

**SME Development Fund/
Dedicated Fund on Branding, Upgrading and Domestic Sales
(Organisation Support Programme)**

Final Report of Approved Project

Project ref. no. : D 12 001 008
Project title : A TV Program Series and Conferences on “Riding
Against Industrial Crisis by Business and Operation
Revolution with ODM/OBM Transition, Innovation,
Upgrading and New Market Strategies”
Period covered : From 1 Sept 2012 to 31 Aug 2013
(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

A TV Program Series and Conferences on "Riding Against Industrial Crisis by Business and Operation Revolution with ODM/OBM Transition, Innovation, Upgrading and New Market Strategies"

Project Summary (in not more than 150 words)

Despite the majority of local SMEs suffering from the impact of poor traditional market, we realize that there are some manufacturers which have taken actions on changing their business models and operation strategies in recent years. They can not only survive from the poor economy situation, but also have sustainable business and profit growth. The approaches they have taken for operation revolution include:

- Building up product development capabilities and transit to ODM and even OBM business;
- Exploring high potential new markets (e.g. Middle East, Brazil, India, etc);
- Creating an innovative environment and striking for product, process and technology innovation;
- Diversifying into value added products manufacturing related to their core business; and
- Upgrading product quality and productivity to become market leader by adopting automation systems and strike for continuous improvement on operations.

In order to let a large amount of owners and practitioners of SMEs to learn the role model of the abovementioned outstanding enterprises within a short time, a TV program series with 5 episodes was produced with RTHK and broadcasted on TVB Jade Channel and 3 experience sharing conferences were organized during the project period. More than 30 industrialists have shared their successful stories at the TV program series and conferences. Some important ideas and insights of industrialists in the TV program series were also disseminated to manufacturers, education bodies and the public via supplements on two newspapers, the Hong Kong Economic Journal and AM730 and posters. Furthermore, a DVD comprising the TV program series and a guidebook summarizing the interviews have been edited and distributed to SMEs of various industry sectors, trade associations, secondary and tertiary educational bodies and public libraries. Extractions of the TV program series was uploaded to website of RTHK and You Tube for the public to view and review for 6 months right after the TV program broadcasted in June.

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

1. To let a large amount of owners and practitioners of SMEs engaged in OEM business of traditional products to gain insights within a short time on operation strategies of outstanding local enterprises that changed their business model and operation strategies for sustainable survival and growth under poor economy environment of traditional export markets.
2. To provide guidelines and references to SMEs in transition to ODM/OBM business, product and process innovation, upgrading and diversification into high value-added products manufacturing as well as exploration of new overseas markets.

A TV program series was edited and produced for the purpose in letting a large amount of owners and practitioners of SMEs engaged in manufacturing to learn the role model of the outstanding enterprises within a short time.

A project committee had been formed by the project applicant, PVCHK and HKPC for collection, evaluation and selection of successful stories on business model changes and revolution shown on the TV program series. The committee was formed by Mr. Flint Chan, representative of HKPC and industrialists of different industry sectors. The committee also engaged in inviting industrialists to participate in video shooting and provision of guidelines on video shooting and deciding the themes of each episode with RTHK, the producer of the TV program.

The program comprised 5 half-hour episodes.

- The first episode of the program had addressed on some of the recent difficult situations of the industry and insights from some industrialists having experience on other hard time such as financial tsunami, SARs, etc., on solutions for solving the problem.
- For the successive second to fifth episodes, industrialists who already taken actions in recent years to change their business and operation model and strategies were invited to present their successful stories on transition to ODM/OBM, innovation, upgrading, high value added product diversification and exploration of new overseas markets.

This TV program series had been produced by Radio Television Hong Kong (RTHK) and broadcasted on Television Broadcasts Limited (TVB) "Jade" Chinese Channel at time lots (i.e. right after evening news time) consigned to RTHK in May and June. Over 20 industrialists have been invited for interview on the TV program.

Two Newspaper Supplements on Hong Kong Economic Times and AM730 targeted for SME manufacturers and the general public respectively with brief information on insights and successful stories of manufacturers had been prepared and posted right before launching of the TV series to strengthen the promotion. Besides, **A2 size posters** for illustrating ideas in industrial business and operation revolution had been distributed to SMEs to provide the brief insights as well as further promoting the program.

Extractions of this program has be posted on website of RTHK and You Tube for people who missed to see the TV program or having interest to see it again or show it to the other industry practitioners in HK and Mainland China to view right after completion of broadcasting of the program in June for 6 months.

3 half-day sharing conferences with themes on "New Overseas Market Exploration", "Transition from OEM to ODM/OBM & Product Innovation", "Transformation, Upgrading & Technology Innovation" has been organized to provide more in-depth information on solutions for business and operation model changes and revolution in February, March and May 2013 respectively. More than 10 industrialists taken actions in recent years on changing business and operation models of their companies had been invited for presentations on modern strategies and methodologies as well as their companies' cases.

A guidebook comprising summaries of the findings on interviews with industrialists under the TV program series as well as **a DVD** comprising the whole TV program series have be edited and produced. 4000 copies of guidebooks and 10,000 copies of DVDs were distributed to targeted SMEs.

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.)

- (i) A television series (5 episodes) to allow SMEs to learn from successful enterprises.
- (ii) Two newspaper supplements to promote the TV series.
- (iii) 8,000 copies of posters to showcase industrial business and operation revolution and to promote the TV series.
- (iv) 3 half-day sharing conferences on transition from OEM to ODM/OBM business and product innovation, transformation, upgrading & technology innovation as well as exploration of new overseas markets.
- (v) 4,000 copies of guidebooks comprising summaries of presentations on the sharing conferences as well as interviews with industrialists and trade association leaders under the TV program series.
- (vi) 10,000 copies of DVDs of the TV program series.

Actual Benefits to SMEs/Enterprises

(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 / enterprises in general or SMEs / enterprises in specific sectors / assist Hong Kong enterprises in general or in specific sectors in developing brands, upgrading and restructuring business operations, and promoting domestic sales in the Mainland, in not more than 400 words.)

TV program is a lively, interactive and interesting way to transfer messages to the industry, educational bodies and the public within a short time. The successful case stories presented by pilot manufacturers on business model revolution can provide insights and guidelines to targeted SMEs on transition from OEM to ODM/OBM business, product & technology innovation, transformation & upgrading as well as exploration of new market with good potential. These cases can provide references to a large number of SMEs on changing their business model for continual survival and further development as well as minimizing the resources, investment and time for implementing the changes.

We aware that the main audience of the program are industrialists and senior practitioners of the industry with age group of 35 to 65 who often watch evening news after working in factory or office on the daytime. Television broadcasting is the most effective media to reach this age group.

This is a one-off funding program. The TV program series has provided insight to owners and practitioners of all industry sectors on various feasible solutions for tackling the impact of shrinkage on traditional markets, strong competition from developing countries and rapid increase in labour cost in Mainland China.

This TV program series has also fostered a positive image to the public and the young generation that industry is not a sunset business, but an energetic sector that requires continual changes for sustainable growth and development. The new local manufacturing industry is demanding for practitioners with higher education, better knowledge and enhanced capabilities on technology, product innovation and new markets. The new industrial environment will create opportunities on more interesting and higher value jobs for the young generation and attract them to work for the industry.

This project has a strong impact towards local industries on the concept of continual change and revolution of business and operation models and strategies for sustainability and further development. As the program has also be made available to educational bodies, the lifespan and impact of the project will be very long and wide respectively. Vocational and other educational bodies may make use of the TV program DVD, project guidebook and other materials of this project to develop teaching aids and kits for industrial education.

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.)

<u>Milestone</u> (as set out in the approved project proposal appended to the project agreement)	<u>Original target completion date</u>	<u>Revised target completion date</u> (if applicable)	<u>Status</u> (C/D/N) #
Formation of project committee, collection and evaluation of successful stories, selection of production house, deciding theme of films under the TV program.	30/11/2012		C
(a) <u>theme of films under the TV program.</u>			
(b) Organise and hold 3 sharing conferences.	31/03/2013	06/05/2013	C
(c) TV program series production by RTHK and promotion.	30/04/2013	08/05/2013	C
(d) Launching of newspapers supplements as well as compilation of posters to provide brief insights and promote the TV series	30/04/2013	31/05/2013	C
(e) Broadcasting of TV program series on TVB "Jade" Chinese channel.	30/06/2013		C
(f) Compilation and distribution of guidebook.	31/08/2013		C
(g) Compilation and distribution of DVDs. Uploading of extractions to websites for free viewing and review.	31/08/2013		C

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 (SMEs/Enterprises*)</u> * please delete as appropriate
1-Feb-13	Mailing of conference pamphlet	1,142
4-Feb-13	Email promotion through HKPC database	around 3,000
4-Mar-13		
17-Apr-13		
19-Feb-13	Email promotion through PVCHK database	around 6,000
5-Mar-13		
24-Apr-13		
7-May-13		
25-Feb-2013	Conference on Transition from OEM to ODM/OBM business & Product Innovation	195 (persons)
18- Mar-2013	Conference on Transformation, Upgrading & Technology Innovation	152 (persons)
22- Apr-2013	Advertisement on FHKI Magazine	around 3,000
22-Apr-13	E-promotion through HKPC New Flash	around 40,000
29-Apr-13		
26- Apr-2013	Mass Mailing of TV program Pamphlet	1,047
1- May-2013 to	Wide format poster advertisement of TV program at Futian Checkpoint Station	around 680,000 (persons)
31- May-2013		
4- May-2013 to	MTR advertisement of TV program	around 683,000 (persons)
17- May-2013		
6- May-2013	Conference on New Overseas Market Exploration	163 (persons)
8- May-2013	Newspaper Supplements in HK Economic Journal and AM730 to promote TV Program	around 485,000 (persons)

<u>Date/ Period</u>	<u>Description</u>	<u>No. of beneficiaries (SMEs/Enterprises *)</u> *please delete as appropriate
8 May 2013 to 5 Jun 2013	Broadcasting of 5 half-hour episodes of the TV program TVB Jade Channel in 5 consecutive Wednesdays starting from 8 May	More than 1,000,000 viewers and 30,000 SMEs
22 May 2013	Distribution of A2 posters (for TV program)	Approximately 8,000 SMEs
12 Jun 2013	Uploading of TV program to RTHK website and "You Tube" for free download by public	Approximately 10,000 persons
31 Aug 2013	Distribution of 10,000 copies of DVDs	Approximately 10,000 SMEs
31 Aug 2013	Distribution of 4,000 copies of guidebook	Approximately 4,000 SMEs
	Total no. of beneficiaries	: More than 1,000,000 (estimated person)

Future Plan for Promoting the Project Deliverables

1) PVCHK and HKPC will inform members and manufacturers to visit extractions of the TV program on "You Tube" by email again before Chinese New Year.

2) Certain copies of the DVD and guidebook will be shown in PVCHK secretariat office and HKPC display area for interested parties to read.

3) Extractions of the DVD will be shown in certain coming seminars and other events of PVCHK and HKPC. We also welcome educational and other bodies to duplicate DVD or its extractions for in-house educational and other purposes under approval of PVCHK. Public presentation of DVD is not allowed according to RTHK due to copyright issues of some background music in the TV program.