



University of Applied Sciences of Eastern Switzerland



Consulting Project China Management
Design for NOVA Werke AG

Market Analysis and Distribution Strategy for High Pressure Technology in China

NOVA is looking for new growth opportunities for their high pressure technology business unit and sees great potential in Asian countries, particularly in China. This project aims to assess the attractiveness of four predefined markets for NOVA's products in China and presents a tailored distribution strategy to enter the Chinese market.

Nova Werke AG

NOVA is a typical Swiss SME operating in four highly specialised niche industries. The high pressure technology business unit develops and manufactures high-end components and systems suitable for applications of up to 10,000 bar. The fields of application of the products are manifold. NOVA's customers include companies in petrochemicals, clean gas, research and development, and machine facilities construction. With respect to China, four specific markets are targeted.

Proceeding

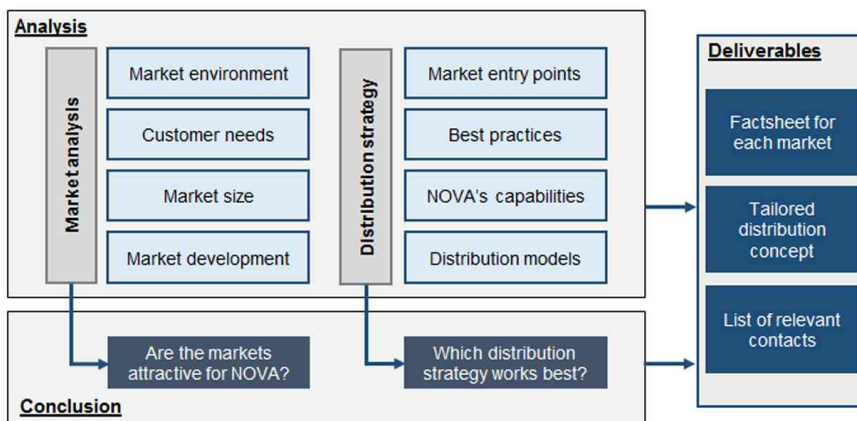
Primary research consisted of expert interviews conducted mainly in China. In total, the project group interviewed 21 potential customers and market experts. To obtain a comprehensive picture of the four targeted markets, the project group analysed potential customers, product requirements, competitive landscape, and intermediaries. Additionally, assessments of the market size and development serve as a foundation to evaluate the market's attractiveness. Based on this, the team developed a tai-

lored distribution strategy for NOVA's market entry.

Results

With detailed information about the market players and environment, the team was able to assess the attractiveness of each market and give a profound recommendation regarding market entry and processing. For two markets a direct selling strategy emerged as the most promising approach. In one market NOVA has to cooperate with an intermediary as the end customers cannot be reached directly. The project team assessed both intermediaries available and gave a recommendation for the next steps. The last market is subject to governmental restrictions which is why the project team recommends following a passive market approach. A list of potential customers and their key characteristics serves NOVA as a starting point for market processing. Finally, all findings were condensed in a holistic strategy for the high pressure technology business unit.

www.fhsg.ch/praxisprojekte



Project approach and deliverables.

Source: own illustration.

CHINA (JCSP) CONSULTING PROJECT

Market Research & Management Design 2017

Project team (f. l. t. r.)

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Client

NOVA Werke AG, Effretikon

Samuel Wildhaber, General Manager Sales

www.novaswiss.ch



The cultural characteristics and different market conditions made this project extremely challenging. Due to the well-structured and diligent work by the project team, very good results have been achieved. Thanks to the support of the students, NOVA will be able to penetrate the market in its explored distinct market niches.

FHS coach

Mathias Kleiner, MBA

Shanghai coach

Hui Yan, Ph.D.



It was impressive to see how the students became experts in four very specific markets. Resilience, serenity, and flexibility characterise this Sino-Swiss team. This beneficial combination led to substantial results in a highly demanding project. The recommendations are outlined in precise, realizable next steps.