

Wake-up Call to Business Community Launch of ITB Drives Home Need to Embrace Innovation and Technological Developments

致力喚起商界關注
創科局登場
推動本地對創新及
科技發展的需要

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On 6 November 2015, the Hong Kong Legislative Council finally approved funding towards establishing the Innovation and Technology Bureau (ITB). The bureau was launched officially with the appointment of Mr Nicholas Yang as head on 20 November 2015. So how does ITB work and where do Hong Kong businesses come into the picture? Secretary Yang, who has set his sight on building a “robust and sustainable innovation and technology ecosystem” in Hong Kong, is calling upon local businesses to “think out of the box and think bigger.”

It is no secret that Hong Kong lags behind many other markets both in innovation and technological development. In this article, the new ITB chief and the founders of some successful startup companies explain the urgency for the business community as a whole – and not just those involved in information technology – to face up to the situation. Any business – irrespective of its nature – will risk being displaced if it does not catch up with technological applications.

香港立法會在2015年11月6日通過撥款成立創新及科技局（創科局）。2015年11月20日，該局正式成立，楊偉雄先生獲委任為局長。究竟創科局如何運作？香港企業有何用武之地？楊局長上任的目標是為香港建立一個「健全而可持續的創新及科技生態系統」，他並呼籲本地企業要「突破既定的思維模式和要從大處著眼」。

眾所周知，在創新及科技發展方面，香港較許多其他市場起步較遲。楊局長和幾家成功的初創企業的創辦人將在本文解釋為什麼不單止資訊科技公司，而是整個商界都要正視這個形勢，因為不論是什麼性質的企業，如果未能追上科技應用的步伐，便會面臨被淘汰的風險。



Still recall those early days of the Internet when some organisations launched web sites to explain themselves and to project their image? That was just about two decades ago. Was your organisation among those with a corporate site or did it keep on handing out corporate brochures? Now corporate sites are no longer a novelty; they have become a necessity not just to enhance image but to connect with stakeholders and to market goods and services. More than that, the more tuned-in companies are using mobile devices to reach out anytime, anywhere.

Technology, specifically information technology (IT), is advancing at a fast clip. As a decision-maker in your company, do you take technology into account when doing strategic planning? If yes, you can turn technological advancement into opportunities. If no, then you are exposing your company to risk.

Playing Catch-up

The recent establishment of the Innovation and Technology Bureau (ITB) should give you some food for thought. Transforming this city into a technological hub was on the Government agenda at the very inception of the Hong Kong Special Administrative Region. However, it had taken the current-term Government years to take the first solid step towards meeting this objective. It is not surprising, therefore, to see the private sector having to play a catch-up game.

“It is true that Hong Kong is a relatively late starter in the development of innovation and technology,” conceded ITB’s Secretary Mr Nicholas Yang. He noted that today, Hong Kong’s total expenditure on research and development (R&D) is only about 0.73 per cent of the gross domestic product. “More significantly, our private sector’s R&D expenditure lags way behind other developed regions,” he said. “In other words, most of our private-sector businesses do not invest in R&D.”



▲ Mr Nicholas Yang, Secretary for Innovation and Technology
▲ 創新科技局局长楊偉雄先生

The ITB Secretary urged the private sector to “work together to reverse this imbalance.” The Government’s objective in founding ITB is to “develop local innovation and technology to transform Hong Kong into a knowledge-based economy that provides quality employment opportunities, especially for our youth, and improves the quality of life for Hong Kong people,” Mr Yang said.

He takes a holistic view on what he sets out to achieve, which he described as “building a robust and sustainable innovation and technology ecosystem” directed at “promoting adoption of local technology products among SMEs (small and medium-sized enterprises), addressing social issues, stimulating private sector R&D and driving Hong Kong’s ‘re-industrialisation.’”

As a “connector,” Mr Yang said, ITB will “connect the Government, academia, the business and research sectors” as well as the best of overseas tech-savvy resources such as the Massachusetts Institute of Technology (engaged to launch Innovation Node in Hong Kong). As a “facilitator,” ITB will put up what he termed

“initial resources” to stimulate funding interest in the private sector towards fostering the ecosystem conducive to innovation and technology.

New Mind-set Required

In other words, the situation calls for a new mentality to recognise the powerful impact of innovation and technology across a wide spectrum of society. “Simply put, ‘innovation’ means taking a new idea from conception to impact. Innovation and technology bring revolutionary and disruptive changes to our lives at a pace and on a scale that are unprecedented,” Mr Yang said.

Entrepreneurs who made a name in innovation and technology could not agree more. They pointed out that the business community, in particular, should adopt a broad-minded approach or else risks being displaced by “disruptive innovation.”

A term coined by Harvard Professor Clayton M Christensen, “disruptive innovation” refers to a process whereby a new product or service gradually takes root and takes over established competitors, resulting in a new market value.

“Any company ignoring disruptive innovation, for sure, would put themselves at risk,” said Mr Arthur Chang, founder and chairman of Hangzhou UCO Cosmetics Ltd, a one-stop ecommerce partner for beauty brands covering full online channels in China. What transpired in the IT industry itself should serve as writing on the wall for the entire business community. The evolution from “IBM (International Business Machines) to Internet, and from Nokia to Apple only took place in the last 20 to 30 years,” Mr Chang pointed out. “But even big companies like Nokia or Motorola can be ‘replaced’ by a new disruptive technology or application.”

Despite being a “world-class city” noted for its “exceptional success in finance and real estate development,” Hong Kong is “quietly lagging behind and

gradually becoming irrelevant in a world driven by innovation and technology,” said Mr Jason Chiu, chief executive officer (CEO) of cherrypicks. His company is a leader in mobile marketing, smartphone applications, mobile augmented reality and new media technologies. “You can choose to embrace disruption and shape the future or a startup unicorn will do it for you,” he said. “Hence it is advisable that corporations and industries proactively reinvent themselves with innovation and technology.”

In other words, you do not have to be in the IT sector to pay credence to technological advancement, given its symbiotic relationship with the business world. “Innovation and technology can involve two aspects,” Mr Chang explained. “The ‘innovation’ introduced by technology is just part of innovation itself. Innovation actually involves various other aspects, some of which may not even be remotely related to technology. For example, a new business model that brings about greater efficiency or achievement is also innovation.”

Similarly, Mr Arthur Chow, CEO of 6waves, a leader of social and mobile games publisher based in Hong Kong, noted that “technology and innovation have always been, and will continue to, affect everyone’s life.” That is why “businesses need to pay attention and stay relevant in the midst of technological changes or else they may become irrelevant.”

Of course, cost consideration may keep most businesses from adopting every technological development. “Some new technologies are only fads while some may be ahead of their time,” Mr Chow said. So instead of “staying in the forefront to adopt new technology,” he advised businesses to “wait till it approaches a tipping point” with more public acceptance.

Seek Relevance in Tech Trends

So how can Hong Kong’s businesses find relevance among the myriad global technological developments, namely,

mobile applications, cloud computing, financial technology (fintech) and big data analytics, etc?

Mr Yang firmly believes that “world-class industrial expertise and experience are still in Hong Kong people’s blood.” What businesses should do is to “seize upon the opportunities brought about by re-industrialisation and the Internet of Things to promote smart production and to develop high value-added industries and manufacturing processes in robotics, smart city (solutions) and healthy ageing,” just as they contributed to Hong Kong’s economic boom in the 1970s.

From a practical standpoint, the entrepreneurs interviewed offered some specific ideas.

Mobile applications are a major technological trend to follow. “I still see that a lot of businesses are not adopting the phenomenon of smartphones and mobile apps,” noted Mr Chow. This can be as basic as not having a mobile version of the corporate site. He cautioned that “it is essential” for businesses “to provide a seamless experience to customers when interfacing with them via a mobile device.”

“Mobile apps are extremely important” in that users can access portable devices virtually 24 hours a day, added Mr Chang. “In the past with PCs (personal computers), you might be spending, at most, seven to eight hours a day in front of the screen. Given the development of Internet today, aside from seven to eight hours of sleep, one can be on line the rest of the day.” In fact, the convenience of mobile apps is bringing on changes to “consumer habits, information retrieval, and ways of managing business,” he said.

Furthermore, Mr Chang said Hong Kong companies must catch up with sharing economy, a collaborative consumption economic model allowing peers to pay to share someone else’s goods or services. [One well-known example of sharing economy is transportation provider

Uber.] Speaking from the Mainland perspective, he noted that unfortunately for Hong Kong, ecommerce development is slow. “That is a situation of application and service not meeting the pace of technological advancement, which, of course, stems from some issues innate to Hong Kong,” he said. By “issues,” he was referring to the small size of the local market and the surge of the “localisation movement” since Hong Kong returned to Chinese rule.

In some markets, including the Mainland, mobile apps are widely adopted for financial services, which reflects the growing importance of another trend – fintech. Fintech refers to an emerging industry that aims to raise efficiency of financial services via technology. To date, fintech players are mostly technological firms, which led Mr Chiu to sound a warning for traditional financial services institutions such as banks. “More and

more fintech players are entering the market,” he said. “Some are challenging obsolete regulations to become mainstream financial services players. As Bill Gates once said, ‘Banking services are essential, but banks are not.’”

Surely Hong Kong remains one of the world’s major financial centres. But Mr Chiu wondered “if we can continue to maintain the leading edge down the road when the mainstream capital market could be powered primarily by the Internet and fintech.”



Companies also must take a close look at big data analytics. “They can get a lot more information from such data, then analyse them to serve customers better,” said Mr Chang.

Focus on Ecosystem

In the eyes of entrepreneurs, the launch of the ITB was a positive move for Hong Kong’s business community. “I think it is a good initiative that we now have a more dedicated and focused bureau to work on innovation and tech startups,” Mr Chow

said. While there is “more traction for tech startups in the private sector,” he expressed hope that “more support from the Government” would bring about “more successful case studies.”

Mr Yang spoke from a more macro perspective about the ITB’s role: “The key factor is not money, as I should emphasise, but the impetus that harnesses the energy of relevant groups and professionals.” To attract investors, locally developed innovation and technology “must look beyond the local market” both across the border and globally, he said. In addition, ITB also shall “focus on building a vibrant, sustainable ecosystem that is also capable of retooling the innovation talents,” he added.

Along this line, a number of measures were put forth in the 2016 Policy Address and Budget. These include:

- a HK\$2 billion Midstream Research Programme to encourage development of translational technology at universities to better articulate with downstream R&D for commercial use;
- a three-year Pilot Technology Voucher Programme to subsidise use of technological services by SMEs on a 2:1 matching basis for up to HK\$200,000 each;
- a HK\$2 billion Innovation and Technology Venture Fund to provide startups with “pre-Series A” funding or the first round of financing after seed money; and
- a HK\$500 million Innovation and Technology Fund for Better Living to improve the lots of the underprivileged by means of information and communication technology.

Mr Yang believes that a healthy ecosystem with ample deal flow and regeneration ability is critical to sustaining innovation. Such an ecosystem will “help people embrace failure and emerge again,” Mr Yang said. “Bill Gates and Steve Jobs did not succeed the first time but they succeeded tremendously the second or third time.”

Mr Chow, who gave up a good corporate position to help found 6waves, agreed. “One of the key success factors in innovation is to embrace risk and not be afraid of failures,” he noted. “Having the capital available will help startups to take more risks.”

But then seed money is “never more important than a good solid idea and business plan,” Mr Chow added. His advice to startups is not to focus too much on raising capital or complain of the lack of it but to improve their business plan.

The ITB chief offered more insight on how to fine-tune a business plan. Mr Yang noted that success in the technology sector relies a lot on a company’s ability to set the standards or provide the platform or both. “When you control the standards, everybody has to follow you,” he said. “When you control the platform, everyone has to depend on you.”



仍

記得互聯網出現初期有些機構推出網站作自我介紹及展示其形象嗎？這僅是大約20年前的事，而當時大家工作的機構是否已有自己的網站，還是仍然在派發企業小冊子？時至今天，一家公司或機構有自己的網站不但不是什麼新奇的事，還為提高形象、與持份者聯繫和宣傳商品與服務的必需品，更貼近潮流的公司甚至已利用更新的科技，讓人可以利用流動裝置，隨時隨地接觸他們的資訊。

科技，特別是資訊科技的發展一日千里。作為公司的決策者，你在制定策略時會考慮到科技的因素嗎？如有的話，你可以將科技發展化為機遇。如沒有，你便有可能令公司陷於風險之中。

需要急起直追

成立創新及科技局的建議拖拉至去年底才通過。自香港特別行政區成立後，政府便一直有意把香港發展為科技樞紐，但本屆政府卻花上三年多，才能朝這個目標踏出堅實的第一步。正因如此，難怪商界需要急起直追。

「在創新及科技方面，香港確實起步較遲。」創科局局長楊偉雄先生承認。他指出，現時香港投放於研發的開支僅佔本地生產總值0.73%。「更甚者，本港商界投放於研發上的開支遠較其他已發展地區為低。」他說：「換句話說，本港大部分私營企業並沒有投資在研發上。」

楊局長促請私營機構「合力扭轉這個失衡的現象」。他表示，政府成立創科局的目的是「透過發展本地創科產業，把香港轉化為一個知識型經濟體，為香港市民，尤其是我們的年輕人創造優質的就業機會，同時改善香港市民的生活質素」。

他闡述對成立創科局全面的看法，就是要「建立一個健全而可持續的創新及科技生態系統」，從而「推動中小型企業（中小企）採用本地科技產品，解決社會問題、激發私營機構進行研發及推動香港『再工業化』」。

作為「聯繫人」，楊局長表示，創科局在「致力將政府、學術界、商界和科研界連繫起來」的同時，亦會引入海外頂尖科技資源如麻省理工學院（已決定在本港成立創新中心）。同時，創科局會扮演「促進者」的角色，以楊局長所稱的「初步資

源」，刺激私營機構投資於培育一個有利創新及科技發展的生態系統。

需要新思維

換言之，在今時今日的形勢下，需以新思維來認識創新和科技對社會各界的強大影響。楊局長說：「簡單地說，『創新』是指將新意念由概念轉化為產生影響的力量。創新與科技為我們的生活帶來革命性和顛覆性的改變，而且改變的速度和規模都是前所未有的。」

對此，憑着創新和科技開創出一番事業的創業家都深表贊同。他們指出商界更應該有廣闊的視野，否則便有可能被「顛覆性創新」所淘汰。

「顛覆性創新」是哈佛大學教授Clayton M Christensen 所創的詞彙，指的是新產品或服務逐漸扎根並取代發展成熟的競爭對手，繼而創造出新市場價值的過程。

杭州悠可化妝品有限公司是一家協助美容品牌覆蓋國內全部網上渠道的一站式電子商貿伙伴企業。該公司創始人及董事長張子恆說：「不論是什麼公司，如果對顛覆性創新置之不理，肯定會為自己製造風險。」事實上，資訊科技行業的發展歷程，值得整個商界引以為戒，因為整個變遷過程，「從IBM（國際商業機器）到互聯網，再從諾基亞到蘋果，就只是過去二三十年間的事。」張先生指出，「但即使是諾基亞或摩托羅拉等大企業，也可以被新的顛覆性科技或應用所『取代』。」

創奇思行政總裁趙子翹表示，香港這個「國際都會」雖然以「在金融及房地產發展方面取得的非凡成功」而聞名，但「在這個創新及科技推動的世界裏，卻不但悄悄地落於人後，還越來越微不足道。」該公司是流動營銷、智能手機應用、流動擴增實境及新媒體科技行業的領導者。「你可以選擇努力顛覆，塑造未來，或由其他『獨角獸』初創公司代你來做。」他說，「因此，企業及業界應主動地利用創新和科技，重塑自我。」

換句話說，由於商界與科技發展有着唇齒相依的關係，所以即使你並非從事資訊科技業，也得信任科技發展。「創新和科技可以是兩個範疇。」張先生解釋，「科技帶來的創新只不過是創新的一部分。創新還包含着很多的部分，有些部分可能沒有科技的元素在其中，例如因為一個新的商

業模式而帶來了更高效的成果，這同樣也是創新。」

同樣地，本地領先的社交網絡及手機遊戲發行商6waves的行政總裁周邦亮指出，「科技和創新一直影響着每一個人的生活，未來亦將繼續如此。」因此「企業需要留意及緊貼科技的轉變，否則便有可能會被淘汰。」

當然，大部分企業並不會凡有新科技推出便不計成本也要採用。「有些新科技只會流行一時，有些則過於先進了。」周先生說。所以與其「總是採用新科技」，他建議企業「等待轉折點來臨」，屆時公眾便更容易接受了。

緊貼科技潮流

那麼，香港企業可如何追上世界各地形形色色的新科技，例如流動應用程式、雲端計算、金融科技及大數據分析等？

楊局長堅信，「在香港人的血液裏，仍有世界級的工業技術及經驗」。企業應做的是「抓住再工業化和物聯網發展的契機，推動智能生產和發展高增值產業及生產工序如機械人、智慧城市及健康老齡化等」，就像他們在1970年代為香港經濟起飛所作的貢獻一樣。

從實際角度出發，受訪的創業家提出了一些具體的意見。

流動應用程式是要跟隨的一大科技趨勢。「我仍看到很多企業仍未接受智能手機和流動應用程式已大行其道的現象。」周先生指出。有些公司連為公司網站增設流動版本這樣基本的事也沒有做。他警告說，「在透過流動設備與客戶接觸時」，企業「有必要為客戶提供無縫的體驗」。

張先生補充說，現今用戶的流動裝置幾乎是無時無刻都機不離身的，所以「移動應用是非常重要的」的。「在以前個人電腦的時代，你每天最多也只會花7至8個小時在電腦螢幕前，但是現在，隨著互聯網的發展，除去睡覺的7至8個小時，其他時間都可以上網。」他又表示，事實上，由於流動應用程式非常方便，「從消費者的習慣，從獲取信息，到業務處理，到很多的習慣都在變化。」

此外，張先生表示，香港企業必須追上分享經濟的發展。在這種合作消費的經濟模

式下，只要付費，便可以使用在所屬群體之間分享的商品或服務。[分享經濟的著名例子是運輸服務供應商Uber。]以大陸的角度而言，他指出很不幸，香港發展電子商貿的步伐很緩慢。他說：「這就是應用和服務跟不上科技發展，此外香港當然也有一些內在問題。」他提到的「問題」，是指香港市場規模細小，以及自回歸中國後「香港越來越本土化」。

在包括大陸在內的部分市場，流動應用程式已廣泛應用於金融服務之中。這反映出金融科技這個趨勢正變得越來越重要。金融科技是一個新興行業，旨在利用科技來提高金融服務的效率。由於現時參與金融科技這個行業的企業以科技公司為主，所以趙先生特意提醒一下銀行等傳統金融服務機構。「現在有越來越多從事金融科技的公司踏足這個市場。」他說，「在他們當中，部分正在挑戰過時的法規，希望有朝一日成為主要金融服務機構之一。正如此爾·蓋茨曾經說過，『銀行服務是必須的，銀行卻不然。』」

無疑香港仍是世界頂尖金融中心之一，但趙先生卻懷疑，「當主流資本市場將會由互聯網和金融科技主導，我們是否仍能繼續保持領先地位」。

公司還必須深入了解大數據分析。「他們可以從數據中得到更多信息，經過分析後，便可以更好地服務用戶。」張先生說。

集中精力 建立生態系統

在創業家的眼中，成立創科局可為香港商界帶來好處。「我們終於有一個專責的政策局集中服務創科初創企業，我認為這是很好的措施。」周先生說。儘管最新私營機構對初創科技企業更感興趣，他希望政府能給予更大支持，從而帶來更多成功案例。

楊局長還從一個更宏觀的角度介紹創科局的角色：「我要強調，推動創新和科技發展的關鍵並不在於金錢，而是能夠利用相關團體和專業人士的力量。」他表示，為了吸引投資者，本地開發的創新和科技「必須重視本地以外的市場」，不單是大陸市場，還有全球市場。此外，創科局亦應「聚焦於締造一個既充滿活力，又能夠重新裝備創新人才的生態系統」。

2016年《施政報告》及《財政預算案》已提出了多項推動創科發展的措施，包括：

- 推出20億港元的「院校中游研發計劃」，鼓勵大學研究可轉化科技，以連接下游的研發作商業應用；
- 推出為期3年的「科技券先導計劃」，透過二對一的配對模式，向每間合資格中小企提供最多20萬港元資助；
- 成立20億港元的「創科創投基金」，為創科初創企業提供首輪融資前資金或種子基金後的首輪融資；以及
- 成立5億港元的「創科生活基金」，利用資訊及通訊科技，改善弱勢社群生活。

楊局長相信，一個健康的生態系統，需有足夠的項目流及再生能力，這對創新持續發展十分關鍵，亦帶出一個信息：擁抱失敗，重新站起來，才會成功在望。楊局長表示，「蓋茨和喬布斯都不是第一次便成功，但到第二、第三次再嘗試時便一鳴驚人。」

為了協助創立6waves而放棄了企業高職的周先生很認同這個說法。「創新成功的關鍵因素之一是能夠接受風險和不怕失敗。」他指出，「初創企業如有資金的話，便能承擔更多風險。」

儘管如此，周先生補充說，種子基金「永遠不會比一個又好又鞏固的想法和商業計劃更加重要」。他建議初創企業不要過分著重於籌募資金或投訴缺乏資金，反而要把商業計劃做得盡善盡美。

至於如何才能把商業計劃做得更好，創科局局長指出，能否在科技界取得成功，很大程度取決於公司是否有制定標準、提供平台或兩者兼備的能力。「如果你能控制標準，所有人都需要跟隨你。」他說，「如果你能控制平台，所有人都需要依靠你。」

