

MANAGEMENT ROUNDTABLE PRESENTS

Innovating with Partners in China:

Negotiation, Collaboration, and IP Strategies for New Product Development

MARCH 28-29, 2007 • SAN DIEGO

A TWO-DAY EXECUTIVE WORKSHOP ON HOW TO ACHIEVE
CO-INNOVATION IN CHINA

LEVERAGE R&D RESOURCES AND MARKET OPPORTUNITIES

CREATE NEW INTELLECTUAL PROPERTY WHILE PROTECTING CORE ASSETS

Featuring:



Roger Nagel, Senior Fellow, Enterprise Systems Center, Lehigh University; author of *Cooperate to Compete*



Lothar Katz, 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



Dr. John C. Tao, Corporate Director, Technology Partnerships, Air Products & Chemicals, Inc.



David M. Stout, Ph.D., Director, Global Basic and Pre-Clinical Sourcing, Merck & Co., Inc.



Dr. Ike Nassi, Sr. Vice President, SAP Research Americas



Jan Gronski, General Manager, China R&D Center, Cisco Systems

Receive new insights from both US- and China-based industry practitioners on how to:

- **Negotiate and cultivate reciprocal, co-innovation relationships; structure IP rights to both benefit and protect each partner's interests**
- **Tap into emerging sources of innovation in China, including universities; understand the growing impact and opportunity of government-funded R&D**
- **Find and qualify the right partners for your specific product development and innovation objectives; work with intermediaries to accelerate and safeguard the selection process**
- **Build trust and overcome cultural barriers with partners in China—foster creative thinking and genuine teamwork**

"It's the year of innovation in China."

Business Week, 11/6/06

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WHILE ALMOST ALL FIRMS CONSIDER CHINA FOR low-cost production labor, few are successfully tapping into its nascent R&D capabilities—the next frontier of competitive advantage. Concerns about finding trustable partners, sharing and/or jointly creating intellectual property, overcoming cultural barriers, and managing overall risk are some of the reasons. But what is the risk of *not* having a China co-innovation strategy?

To explore the current realities and how-to's, Management Roundtable is pleased to announce an exclusive two-day workshop, **Innovating with Partners in China: Negotiation, Collaboration, and IP Strategies for New Product Development**, to be held March 28-29, 2007 in San Diego. Led by Roger Nagel of Lehigh University, the session features experienced industry practitioners (from both the US and China) and leading experts on collaboration, innovation, and intellectual property management.

The purpose is to help participants gain the benefits of China-based R&D without jeopardizing core assets.

Through lecture, case studies, group discussion and hands-on exercises, participants will come away equipped to establish and grow a successful partnership and/or R&D base in China. Participants will also come away with a clear understanding of how to manage today's critically important opportunities and challenges.



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

Business Week, 11/6/06

Who should attend

For any product development executive or team that is partnering or considering partnering with firms in China, 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 60 participants.

China's R&D growth over the past several years has been nothing short of fantastic... [its] rapid advance on the R&D investments of both the U.S. and Japan is unprecedented in recent history.

R&D Magazine, Sept. 2006

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 (from the US, based in China) 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:

- How to find, evaluate, and choose the right partner(s) for your specific innovation needs
- How to work with intermediaries to help qualify partners
- How to expand into the Chinese market; select and leverage partnerships for growth
- How to manage intellectual property and technology transfer—what to disclose, what you must never share
- How to avoid copycat products and patent theft. Are Chinese IP laws and practices really changing?
- How the Chinese government's huge investment in R&D will affect global competition. Are you ready? Opportunities and threats for US firms
- How to establish and build an R&D center in China; find and cultivate talent
- How to ensure *mutual* risk-taking and reward, including IP ownership and other incentives
- How to communicate effectively; how to encourage openness and creativity
- How to make partnerships work on a day-to-day basis



AGENDA

Day One • March 28, 2007

- 7:30 – 8:30 Registration and Continental Breakfast
- 8:30 – 8:45 **Introduction and Welcome**
- 8:45 – 9:45 **FEATURED PRESENTATION**
Why China? The Opportunity and the Threat
Roger Nagel, Lehigh University; author of *Cooperate to Compete*
- 9:45 – 10:15 Break
- 10:15 – 11:15 **Finding and Partnering with Chinese Firms for Collaboration and Innovation**
Roger Nagel, Lehigh University
- 11:15 – 12:00 **Discussion / Q&A**
Participants share goals, experiences, challenges
- 12:00 – 1:30 Lunch
- 1:30 – 5:00 **PRESENTATION & INTERACTIVE EXERCISE:**
Negotiating and Initiating a Partnership for Co-Innovation
Lothar Katz, Leadership Crossroads; author of *Negotiating International Business*
- 3:00 – 3:30 Refreshment Break
- 5:00 – 6:00 **Networking Reception**

Day Two • March 29, 2007

- 8:00 – 8:30 Continental Breakfast
- 8:30 – 9:30 **FEATURED PRESENTATION**
Managing Intellectual Property and Technology Transfer in a Co-Innovation Environment
Dr. Alan Paau, Vice Provost for Technology Transfer and Economic Development, Cornell University
- 9:30 – 10:30 **CASE EXAMPLE**
Key Steps for Protecting IP in China
Dr. John C. Tao, Corporate Director, Technology Partnerships, Air Products & Chemicals, Inc.
- 10:30 – 11:00 Break
- 11:00 – 12:00 **CASE STUDY**
Collaborating with WuXi PharmaTech (Shanghai)
David M. Stout, Ph.D., Director, Global Basic & Pre-Clinical Sourcing, Merck & Co., Inc.
- 12:00 – 1:00 Lunch
- 1:00 – 2:30 **LESSONS LEARNED PANEL**
Ike Nassi, VP of Research, SAP; **Jan Gronski**, General Manager, Cisco Systems, Global Development Center (Shanghai); **Bijan Dorri**, GE China Technology Center (invited)
- 2:30 – 3:30 **Conclusion: Q&A and Action Planning**

THE PROGRAM

FEATURED PRESENTATION

Roger N. Nagel

Senior Fellow,
Enterprise Systems Center,
Lehigh University



Why China? 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 China (talent, cost, quality, speed, etc.) and provide 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.

Finding and Partnering with Chinese Firms for Collaboration and Innovation

Co-innovation is about making partnership relations real (many outsourced deals are called “partnerships” but are not really). Most collaborations will succeed or fail over cultural and harmony issues. This talk will 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 that an R&D center is cost-prohibitive. But there is now hard evidence that 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 the talent pool as well as the China marketplace are today’s driving forces. This session will offer how-to’s and resources.

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.

Innovating with Partners in China

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:

- Nurture trusting relationships 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

The 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*.

FEATURED 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.

CASE EXAMPLE

Key Steps for Protecting IP in China



Dr. John C. Tao

Corporate Director, Technology Partnerships,
Air Products & Chemicals, Inc.

Building a successful partnership in China requires a diligent approach to intellectual property management and protection. Without careful consideration of how to ensure the safety of your IP, today's partners can become tomorrow's fierce competitors. What legal, strategic and operational actions can be taken to curtail IP theft?

Dr. Tao will address what precautions Air Products & Chemicals takes to monitor, manage and ensure its IP safety while working with Chinese partners. Dr. Tao will provide you with the latest information on available patent types in China, the Chinese patent litigation process, the Chinese court system and the realities of patent enforcement in China (today and in the foreseeable future). Learn how to select ethical, reputable business partners, effectively monitor these relationships, and keep your trade secrets from being stolen.

Dr. John C. Tao joined Air Products and Chemicals, Inc., in 1974 in the research department of the company's Process Systems Group. He subsequently moved into the engineering area where he assumed program responsibility for some of the company's early energy projects. In 1980 Dr. Tao became general manager of engineering for the company's International Coal Refining Company—a former Air Products joint venture. He subsequently was named director of planning and business development for Stearns Catalytic World Corporation—a former engineering services subsidiary of Air Products—and in 1986 joined the Corporate Science and Technology Center as a venture manager. Dr. Tao was named director of research and commercial development for the advanced separations department in 1989 and was appointed director of the department in 1991. He became corporate director of environmental, health and safety assurance in 1992 and assumed his current position in December 1994. His responsibilities include management of the corporate intellectual asset management process, licensing, and external technology, including being the L.P. of a venture capital fund. He has authored over 50 papers and holds nine U.S. patents.

CASE STUDY

Collaborating with WuXi PharmaTech (Shanghai)



David J. Stout, Ph.D.

Director, Global Basic and
Pre-Clinical Sourcing,
Merck & Co., Inc.

Merck & Co., Inc. has been outsourcing the synthesis of compounds in support of our drug discovery effort since 1995, at that time exclusively with vendors in North America and Europe. In 2002 we initiated our first chemistry project with WuXi PharmaTech in Shanghai, China. Our partnership has evolved to include projects with increasing scientific input from WuXi scientists. The rationale for this evolution will be discussed.

Dr. Stout leads Merck Research Laboratories' global outsourcing support for medicinal chemistry. Dr. Stout began his career as a medicinal chemist in the cardiovascular area with American Critical Care near Chicago, which ultimately became part of DuPont Pharmaceuticals. He then joined Abbott Laboratories, working as a medicinal chemist in a variety of therapeutic areas. In 2001 he started the medicinal chemistry department at the CRO Ricerca Biosciences and led research efforts in anti-bacterials and oncology. He joined Merck & Co., Inc. in April of 2006.

“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*

Innovating with Partners in China

LESSONS LEARNED PANEL

Real-World Advice and Answers from Top Practitioners



Facilitated by
Roger Nagel

In this lively and informative panel discussion, you will hear from experienced product development leaders who have established thriving partnerships and R&D centers in China. They will share lessons learned from both successes and failures, specific techniques for ensuring two-way innovation, fostering creativity, finding and managing talent, structuring and developing partnerships to maximize mutual gain, and more.

The bulk of this session is dedicated to answering your specific questions.

PANELISTS INCLUDE:



Dr. Ike Nassi, Sr. Vice President,
SAP Research Americas

Ike Nassi has done a number of projects in China and Taiwan. While at Apple Computer his group set up a development center in Zhuhai. At Info-Gear, Cisco, and Firetide he helped arrange for several product lines to be co-designed and then manufactured in China and Taiwan.



Jan Gronski, General Manager,
China R&D Center, Cisco Systems (Shanghai)

Jan Gronski has overseen the Cisco Systems Shanghai operation from an embryonic idea through today where the center has over 300 engineers with plans to expand to over 1000 within the next 2-3 years. Gronski is presently stationed in Shanghai and manages the site as well as product development activities.

OTHER INVITED PANELISTS include **Bijan Dorri**, Managing Director, and/or **Kelvin Wang**, General Manager, GE China Technology Center. Both are responsible for global research activities as well as engineering component and services sourcing countrywide and overall site management.

“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

SPECIAL FEATURES

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.

PANEL DISCUSSION WITH CHINA-BASED PRACTITIONERS from multinational firms. Gain the US and Chinese perspective on what works and what doesn't when developing products in China, with Chinese partners, for the Chinese market.

INDIVIDUALS' SPECIFIC CHALLENGES AND QUESTIONS will be set forth on the Day 1 and revisited on Day 2 to ensure each participant comes away with clear steps for going forward.

SPECIAL CASE PRESENTATIONS by leading industry practitioners provide realistic how-to's and lessons learned regarding IP, cultural issues, market entry and accessing R&D talent.

INTERACTIVE PANEL DISCUSSION offers opportunity for in-depth Q&A.

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.

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

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.

REGISTRATION FORM

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Innovating with Partners in China:

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for New Product Development

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PROGRAM INFORMATION

DATE / LOCATION

The session will be held Wednesday, March 28, 2007 and Thursday, March 29, 2007 at the Hyatt Regency LaJolla in San Diego.

SCHEDULE

Registration and continental breakfast will take place from 7:30–8:30 am on Wednesday, March 28. A reception follows Wednesday's sessions at 5:00 pm. Thursday morning continental breakfast will offered from 8:00–8:30 am. The program begins at 8:30 am and concludes at 3:30 pm on Thursday, March 29, 2007.

PROGRAM FEE

The registration fee is \$1995. Fee includes program materials, luncheons, continental breakfasts, breaks and networking reception. **Attendance is limited to 60 participants.**

TEAM DISCOUNT

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

HOTEL ACCOMMODATIONS

The **Hyatt Regency LaJolla** (www.lajolla.hyatt.com) has a block of rooms reserved for Management Roundtable at a special rate of \$229 single or double. Please call **858-552-1234** or **800-233-1234** and mention Management Roundtable. Reserve early, rates are guaranteed only through February 27, 2007. Please mention the Management Roundtable "Innovating with Partners in China" program.

4 Ways to Register

Call: 1-800-338-2223 or 781-891-8080
(weekdays, 9:00am–5:30pm EST)

Fax to: 781-398-1889

Internet: www.ManagementRoundtable.com

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(Please use photocopies for additional people)

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