



# Connecting.TW

放大台灣經濟

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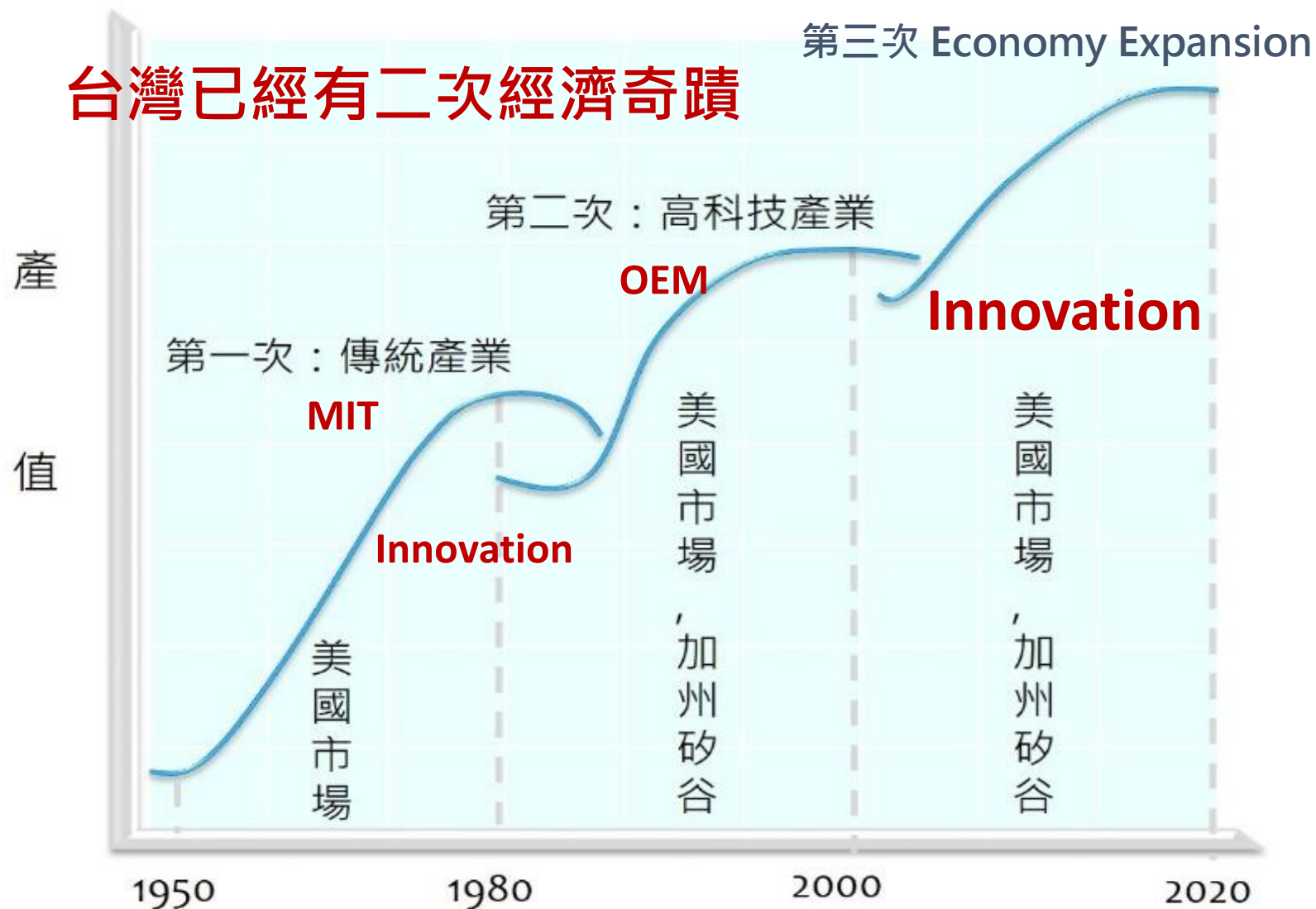
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**Secrets of Innovations –  
Core Competency**

April 7, 2018

# 放大台灣 – 東進美國, 打大聯盟



# Disruptive Products : Create Gap in Competition

Recap



Application (5" Drive)



Technical Performance:  
5-10x Better than Competitors (IT Services)



End Users: 5-10x Size of Customers

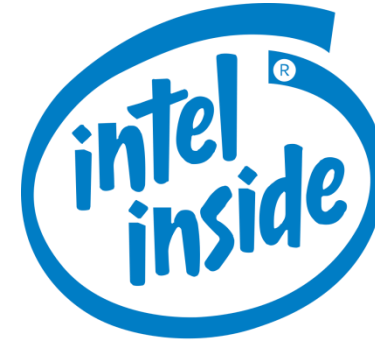


Low Price Entrance



Manufacturing (SOP)

# What Do You See in Their Core Competency?

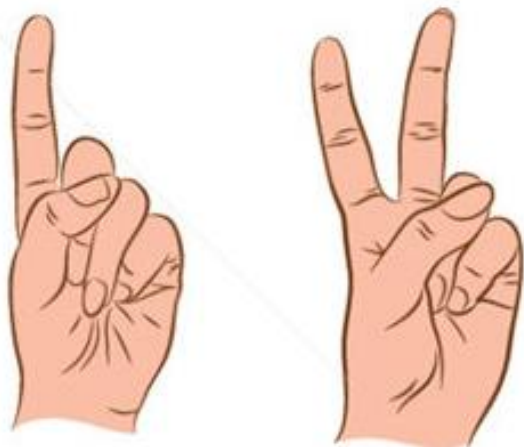


# Core Competency

#1 or #2 Rule

Make Money

Passion



# Facts About “Giant Bicycles”

- ❑ Founded in 1972
- ❑ 1977 – became a supplier to the US Schwinn Bicycle Company
- ❑ Mid 80 – making 2/3 of Schwinn bikes
- ❑ 1987 – Schwinn switched OEM to a company in China
  
- ❑ 2014: (higher revenue than Schwinn)  
Units produced: 6.6M;  
revenue: US\$1.8 billion (2014)  
~10% of Global market share in 2017 (over 50 countries)

**What are the turning points?**



# Core Competency Migration

Manufacturing



Manufacturing + Design



Design + Brand



[‘Secret’ Giant is world’s biggest bicycle manufacturer and ...](http://www.cips.org/supply-management/news/2016/january/...)  
[www.cips.org/supply-management/news/2016/january/...](http://www.cips.org/supply-management/news/2016/january/...)

[Best Bicycle Brands in the World - List of Top Ten](http://www.mostluxuriouslist.com/top-10-best-bicycle...)

[www.mostluxuriouslist.com/top-10-best-bicycle...](http://www.mostluxuriouslist.com/top-10-best-bicycle...)

Giant is the best and top ranked brand in terms of bicycles. It is also the most demanded bicycles in the world and most used as well. Their bikes are made with amazing features and best designs as well. It is a Taiwanese based brand that is founded in 1972 and was started by King Liu.

Case study : Company's current products are at the end of S-curve. How do you find next revenue driven market?



# Reality Check-in

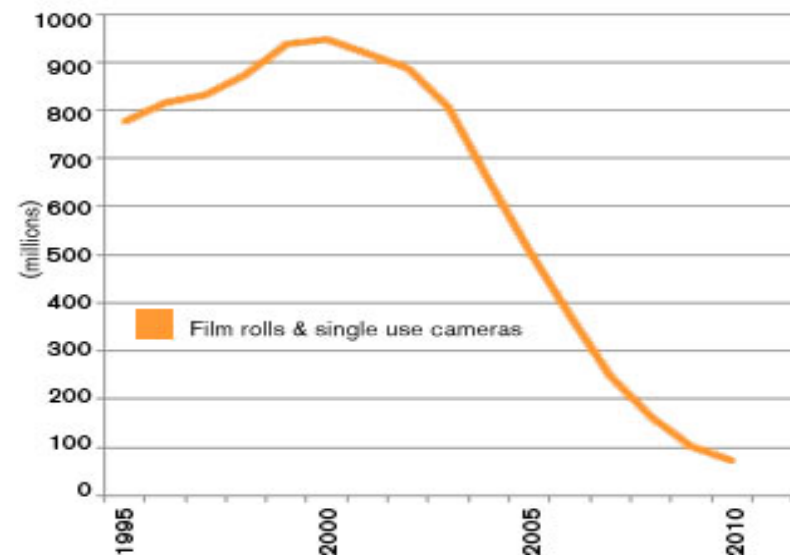
- Kodak has 80% of US market and Fuji Film dominates Japan market in analog film in the 80's
- Analog film has healthy gross margin and serve as cash cow for both company till late 90's
- In late 80s and early 90's Both companies saw digital technologies came to disrupt the film based analog photography – camera integrated with digital sensor and memory card
- Separately each worked on its own New Market Strategy

You are the CEO of Kodak or Fujifilm.

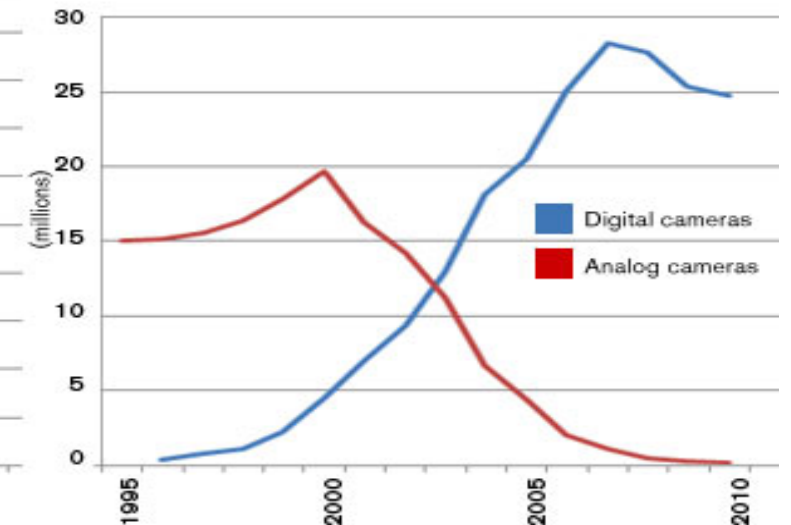
You need strategies facing your disruptors

## Decline of Film

Film rolls sold



Camera sales



# Breakout Discussion 1 :

1. Put more resources to expand the market of your traditional film business
2. Leverage on your brand value, use your marketing strength to charge into digital camera market. Position the company as a system integrator of key technology CCD, optics, and digital user design.
3. Your business has specialty in photon sensitive chemical and surface protection knowledge in camera films. Extend the know-how into other businesses.

What is your Strategy? Consider the pros and cons of each option

Kodak is not #1 or #2 in the key components of Digital Camera (CCD, Optics, digital design)

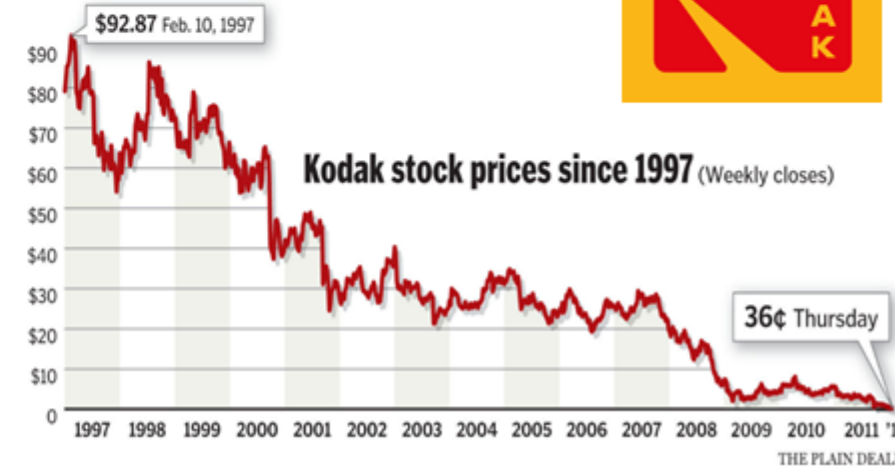


I. 核心產品 - Photo film (not Camera)

II. 公司強項 - 營銷/品牌： 1996 超過2/3的全球市場占有額， 柯達是世界第五最有價值的品牌

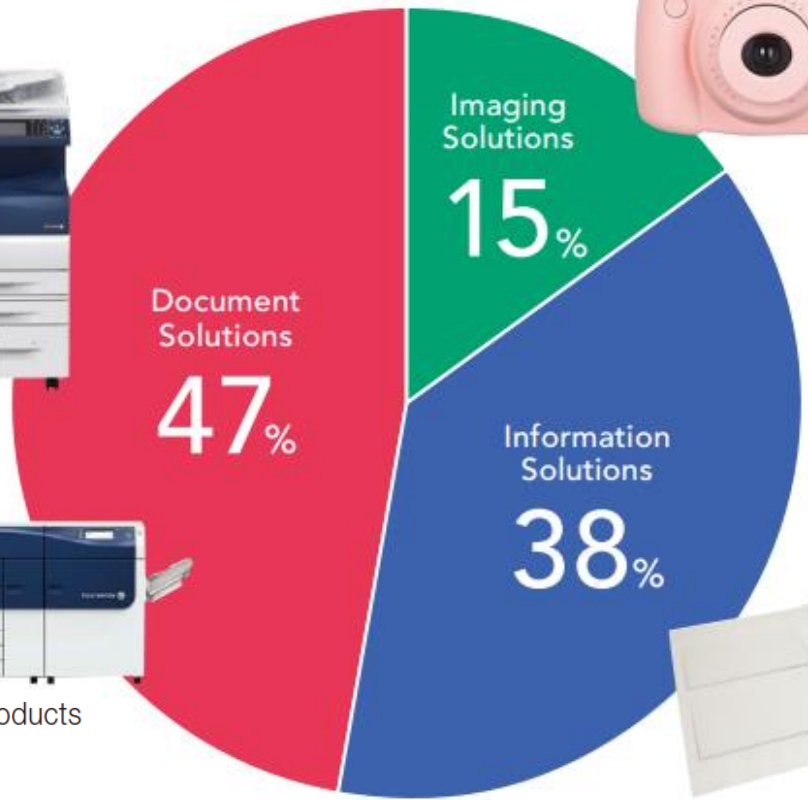
III. Digital Camera was to disrupt the Analog film with semiconductor CCD

Rarely companies can stay successful in the market they got disrupted



# Discuss 2 : How FujiFilm transform to New Market?

Revenue in FY2015/3



Imaging Solutions

