

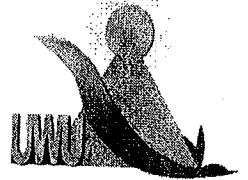


Uva Wellassa University

Faculty of Management

Bachelor of Business Management in Entrepreneurship and Management

Year 3 Semesters II Examination August/ September 2011



EMG 472-2 Innovation Management

Instructions for part B and C

Number of pages : Six (6)
Time : One (1) Hour and Forty (40) Minutes
Total Marks : Eighty Five (85) Marks

Index No.



Part C- Essay Questions

Answer all questions.
Total Marks: 50

1. Read the following case and answer the questions

Sri Lanka Porcelain Firm Fights Competition

Sri Lanka's Dankotuwa Porcelain has developed a new body for its tableware as competition intensifies and demand remains slack in key Western markets. The company, which specializes in white porcelain, and produces a limited quantity of ivory porcelain, has begun a new project to produce 'Fine China', a statement said.

"This is a new body more suitable for everyday use," said Chief Operating Officer . The new products to be produced are being fine tuned and the firm will ship the first container of 'Fine China' in May with a limited quantity available in the local market by June.

The new 'Fine China' body which was displayed for the first time at the recent Ambiente trade fair in Frankfurt, is increasingly becoming popular worldwide because more people are looking for "everyday use" products, the company said. Dankotuwa said it introduces a new shape, a new body or several new surface patterns regularly in order to maintain the interest of its international clientele.

"Competition in the tableware industry is becoming more intense with the Bangladesh industry making huge inroads owing to their cheaper energy, low labor cost, and duty free access to the European market. "Therefore we have to innovate all the time," said chairman of Dankotuwa.

"The Frankfurt Fair this time had more visitors than the previous few years but the continuing recession in the West and the economic woes of many European countries pose more challenges to producers of quality durable goods than to producers at the lower end of the market." The chairman said the development of a new body was one initiative to cope with current market challenges.

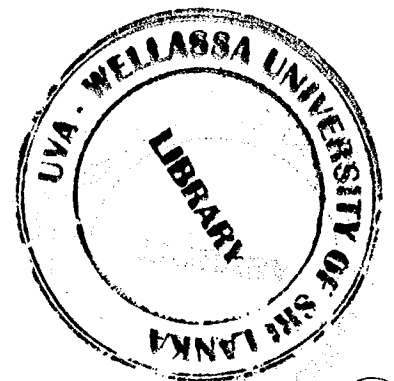
"While Chinese products were much talked about at earlier Ambiente trade fairs, this year it was all about the rising prices of Chinese products," the statement said.

- I. "Companies are forced to do innovations to survive in the local and international markets". Critically evaluate the statement. (10 marks)
- II. Do you think that the strategy that the company adapts will be able to lead the company towards capturing more markets? . (10 marks)
- III. Suggest some strategies they can adapt to overcome the issues accompanied by the international competition. . (10 marks)

(Total 30 Marks)

2. Discuss the factors those influence the optimal timing of entry in to market. Support your answer with practical examples from the real business world.

(20 marks)



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