

MANAGEMENT ROUNDTABLE PRESENTS

Innovation and R&D in China:

Negotiation, Collaboration and IP Strategies

OCTOBER 22-23, 2007 • CAMBRIDGE, MA

AN EXCLUSIVE 2-DAY WORKSHOP ON DEVELOPING AND EXECUTING A STRATEGY FOR NEW PRODUCT DEVELOPMENT IN CHINA

HOW TO LEVERAGE R&D RESOURCES AND MARKET OPPORTUNITIES; CREATE INNOVATIVE NEW PRODUCTS WHILE PROTECTING CORE INTELLECTUAL ASSETS

It's the
year of
innovation
in China.

Business Week,
Nov. 6, 2006

Featuring:



Roger Nagel
Harvey Wagner Professor and Senior Fellow, CSE and Enterprise Systems Center, Lehigh University; author of *Cooperate to Compete*



Lothar Katz
Founder and President, Leadership Crossroads; author of *Negotiating International Business*



Dr. Alan Paau
Vice Provost for Technology Transfer and Economic Development, Cornell University; President of the Cornell Research Foundation

Special Presentation:

Dr. Canwen Jiang, Head of Genzyme Science (R&D) China, Genzyme Corporation



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Innovation and R&D in China: Negotiation, Collaboration and IP Strategies

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“Companies need to leverage overseas talent not because of low labor costs, but to tap brain power. If you’re working at an organization or a company and you’re not doing that, my suggestion to you is that’s an error.”

Henry Chesbrough, author of *Open Innovation*

WHY ARE LEADING COMPANIES INCREASINGLY TURNING TO CHINA FOR R&D AND INNOVATION?

- Tremendous government support and funding for R&D
- Access to vast talent pool and market
- Having a presence in China is increasingly important to global strategy
- Top-quality scientists and engineers
- Unprecedented growth and profitability potential

While the opportunities and benefits are great, conducting R&D in China requires different approaches and skills than those used in the U.S. It is critically important to choose the right partners, establish trust and “guanxi,” share knowledge and teach by example— yet cautiously guard IP. It is also important to understand the culture and practices to ensure reciprocity and true innovation.

Management Roundtable is therefore pleased to once again offer its top-rated workshop, **Innovation and R&D in China**. Led by Roger Nagel of Lehigh University, who has helped orchestrate numerous Chinese–US collaborations, the session also features experts on China-based partnerships, negotiation, and intellectual property management.

The purpose of this workshop is to provide participants with strategies and tactics to expand R&D and innovation capabilities without jeopardizing core assets.

Through lecture, case studies, group discussion and hands-on exercises, participants will come away equipped to establish and grow an R&D base and successful partnerships in China.



“In 20 years, where do you see new ideas coming from? A significant chunk will be from China.”

Business Week, Nov. 6, 2006

Who should attend

For any product development executive or team that is exploring or conducting R&D in China—with partners, suppliers and/or through an R&D center—the topics to be covered in this session are imperative.

Specifically this session will be most valuable to VPs, Directors and Managers of Product Development, R&D, Technology, Global Sourcing, Innovation, Alliance Management, and Business Development

To ensure interactivity and individual attention from faculty, attendance is limited to 50 participants.

Multinational corporations are increasingly realizing that China is not just a vast market or even a production base—it is a critical locus for research and development (R&D) functions as well.

Asia Times

7 Key Deliverables

YOU WILL RECEIVE:

- The latest best practices for IP management and technology transfer in China
- Do's and don'ts for structuring a co-innovation relationship, how Chinese partners might participate in IP benefits
- Insight into emerging sources of innovation in China including universities and business incubators
- Specific techniques to foster true innovation, to find and manage talent
- Strategies and practices to build a flourishing innovation network and/or R&D center
- Hands-on experience in leading a negotiation with potential partners
- Practical lessons learned from leading industry practitioners who have successfully established and grown global R&D capabilities and collaborations

Beijing, China – May 18, 2006:

Two thirds of Asian executives are set to boost R&D budgets over the next three years to reflect the critical importance of innovation to maintaining a competitive advantage, according to an executive summary conducted by Economist Intelligence Unit for Thomson Scientific.

10 Key Benefits

BY PARTICIPATING IN THIS PRACTICAL, IN-DEPTH SESSION YOU WILL LEARN:

- 1 To pursue, assess, and choose the best partnership opportunities; define your innovation objectives and identify potential sources
- 2 How to expand into the Chinese market, the value of brand; how partnering can help—or not—depending on the choices and deals you make
- 3 How to manage existing IP—what you can protect, what you should never share. What boundaries should you draw?
- 4 How to both share and protect new, jointly developed IP in a collaborative network
- 5 The impact of changing policies and new regulatory developments; how to take advantage of the government's big R&D push
- 6 How to work with intermediaries who help find and qualify partners
- 7 To ensure mutual trust and clear communication—get past cultural barriers and old ways of thinking
- 8 Approaches that lead to greater trust, risk-taking and mutual reward including communication and incentives; how to effectively encourage openness
- 9 How to build an R&D product and/or process innovation relationship that really works
- 10 How to establish and grow an R&D Center in China; find and cultivate talent



THE PROGRAM

PRESENTATION

Roger N. Nagel

Senior Fellow,
Enterprise Systems Center,
Lehigh University



China for Innovation—The Opportunity and the Threat

In this context-setting overview, Roger Nagel will discuss Asia as a source of innovation and R&D collaboration—how to go beyond outsourced commodity products to produce synergies that exceed the benefits of reduced operations cost. He will outline the advantages and disadvantages of Asia (talent, cost, quality, speed, etc.) and provide both positive and negative industry case examples. In addition he will talk about gaining access to the Chinese market and whether certain industries are more likely to succeed than others.

Since most collaborations will succeed or fail over cultural and harmony issues, this talk will also provide advice, expertise and case experience to guide you in choosing and structuring partnerships, as well as successfully managing them once in place. Most people think R&D is very long term and they can't afford to have an R&D center. But there is now hard evidence that the R&D investments are being made by small firms as well as large and that they yield product and process innovations that generate profit fairly quickly. Applied engineering development is now richly available in China; tapping into it as well as tapping into the China marketplace are today's driving forces—this session will help you determine the best approach for your firm.

***Roger N. Nagel** is a Senior Fellow in the Enterprise Systems Center at Lehigh University. He is also the Harvey Wagner Professor in the CSE department and the former CEO and executive director of the Iacocca Institute. He is co-author of the widely influential business book, Agile Competitors and Virtual Organizations: Strategies for Enriching the Customer and the more recent book Cooperate to Compete: Building Agile Business Relationships. Roger's current research activities center on the concept of smart business networks and innovation networks; he has traveled extensively in China and worked with Chinese business leaders in their desire to be world-class competitors and participate in global partnerships. He is also an honorary professor at Jiaotong University in Xian. On the domestic side he is collaborating with Henry Chesbrough (author of Open Innovation) on the development and application of open innovation concepts for local companies.*

PRESENTATION

Dr. Alan Paau

Vice Provost for
Technology Transfer
and Economic
Development,
Cornell University



Managing Intellectual Property and Technology Transfer in a Co-Innovation Environment—A China Perspective

Asia, especially China and its growing economy, represents a great market opportunity that nonetheless is full of challenges. With its intellectual property laws barely 20 years in the making, intellectual property management and technology transfer in China remain risky. The level of risk, however, is very industry sector dependent and is manageable in some industries but barely so in others. Such variations command different business strategies and arrangements that need to mesh with the culture and tradition of the industry sectors. In this session, Dr. Paau will outline these strategies and arrangements.

***Dr. Alan Paau** is Vice Provost for Technology Transfer and Economic Development at Cornell University and President of the Cornell Research Foundation. Until January 2007, he was Assistant Vice Chancellor for Technology Transfer and Intellectual Property Services at the University of California San Diego. Dr. Paau held various research and management positions in the Cetus Corporation and W.R. Grace & Co. for 12 years. He is the inventor to eight US patents and has contributed thirty peer-reviewed research articles to scientific journals and six invited reviews/chapters to technical books. As a director of intellectual property and a licensing executive, he supervised the execution of over 850 licenses and option agreements and the formation of over 90 startup companies using university innovations.*

“This was the best instruction I have experienced in understanding the issues related to doing R&D and co-development in China.”

Len Jenkins, Crown Packaging Technology

PRESENTATION AND INTERACTIVE EXERCISE

Lothar Katz

Leadership Crossroads,
author of *Negotiating
International Business*



Negotiating and Initiating a Partnership for Co-Innovation

Partnering with Chinese companies and organizations requires the ability to work effectively across cultures throughout the critical phases of negotiating, establishing agreement, initiating the partnership, and beyond. Before you can even start discussing revenue models and IP protection, you need to build trusting relationships with your Chinese partners. Along the way, differing cultural views of acceptable and unacceptable practices present huge challenges and require profound cultural understanding and adaptability. Chinese counterparts may appear pushy and unyielding; all the while, they might be viewing you as impatient and mistrusting. Successful co-innovation with partners in China requires knowing how to manage the engagement process and overcome such perceptions.

Led by author and project management expert Lothar Katz, who frequently works with Chinese partners, this session will equip you with the cross-cultural understanding, practical frameworks and methods to:

- Build trust with Chinese partners right from the start
- Prepare for and deal successfully with unfamiliar negotiation tactics
- Identify and manage expectations; establish agreements in ways that make them dependable
- Stimulate open and trusting communication
- Encourage risk-taking and increase team motivation
- Establish ground rules that serve as a foundation for co-innovation
- Draw boundaries without closing doors

This session includes both presentation and hands-on group activity to reinforce and apply new approaches.

Lothar Katz is a management advisor in the field of international business and founder of cross-cultural consultancy Leadership Crossroads in Dallas, TX. He has a wealth of experience in achieving productive cooperation across cultures and driving business success on a global scale, and has helped many large and small organizations grow their global competence and international business. A former Vice President with a Fortune 500 company, Lothar has led international organizations that included several teams in China, Hong Kong, and Taiwan. Over the course of more than 15 years, he has negotiated and worked with countless customers, employees, outsourcing partners, and third parties in China and several other Asian countries. Lothar is the author of *Negotiating International Business—The Negotiator’s Reference Guide to 50 Countries Around the World*.

SPECIAL FEATURES

SPECIAL PRESENTATION BY DR. CANWEN JIANG, HEAD OF GENZYME SCIENCE (R&D) CHINA.

Dr. Jiang joined Genzyme in 1994 and has played a leading role in Genzyme’s R&D activities in China. Learn from his experience in establishing a China R&D presence; gain his real-world perspective on co-development, managing China-based teams, sharing intellectual property, fostering creativity, and other factors important to success.

HANDS-ON NEGOTIATION EXERCISE, led by acclaimed international business expert Lothar Katz, provides participants with practical experience and effective approaches to overcome cultural barriers, build trust, and establish the foundation for partnership success.

REALISTIC HOW-TO’S AND LESSONS LEARNED regarding IP, cultural issues, market entry and accessing R&D talent.

PARTICIPANTS WILL COME AWAY WITH BOTH A STRATEGY AND IMPLEMENTATION PLAN FOR R&D IN CHINA.

NETWORKING, IDEA-EXCHANGE AND NEW BUSINESS OPPORTUNITIES are facilitated by a networking reception, breaks, and lunch.

SPECIAL GROUP DISCOUNTS to encourage attendance with key members of your product development team (see page 7).

FULL SET OF REFERENCE MATERIALS and new network of peers and experts provide a resource for follow-up and continued dialogue even after the session has concluded.

FREE BONUS! Register by September 1st and receive a complimentary copy of Management Roundtable’s exclusive new **Special Report on RD&E and Innovation in China**. (Details on page 7.)

AGENDA

“...the networking and information delivered in this workshop can be extremely helpful for companies new to doing business in China.”
Kenneth Ko, Interface Solutions, Inc.

DAY ONE Developing Your Strategy

8:00 – 8:30 Registration and Continental Breakfast

8:30 – 9:45 **China for Innovation—The Opportunity and the Threat — Roger Nagel**

- How China is emerging as a source of innovation and potential R&D collaboration—beyond commodity products
- Examples of effective collaborations, key success factors
- Case examples of failures and risks
- Partnering vs outsourcing vs R&D centers, pros and cons, resources
- The power of guanxi; choosing and structuring partnerships

9:45 – 10:00 Break

10:00 – 12:00 **Managing Intellectual Property and Technology Transfer — Dr. Alan Paau**

The latest practices, trends, legislation, and enforcement approaches for sharing and protecting IP in US–Chinese collaborative teams.

12:00 – 1:00 Lunch

1:00 – 2:00 **Negotiating and Initiating a Partnership for Co-Innovation — Lothar Katz**

The impact of cultural differences. Approaches that enable greater trust, risk-taking, and mutual reward.

2:00 – 2:15 Break

2:15- 5:00 **Interactive Exercise**

Participants gain hands-on experience in establishing a US–Chinese partnership. Learn to effectively communicate and encourage openness; also when and how to draw boundaries without closing doors.

5:00 – 6:00 **Wine & Cheese Networking Reception**

DAY TWO Executing Your Strategy

8:00 – 8:30 Continental Breakfast

8:30 – 9:30 **FEATURED PRESENTATION: Developing Innovation Capability in China —**

Canwen Jiang, MD, PhD; Head, Genzyme Science (R&D) China; Senior Director, Applied Discovery Research, Genzyme Corporation

How to establish a China R&D presence—co-development, leading China-based teams, managing IP, regulatory considerations, and other critical success factors.

9:30 – 10:30 **Deciding and/or Progressing Your Chinese Presence**

From outsourcing to partnering to establishing your own R&D center, tapping into the Chinese market, working with intermediaries, universities, staffing, and more. Case examples—successes and failures, lessons learned.

10:30 – 10:45 Break

10:45 – 12:00 **Managing Projects**

- Communicating, fostering innovation, collaboration
- Techniques, tools, resources and case examples

12:00 – 1:00 Lunch

1:00 – 2:00 **Q&A Panel: Dealing with Challenges**

2:00 – 3:00 **Action Planning / Wrap-up**

Come away with specific steps to take upon return to your organization, identify your primary goals, resources, and techniques to use.

"This workshop should be viewed as the key to launching successful collaborations in China."

John Gravendyk, The Boeing Company

Partial list of past participants at Management Roundtable events

3M Company • Access Business Group • Acco • A-dec • Affymetrix Inc • Air Products & Chemicals, Inc. • Alcoa • American Power Conversion • AMD • Amgen • Amylin Pharmaceuticals • Analogic Corporation • Anderson Power Products • Apple • AT&T • Avery Dennison PFD • Avid Technology • Ballard Power Systems • BASF Corporation • Baxter Healthcare • Bayer Diagnostics • Beckman Coulter Inc. • BIC Corporation • Biogen Idec • Black & Decker • Boston Scientific Corporation • Cargill Inc. • Cessna Aircraft Company • CIBA Vision • Cisco Systems, Inc. • Clorox Company • Coinstar • Commercial Vehicle Group • Conagra Foods • Conexo • Cooper Tire & Rubber • Crown • Dade Behring • Daimler Chrysler • Deere & Company • Dell Computer Corporation • US Dept. of Defense • Diebold, Inc. • Dow Corning Corporation • Duracell • Eastman Chemical Company • Eastman Kodak Company • Eli Lilly • Emerson • Ethicon Endo-Surgery Inc • EXFO • Freddie Mac • GE Aircraft Engines • General Mills • GM Powertrain • Halliburton Energy Services • Hamilton Beach/Proctor Silex • Harley-Davidson • Herman Miller Inc • Hewlett Packard • Hill-Rom Inc • Hospira • IBM • Ingersol Rand • Intel Corporation • International Game Technology • ITT Fluid Tech • JD Edwards • John Deere • Johnson & Johnson • Johnson Controls Inc • Kellogg Company • Kimberly Clark Corporation • Knolls Atomic Power Labs • Kraft Foods Inc • Lifescan • Lockheed Martin • Los Alamos National Labs • LSI Logic • M/A-Com • Marvin Windows and Doors • McKinsey & Co • Medrad, Inc. • Milliken & Company • Motorola • National Semiconductor • Nextel Communications • Nissan Technical Centre • Nokia • Novozymes Biologicals • Nutrilite • Oracle Corp • Ortho Clinical Diagnostics • Panasonic Wireless • Parker Hannifin • Pharmacia • Procter & Gamble Company • Qualcomm • Quest Diagnostics • Rheem Manufacturing Company • Rich Products Corporation • Robert Bosch Corporation • Roche Diagnostics Corporation • Rockwell Collins • S.C. Johnson • Saab Aerospace • Sandia National Labs • Sargento Foods Inc • Shipley Company • Shure Inc • Siemens Energy • Solectron Corporation • Solvay Pharmaceuticals • Southern Company Energy • Sprint • Star Trac • Steris Corporation • Stryker Endoscopy • Symbol Technologies • Texas Instruments Inc. • The Boeing Company • Timken Company • Unilever • UOP LLC • Visteon • Waters Corporation • WD-40 Company • Weyerhaeuser • Whirlpool Corporation • York International Corp

PROGRAM INFORMATION

DATE / LOCATION The session will be held Monday, October 22, 2007 and Tuesday, October 23, 2007 at the Royal Sonesta in Cambridge, MA.

SCHEDULE Registration and continental breakfast will take place from 8:00–8:30am on Monday, October 22. A reception follows Wednesday's sessions at 5:00pm. Tuesday morning continental breakfast will be offered from 8:00–8:30am. The program begins at 8:30am and concludes at 3:00pm on Tuesday, October 23, 2007.

PROGRAM FEE The registration fee is \$1995. Fee includes program materials, luncheons, continental breakfasts, breaks and networking reception. **Attendance is limited to 50 participants. Register by September 1, 2007, and receive free bonus, "Special Report on RD&E and Innovation in China."**

TEAM DISCOUNT Groups of 3 or more individuals from the same company may deduct \$100 from the registration fee.

HOTEL ACCOMMODATIONS The workshop will be held at the Royal Sonesta Hotel. Please call 1-617-806-4200 by September 20 for room reservations, and mention that you will be attending Management Roundtable's **Innovation and R&D in China** workshop to receive preferred rates.

NO-RISK GUARANTEE Your satisfaction is 100% guaranteed—money-back or credit. If you're not satisfied with the quality of this program, let us know in writing and we'll refund your entire registration fee.

FREE BONUS!

Register by September 1st and receive a complimentary copy of Management Roundtable's exclusive new "Special Report on RD&E and Innovation in China." Report may also be purchased separately for \$295 before September 1st (\$395 after).

Gain background which you can build on at the workshop, including:

- Insights and recommendations from top experts on cultural issues, IP protection and more.
- Case examples of partnering, outsourcing, and establishing R&D centers in China from leading companies such as Merck, GE Healthcare, Palm and ZTE.
- Resources for further exploration.

For complete table of contents, go to: www.managementroundtable.com/Publications/ChinaRDE-Report-TOC.html. This 105-page report (in CD format) will be shipped to you in September after receipt of your paid* workshop registration.

*If you need to cancel your workshop attendance for any reason, the Report is still yours to keep. Your registration fee will be refunded minus the \$295 (pre-publication) price of the Report.

About Management Roundtable



The Management Roundtable (MRT) is the foremost knowledge and networking resource for industry practitioners involved in product, service, technology, and business development. Practitioner-oriented and unbiased, MRT's focus is on strategies and processes that enable speed, innovation, profitability, and overall competitive advantage. Through its highly regarded conferences and publications, MRT has helped companies achieve their objectives since 1980. Its newest membership offering, the Management Roundtable *FastTrack*, (<http://fasttrack.roundtable.com>) offers direct, year-round access to leading-practice insights via teleconference and online reports.

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Negotiation, Collaboration & IP Strategies

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c/o Management Roundtable
92 Crescent Street, Waltham, MA 02453

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Please accept the following registration(s):

(Please use photocopies for additional people)

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- *Establish an R&D presence in China — find qualified resources, identify prospective partners, tap into university and government resources*
- *Protect and enforce intellectual property rights while increasing joint innovation*
- *Overcome cultural differences and build strong relationships ('guanxi') — key to success in China*

Innovation and R&D in China

c/o Management Roundtable
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