



Value Innovation

**Ensuring emerging markets'
proper role on the world map**

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September 22, 2011



**Designed by Apple in California
Assembled in China**



**In the 21st
Century:**



**is Eastern Europe going to compete
with **China** on '**Assembled**'?**



or is it going to compete
with **California** on **'Designed'**?

3rd option:



Apple

\$368

Foxconn's margin \$7

components

\$178

assembly \$7



iPhone 4, 16GB, GSM

\$560



**Marketing and innovation
produce results;
all the rest are costs**

What is emerging markets' **innovation** strategy?



Incremental improvements targeting the **top** of the pyramid



Incremental improvements targeting the **top** of the pyramid



Radical simplification, targeting the **base** of the pyramid



Radical simplification, targeting the **base** of the pyramid



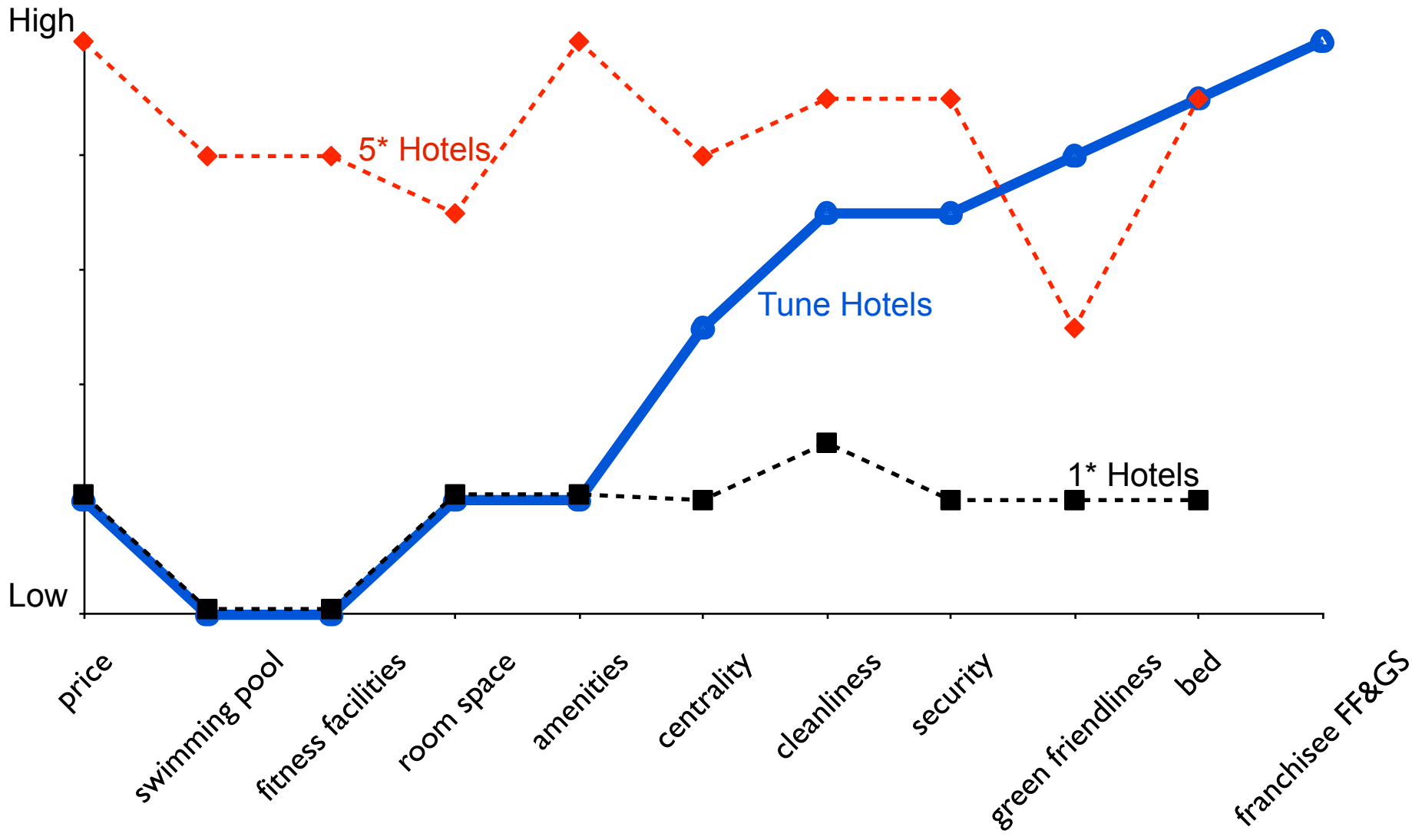
Frodo Chemistry

Tune Hotels: 5* Sleeping Experience at a 1* Price



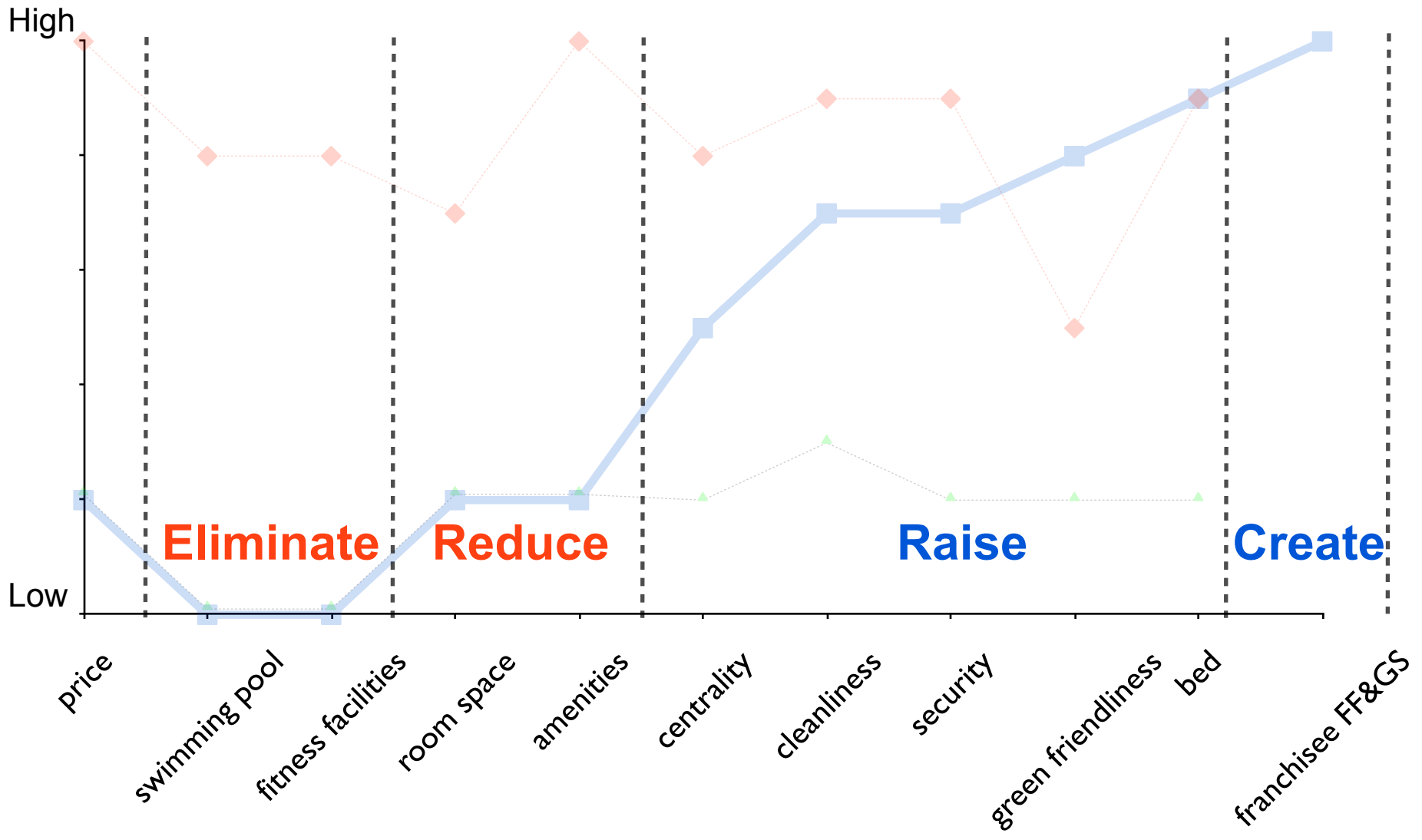
Tune Hotels'

high-value / low-cost offering



Tune Hotels'

high-value / low-cost offering



What is emerging markets' **talent** strategy?





Thank you