
Symposium: “Mastering the Frugal Challenge: Innovating for Global Growth through Affordable Solutions”

Date: Tuesday, 19.11.2013, 9:00 – 18:00
Location: Guest House of the University of Hamburg,
Rothenbaumchaussee 34, D-20148 Hamburg, Germany
Organizer: Center for Frugal Innovation at TIM/TUHH
Cooperation partners: German-Indian Round Table (GIRT), European Institute for
Technology and Innovation Management (EITIM)

The inaugural symposium on frugal innovations organized by the newly-launched Center for Frugal Innovation at the Institute for Technology and Innovation Management (TIM) of Hamburg University of Technology (TUHH) intends to cover upcoming key questions on global growth in both emerging as well as developed markets through affordable and good-enough solutions.

What is the concept of frugal innovations?

What do the *Suzuki Alto*, an affordable, state-of-the art compact car; the *Nokia 1100*, the world’s best-sold mobile telephone; the *Chotu Kool*, a battery-run, portable refrigerator; and the *Mac800*, a portable ECG diagnostic machine have all in common? All of them can be classified as “frugal” products, which:

- Are affordable due to substantial reduction in the total cost of ownership;
- Offer features that combine robustness with the ease of use;
- Promise an attractive value proposition to satisfy needs & aspirations of customers.

Thus, frugal innovations seek to target “price sensitive, and yet quality conscious” customers in both emerging as well as developed markets. The frugal concept of getting “more for less” appears to slowly turn into an imperative for business enterprises in a globalized world that is faced with increasing resource and environmental constraints owing to growing consumption and ongoing economic crises in several (industrialized) countries.

Which trends and opportunities can be observed in the global context?

In the past Western companies have relied on „glocalization” by cosmetically adapting their global products to sell in the emerging markets. This might have been a promising approach to win costumers at the very top of the economic pyramid but does not exploit the vast and growing market potential lying untapped there. Studies suggest that by 2030 approximately 1.2 billion additional consumers will move into the middle class that is looking for affordable yet state-of-the-art solutions. Therefore, merely stripping down Western premium products does not seem to address the majority of these price-sensitive customers.

Several companies from sectors as diverse as medical devices, fast moving consumer goods, mechanical engineering, or house-hold appliances are taking advantage of this opportunity. Such firms have successfully developed products that offer the needed functionality for a fraction of costs. Often they have succeeded in winning substantial market shares in emerging

economies. In some instances these products have succeeded in the Western markets as well by creating a new demand (“reverse innovation”).

What are the potential risks of ignoring the “frugal trend”?

Frugal innovations have been sometimes termed as a “secret weapon of emerging markets”. Notwithstanding this martial rhetoric, they indeed tend to have a disruptive character because they can be powerful enough to destroy current business models of the complacent incumbents. Therefore, companies in developed countries would be well-advised to proactively engage in catering to the emerging needs & opportunities rather than waiting till they get severally challenged by emerging market multinationals, even on their own home turf.

What can the participants expect from this symposium?

The symposium will provide participants with knowledge of best industrial practices and latest insights into strategies of companies that have successfully mastered the frugal innovation challenge. The spectrum of topics covered includes corporate functions such as corporate strategy, marketing & sales, and research & development (R&D) in large concerns as well as in mid-sized firms. These objectives would be achieved by employing following measures:

- Experts from the Center for Frugal Innovation will share insights generated from their long-running, practice-oriented research of emerging economies, especially India, and actual firm-level practices.
- Senior level managers representing various industry forerunners will share their experiences in implementing a successful frugal innovation strategy.
- Internationally renowned experts from well-known research institutions, such as the Fraunhofer Society, will demonstrate how collaborative & open innovation approaches can be used to master the frugal challenge.
- Finally, small workshops would be organized to bring together the symposium participants in deliberating upon the chances, risks, experiences and perceived apprehensions, and working out their solutions.

Modalities of registration

This symposium is targeted at senior-level managers in large as well as mid-sized companies active in international business. Due to the conceptualized setting of this symposium we have to limit the number of participants. For registration please send us the attached form and transfer the symposium fee latest by 7th November 2013. Accepted registrations will be confirmed by us. Bank details for transferring the symposium fee and the cancellation policy can be found on the registration form. For any further enquiries please contact:

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Preliminary Agenda (Oct. 21, 2013)

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IndienContact, GermanyContact India

09:00 Registration
09:30 Welcome addresses
09:45 Imperative of Frugal Innovations: Chances, Challenges & Future Prospects
(*Prof. Dr. Cornelius Herstatt & Dr. Rajnish Tiwari; Center for Frugal Innovation*)
10:15 Think Local, Act Global – Managing (reverse) Innovation at GE
(*Dr. Carlos Härtel; Managing Director, GE Global Research*)
11:00 Coffee break
11:30 Case Study “Claas in India”: Frugal Experiences of a mid-sized German firm
(*Dr. Jens Oeding; Regional Director Asia, Claas Group*)
12:15 Luncheon
13:30 SMART innovation @ Siemens
(*Dr. Elvire Meier-Comte, Senior Consultant, Corporate Technology, Siemens AG*)
14:00 Technology Adaption and its Challenges in India
(*Rajesh Shankar Priya; Head, Technology Management, Fraunhofer Center for
Central and Eastern Europe*)
14:30 Relevance of frugal innovations for Western markets
(*Peter Hesseldahl; Senior Innovation Specialist, Universe Foundation, Denmark*)
15:00 Connecting Frugal to Social: Addressing Human Needs in Emerging Markets
(*Elizabeth Sweeny, Program Manager, Frugal Innovation Lab, Santa Clara
University, CA, USA*)
15:30 Coffee break
16:00 Parallel Workshops
17:30 Concluding Remarks
17:45 Get-together

Note: This is a preliminary draft agenda and subject to change without prior notice.