

How to Innovate for India

INDOVATION 

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**Indische Wirtschaft**
Das Medium zum Wachstumsmarkt

>>> ein Blog von
Wolfgang Bergthaler

Unternehmen & Märkte	Web, Mobile, Medien	Interkulturelles	Indovation	Doing Business	Kommentare	Interviews
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Weekend Reading #52



Dieses Wochenende präsentiere ich Ihnen ein paar Hintergrund-Stories, an denen Sie erkennen wie sich die globale wirtschaftliche Machtverteilung langsam ändert. Indien rückt immer mehr in den Vordergrund. Die Deutschen sind faul geworden...

1. Februar 2013 11:57 / no comments

Der Unterschied zwischen Glocalisation und Indovation



Indische Wirtschaft



You like this.

Über den Autor

Wolfgang Bergthaler ist Blogger, Berater und Unternehmer. Er arbeitet seit 2004 mit/in Indien. Er verbindet sein Wissen über die indische Kultur und Geschäftsmentalität mit profunder Marktkenntnis und seinem betriebswirtschaftlichen und technischen Hintergrund. Auf "Indische Wirtschaft" schreibt er täglich über den Wachstumsmarkt in Südasien und seinen

Austrian Companies in India (Examples)

Plasser & Theurer


Wienerberger


RHI


Red Bull®


SWAROVSKI

Top Products for Top Market

- ◆ World market leaders in niche markets (B2B; industry!)

Plasser & Theurer


Wienerberger


RHI

- ◆ High End consumer brands (= luxury goods)


Red Bull®


SWAROVSKI

High-end Products for Top of the Pyramid

- ◆ World market leaders in niche industries (B2B; industry)

Plasser & Theurer

absolute top-end
product range



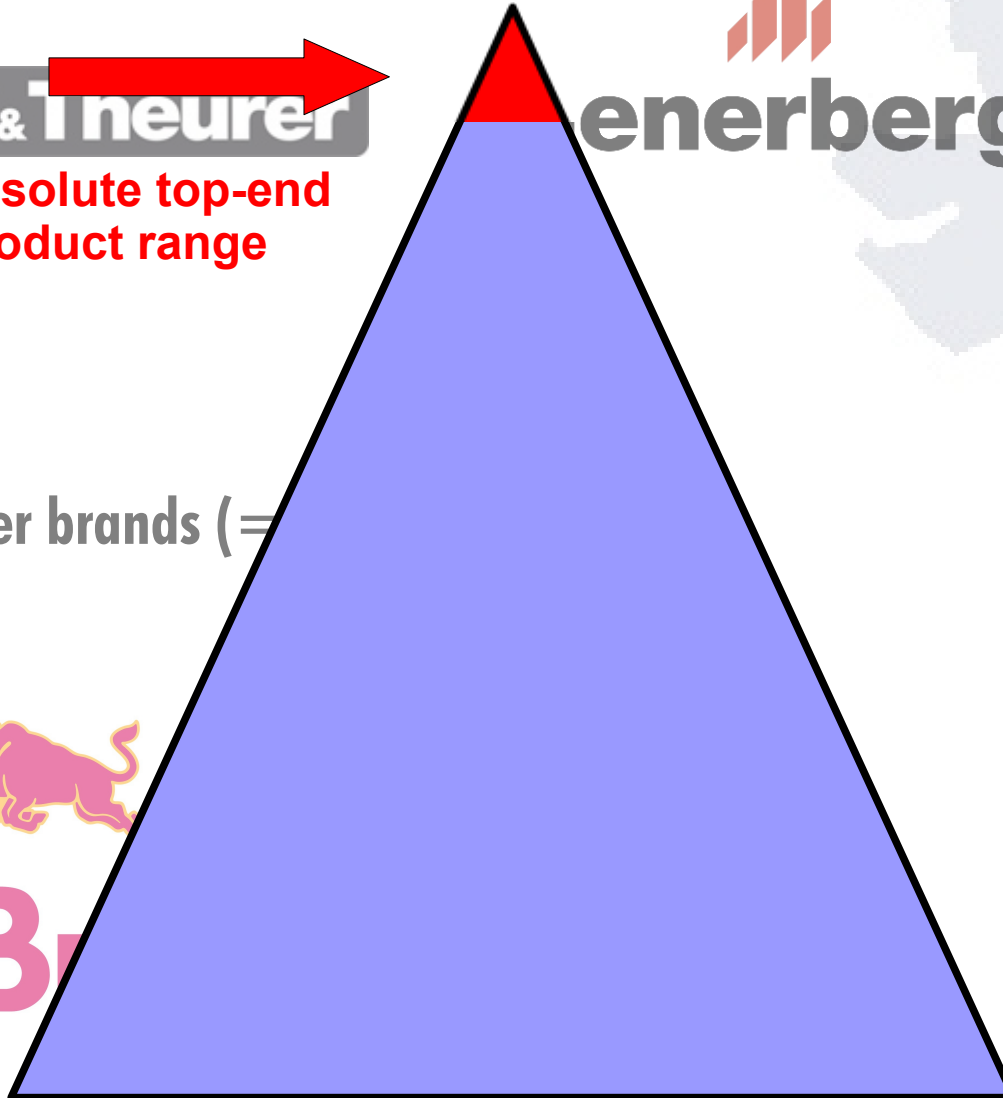
enerberger

RHI

- ◆ High End consumer brands (=



Red Bull



What does AT offer to a broader (Mass) Market...?



Mostly struggling...

◆ Austrian KMU/SME/Mittelstand have a tough time in India

- 99.7% of companies *
- 67% of employment *
- 63% GDP *

* ... <http://www.kmuforschung.ac.at/>

◆ Even leading German Corporations are not able to crack the Indian market

- Mobility: Volkswagen
- Healthcare: Siemens, Dräger, Fresenius etc
- FMCG: Henkel, Dr. Oetker etc
- Consumer Electronics: Bosch Siemens Hausgeräte



Why Companies struggle in India

◆ Poor product-market fit

- Product customisation (glocalisation) is not enough
- Gap in product performance/price, infrastructure, sustainability, regulatory, preferences

◆ No *Indovation*

- NO products for the “Indian” middle class

◆ Fierce competition from India

- Indian companies have deep market intelligence, access to technology and money





Glocalisation → Indovation

- glocalisation: globalisation + localisation
- Indovation: Innovation for India

◆ **Mango & banana taste is no indovation**

◆ **No product market fit**

- Target only Americanised Indians
- Loosing out on 99% of market

Indovation by GE: Electrocardiograph

◆ **Glocalisation: low-end product from US failed**

- Good urban hospitals
- Fixed unit, heavy, not robust, big, complicated
- Expensive: USD 3,000 (- USD 10,000)

◆ **Indovation: Product Made for India created new markets**

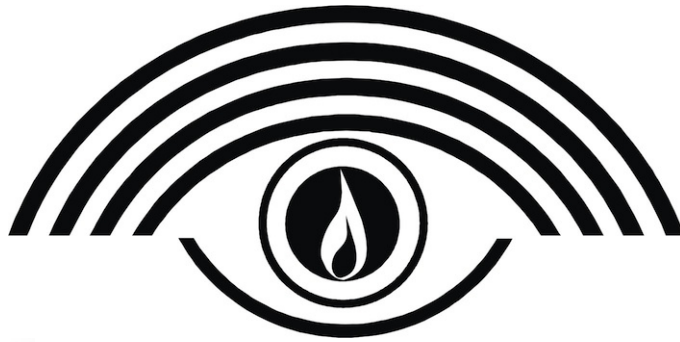
- Rural India, doctors
- Requirements: portable, lightweight, robust, battery-supply, usability, ease of maintenance
- Affordable: USD 400 – 800

◆ **Reverse Innovation disrupt markets in the West**

- Sold back in the USA



Indovations - Made in India



Value Products: High tech - low Price



14 \$

**14 patents
Nanotechnology**

**Standardization,
Specialization,
economies of scale,
assembly line production**

~~1000 \$~~
30 \$



~~250 \$~~
60 \$



~~250 \$~~
69 \$

**Semiconductor
like Laptop cooling**



**clever designs
new materials
supplier partnerships**

~~10,000 \$~~
2,500 \$

MORE value, for LESS money, for MORE people

◆ '50% solution' for 15% of the price

- 'Nobody' is waiting for over-engineered: EU: 1 x 10€ vs IN 10x1€
- Exporting cannot achieve such results
- You cannot solve India's problem of 2013 with Europe's technology and product from the last century
- 50% solutions will become 90% solutions and come to West (reverse innovation)

◆ Leapfrog through technologies (no legacy systems to hold you back)

- ~~Landline~~ → cell phone; ~~Computer~~ → smart phone; ~~Centralised electric power~~ → renewable

◆ Where does YOUR technology create value?

- Mobility & transportation
- Energy & lighting
- Water & Sanitation
- Housing, construction supply, tools
- Food (processing)
- Health care (diagnostics etc)

Huge problems → huge markets → \$\$\$

Stop Exporting! Start Innovating!



Principles for product development

◆ Create VALUE for money

- Instead of 'cheap' generic

◆ Low margin – high volume

- Scalability!

◆ Functionality is important!

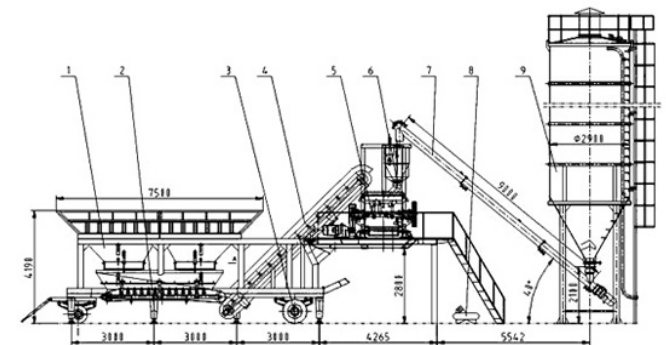
- Nobody is going to pay for design (e.g. Apple vs Android)
- Design products that match the customers behaviour, preferences and taste.

◆ Hybrid solutions & modular design

- Fill the gaps
- e.g. Anlagenbau

◆ Simplicity & usability, durability and robustness

- Climate conditions are extreme, infrastructure is poor, and all resources are fully utilised



Principles for product development

- ◆ **Form small interdisciplinary, multicultural and flexible groups to innovate**
 - Allow Indian engineers and marketers lead the innovation process
 - Support them with your technology and global resources
- ◆ **Apply Pareto principle (20-80) and *Jugaad* as design paradigms**
 - No over-engineering!
- ◆ **Indovations: product, process and business models**
 - Packaging, Product → Service; Financing, new distribution models
- ◆ **All-in Service**
 - Door-step service instead of DIY-model
- ◆ **Position your product/service as a status symbol**
 - Understand the Indian value system
- ◆ **Source locally, innovate and manufacture in India**



'How to Innovate' - GuideBook

◆ Book content

- The Indian society
- The Indian consumer
- The Indian Market(s)
- 3 phases of Indovation-process
- 15 case studies/guest authors
(Philips, Mercedes, Kuka, u.v.m.)

◆ 180 pages insights

- Paperback & digital

◆ Daily news www.indische-wirtschaft.at

WOLFGANG BERGTHALER

INDOVATION 

Produkte für den indischen Markt
erfolgreich entwickeln
und verkaufen.