

# Local Universities & Institutes

## Leveraging Their Capabilities of to Speed up Innovations

Ya Cai  
Unilever Global R&D (China)  
August 28, 2007



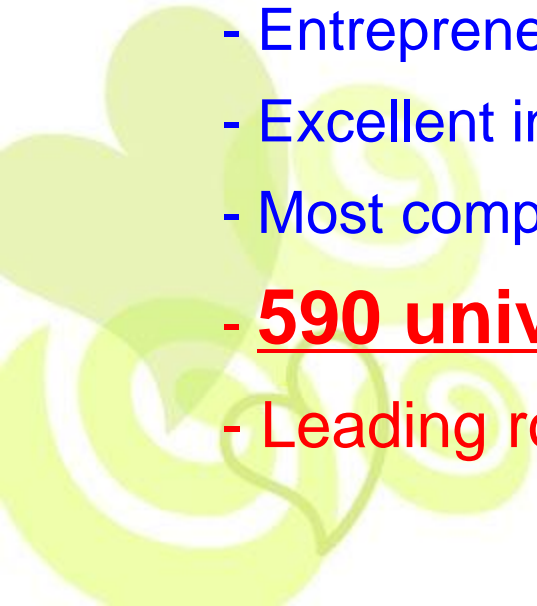
# Unilever (联合利华)

- Home & Personal Care and Foods
- Sales \$50 billion
- 120th (Fortune 2007)
- 400 brands
- 12 brands of €1 billion sales
- 150 countries





## China is a hotspot for MNCs R&D

- Good tradition of education and high esteem of science
  - Governmental commitment and strategic support
  - Massive pool of well qualified talents
    - 4 million graduates/postgraduates p.a.
    - reflux of well-trained young scientists
  - Entrepreneurial, dynamic, hard working society
  - Excellent infrastructure
  - Most competitive manufacturing/supplying capability
  - **590 universities and 250 institutes**
  - Leading roles in a range of sciences areas
- 

# Our R&D foot path in China

**World Class R&D**  
**Create the future**  
**- 1000 Staff**

---

**R&D Capabilities**  
**Drive new business**  
**200 Staff**

---

**Product Development**  
**Gain competitiveness**  
**80 Staff**

---

**Product Adaption**  
**Technical support**  
**20 Staff**

---

1986 – 1997

1998 – 2001

2002 – 2005

2006 –



# Open Innovations

- New trend
- All innovation functions
- 40 - 50% R&D budget by 2010

- 
- Novelty
  - Efficiency
  - Speed
  - Flexibility

## Some of Our O.I. Partners

### Universities

- Fudan University
- Jiaotong University
- Shanghai University
- Zhejiang University
- Shandong University
- Wuhan University
- Southern Yangtze University
- China Agricultural University
- Anhui Agricultural University
- Hunan Agricultural University

### Institutes

- Shanghai Organic Chemistry, CAS
- Shanghai Life Science, CAS
- Shanghai Foods & Nutrition, CAS

### Unilever - Shanghai

### Government


### Joint R&D Fund

- Sponsoring a wide range of research projects in universities & institutes



## **Universities and Institutes**


### **Opportunities**

- **Greater freedom to explore**
  - **Experts of any scientific subject**
  - **Massive expertise/knowledge**
  - **Advanced facilities**
  - **Dedication by graduates**
  - **Academic community & network**
  - **Cost efficiency**
- 



## Universities and Institutes

### Challenges

- Keep focused
  - More thinking
  - Better plan in advance
  - Execution – systematic/thorough
  - Presentation of results
  - Work with other groups
  - Communication skills
  - Western's ways of working
- 

## CASE STUDY

# *Lipton's Success in China*



# Lipton

No 1 tea brand

€ 4 Billion Sales



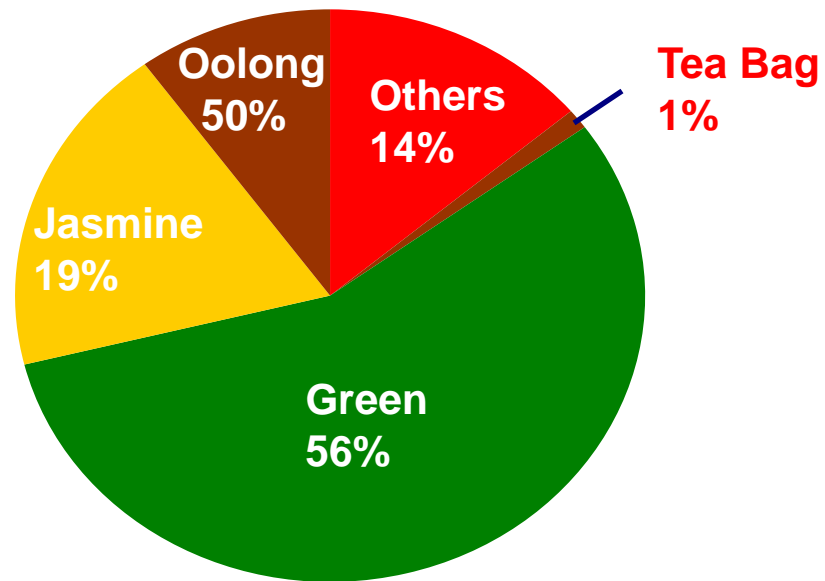
# Lipton was launched in China in 1994

## Within 3 Years

- Sales grew fast
- Market share - 75%
- Brand awareness – 65%
- Distribution system in place



## Exploring Greater Opportunities



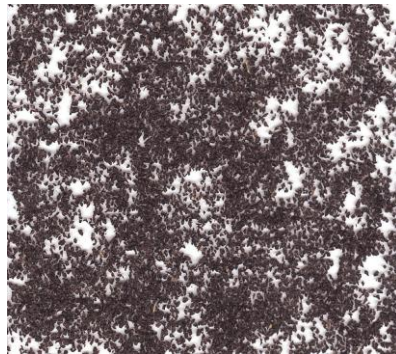
**Total Consumption**

**- 450,000t**

**Total Sales**

**- US\$ 2.5 billion**

## Green tea differs from Black tea



### Major Differences

- Plants
- Processings
- Products
- Drinking habits



## Challenges to Make **Unique** Products

- Understanding of markets and consumers
- Preferred quality attributes
- Sustainable business
  
- Bushes cultivation
- Chemical and biochemical changes
- Processing technologies
- Quality assessment and assurance

**It would have taken 5-8 years !**





## Partnership with Tea Research Institute (CAAS)

- 50 years experience
  - A full range of capabilities
  - A joint laboratory was set up in 1997
  - Commitment from both parties
  - A strong leadership team
  - Well defined programmes
  - A dedicated, competent team
  - Regular review of progress
  - Fair share of IPR
- 

We successfully launched a range of Chinese teas

3 years ahead of the original plan !



**Green**



**Jasmine**



**Oolong**


## More tea products have been launched



**Green tea + herbs**



## Key Learning

- Massive expertise and resources
  - Complete infrastructure/facility
  - Selection of a right partner
  - Long term relationship
  - Good use of their strengths
  - Academic vs. commercial interests
  - Transfer of project management skills
  - Development of their overall competency
  - Win-win partnership
- 



**THANK YOU !**



**[ya.cai@unilever.com](mailto:ya.cai@unilever.com)**