http://www.hkwatchworld.com">http://www.hkwatchworld.com</a></li> <li>◆ Please refer to Annex 3 for details.</li> </ul>

#### Actual Benefits to SMEs

Please indicate *in clear, specific, tangible and quantifiable terms* the benefits of the project and its contribution to enhancing the competitiveness of Hong Kong's SMEs in general or SMEs in specific sectors, in not more than 400 words.

3,500pcs of the publication were distributed to watches & related associations, enterprises in the sector, Hong Kong public libraries, universities in Hong Kong, and Hong Kong Trade Development Council. The publications were well received by general public especially watchmakers and college.

The publications recorded the development history of Hong Kong watch and clock industry. This information is valuable and essential for future development of the industry. It also helps to enhance the youth recognition of the industry and attract them to join this industry.

15 successful watch manufacturers were interviewed for in-depth case study on how did they excel in upgrading technologies, adding value to products, expanding market share and nurturing talents. Through their experiences sharing, Hong Kong's SMEs are prompted to focus on using innovative technology and product design, building their own brands, and providing appropriate training for their staff. It helps to increase the competitiveness of enterprises.

In each case study, the interviewee provided the recommendations on developing future strategies. It helped to strengthen SMEs competence to explore new business opportunities and support sustainable development of the Hong Kong watch and clock industry.

To encourage the youth to join the industry, two exhibitions were organized in The Hong Kong Polytechnic University. The exhibitions showed the development history, sustainable development and career prospect of the industry.

In order to magnify the effectiveness of the publication, a seminar was organized at The Hong Kong Polytechnic University. 5 interviewees and 3 senior consultants of the project (Poly U professors) were invited to share their experiences on using innovative technologies and product design, building brand, exploring new market levels and training their staff. 88 participants attended the seminar. 44% of participants are employer and employees of SMEs and 56% of participants are staffs and students from Hong Kong Institute of Vocational Education and The Hong Kong Polytechnic University. The evaluation questionnaires were distributed at the end of the seminar and positive feedbacks were received.

The electronic version (in Chinese and English) of the publication were uploaded to Hong Kong Watch and Clock World's website <http://www.hkwatchworld.com>, the general public can view the publication anytime, anywhere.

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#### Milestones (in chronological order)

# Please indicate if the milestone is completed (C), deferred (D) or not achieved (N). If it is deferred, please indicate the revised completion date. For those milestones which are deferred or not achieved, please also provide the reasons under item 2.4.

Milestone (as set out in the project proposal appended to the project agreement)	Original target completion date	Revised target completion date (if applicable)	Status (C/P/D) #	Reason for deviation from its original target completion date
(a) ♦ Form working committee; ♦ Set working plan and content of the publications; ♦ Select printing company	31 Dec 09		C	
(b) ♦ Collect the information about development history of Hong Kong watch and clock industry	31 Jul 10		C	
(c) ♦ Write the development history of Hong Kong watch and clock industry	31 Jul 10		C	
(d) ♦ Interview 15 watch manufacturers for in-depth case studies ♦ Write case studies ♦ Summarize the findings of the case studies and write the recommendations	31 Jul 10		C	
(e) ♦ Edit and Proof read all articles	31 Jul 10	31 Aug 10	C	Need more time to fine-tune the drafted content for items (c) to (e), therefore, the publishing date of the publication was postponed to 31 Aug 2010.
(f) ♦ Print the publications	31 Jul 10	31 Aug 10	C	
Carry out marketing activities including:				
(g) ♦ Distribute the publications	31 Aug 10	30 Sep 10	C	The publications were produced in early Sep and distributed by 30 Sep.
(h) ♦ Organise one seminar and two exhibitions	31 Aug 10	30 Sep 10	C	As the publications were produced in early Sep, the seminar and the exhibitions were organised between 13 Sep and 30 Sep 2010.
(i) ♦ Advertisement	31 Aug 10	30 Sep 10	C	Advertisements were placed in Sep because the seminar and exhibitions were organised in Sep 2010.
(j) ♦ Write Final report	30 Sep 10	30 Nov 10	C	The report must be written after the completion of the seminar and exhibitions.

### Marketing/Dissemination Activities (in chronological order)

Please provide details of all completed and on-going promotional and/or dissemination activities for each of the project deliverables. Such activities may include advertisements, seminars, workshops, etc.

<u>Date/ Period</u>	<u>Description</u>	<u>No. of beneficiaries</u> (Please specify whether they are SMEs or not)
8 Sep 2010	♦ The electronic version of the publication were uploaded to Hong Kong Watch and Clock World's website <a href="http://www.hkwatchworld.com">http://www.hkwatchworld.com</a>	Over 5,000 employers and employees of SMEs
10 Sep 2010	♦ Advertised on Ming Pao JUMP (1/4 page with full color) to promote the publication, seminar and exhibitions	465,000 readers (About 205,065 readers are employers and employees of SMEs)
13 Sep 2010	♦ Advertised on HKET (1/4 page with full color) to promote the publication, seminar and exhibitions	220,525 readers (About 216,115 readers are employers and employees of SMEs)
18 Sep - 15 Oct 2010	♦ Advertised on MTR Station Panel (Location: Hunghom MTR station, Display Panel #E14)	Over 300,000 employers and employees of SMEs
13 Sep - 17 Sep 2010	♦ 1 <sup>st</sup> round exhibition was held at The Hong Kong Polytechnic University campus	29,000 PolyU staff, students and visitors
20 Sep 2010	♦ Advertised on HKET (1/4 page with full color) to promote the publication, seminar and exhibitions	220,525 readers (About 216,115 readers are employers and employees of SMEs)
20 Sep 2010	♦ Advertised on HK Metro (1/4 page with full color) to promote the publication, seminar and exhibitions	739,000 readers (About 514,196 readers are employers and employees of SMEs)
22 Sep 2010	♦ Advertised on AM730 (1/2 page with full color) to promote the publication, seminar and exhibitions	858,000 readers (About 639,038 readers are employers and employees of SMEs)
27 Sep 2010	♦ Seminar on "The Development and Innovation of the Hong Kong Watch and Clock Industry" was held at The Hong Kong Polytechnic University	88 participants (39 people are employers and employees of SMEs.)
27 Sep - 30 Sep 2010	♦ 2 <sup>nd</sup> round exhibition was held at The Hong Kong Polytechnic University campus	29,000 PolyU Staff, students and visitors

27 Sep - 30 Sep 2010	<ul style="list-style-type: none"> <li>◆ Promotional posters and banners were posted and hanged on the eye-catching area in the campus of The Hong Kong Polytechnic University</li> </ul>	29,000 PolyU Staff, students and visitors
15 Sep - 30 Sep 2010	<ul style="list-style-type: none"> <li>◆ 3,500pcs of the publication and DVDs were distributed to the following organizations:</li> <li>◆ watches &amp; related associations – 1400pcs <ul style="list-style-type: none"> <li>◆ enterprises in the sector – 1800pcs</li> <li>◆ Hong Kong public libraries – 50pcs</li> <li>◆ 9 universities in Hong Kong – 18pcs</li> <li>◆ Hong Kong Institute of Vocational Education (Lee Wai Lee) – 85pcs</li> <li>◆ Hong Kong Trade Development Council – 5pcs</li> <li>◆ Distributed in the seminar on 27/9 – 100pcs</li> <li>◆ Others – 42pcs</li> </ul> </li> </ul>	Over 300,000 employers and employees of SMEs
Total no. of beneficiaries - no. of beneficiaries who are from SMEs :		About 2,179,453
no. of beneficiaries who are not from SMEs :		About 737,160

#### Future Plan for Promoting the Project Deliverables

Hong Kong Watch Manufacturers Association organized “第十九屆粵港鐘錶研討會” on 4 December 2010 in Dongguan. Two senior consultants of this project attended the seminar and introduced the findings from the publication “The Development and Innovation of the Hong Kong Watch and Clock Industry”. 200 participants from Hong Kong and China watch and clock industry attended the seminar.