Tsinghua Science Park - Source of Chinese Entrepreneurial Innovation

TheCaseSolutions.com
4I Emulation refers to the successive but sometimes also parallel development stages of imitation, improvement, innovation and internationalization. The most developments within different industries fit into this scheme. However, one should keep in mind that the underlying process is a continuous process of smaller and bigger innovations.
Several elements in the emulation process of any country intermingle with each other. At the core is the transformation from a society based on copying from others to a society taking the initiative themselves. More or less, it develops along the phases of imitation, improvement, innovation. A fourth element which changes its face in each of these stages is the international orientation and activities.

TheCaseSolutions.com
This scheme of 4I development is not only applicable in the Chinese context but in many cases. Human behavior is based on copying. Babies copy their parents, student copy their tutors and young managers copy their senior managers before deciding to find their own way.

TheCaseSolutions.com
Phase#1: imitation

The imitation phase made China the factory of the world and their earning capacity filled the cash register of firms and holder of the largest foreign currencies. The manufacturing capabilities enabled the chinese firms to increase the export volume substantially, industries like textile, shoes, toys, white goods, electronics and machine tools were based on the exploitation of economies of scale and low labor costs.

TheCaseSolutions.com
Phase #2: Improvement

Producing low-cost goods with less quality is only good for a start. Improvements in, for example product quality, production management and logistics, would be additional sources of their business partners. The central government selects Chinese companies to increase/improve their performance and qualities and extent their involvement in home markets or even world markets.

TheCaseSolutions.com
Phase #3: Innovation

The financial crisis showed the large dependency of the Chinese economy on exports. The transferred knowledge, the copying by Chinese firms, and the accumulated capital enable Chinese firms to extend their involvement in other functions of the value chain like R&D, design and marketing. Strategic innovations offer a way out to create and jump to growth curve. In order to participate in business activities with high profit margins. China has to move up in the value chain like design, branding and to create high added value products or services.

TheCaseSolutions.com
international operation management
IM 535
Prof. Dr. Aziz Ezzat ElSayed
edit by: Abd-Elmoneim Wael Mohamed
Reg num: 11100666
TheCaseSolutions.com