

[English Translation]

Knowledge Protects Your Achievement.
Interest Keeps Your Passion.
Both Help You to Develop a Unique IT Startup

[IT Pro - Hong Kong, 6 Feb 2013] The case for making big money is often exaggerated. With every group of winners comes an even bigger group of losers. Entrepreneurs fail for many reasons: loss of passion, competition, copyright issues, etc. The reasons for failure outnumber the reasons for success. Entrepreneurs must be aware of these obstacles. Many entrepreneurs have told us about the cash flow problems and other obstacles that hurt the development of startup companies. We interviewed Grand Award winner of the Entrepreneur Section in the 2012 Asia-Pacific Information and Communication Technology Alliance (APICTA) Awards to understand these obstacles from a passionate and legal viewpoint.

Failure Provides Knowledge and Skill

Mr. Eric Yung, founder of Playnote, first created the startup in 1999 with some professors from Hong Kong University of Science and Technology (HKUST). At the time, MP3 music was not popular and MP3 portable players were nonexistent. "I was a student at that time only. The three professors also had no business experience. As a result, we learned everything by trial and error. Although it was difficult at the time, I learned a great deal from these experiences and couldn't have started the company any other way," Eric said.

"I've worked as an entrepreneur since studying at the university. At the time, there was no startup funding help. And of course, there was no Science Park or Cyberport either." Now, there are many entrepreneur support systems. Eric said these support systems are helpful. However, he said that many issues must be handled by the entrepreneurs directly. "At the time, we needed to wait at a bank to open a bank account. Other jobs, including sourcing, purchasing, etc. were also handled by us directly. The situation is much better now. From the viewpoint of the company, if entrepreneurs can concentrate on the core business and do not need to handle those finance, accounting, etc. affairs then the company will be better off."

"However, if from a personal growth point of view, entrepreneurs should understand knowledge outside of their core business. This will encourage the growth of the business," Eric said. "You may have Science Park or Cyberport solve some of your problems but you need to handle other problems by yourself at a later stage. If you want to create another startup later, all this past knowledge and experience can help you to complete tasks immediately and you won't need to learn from scratch. Actually, all this knowledge is essential, no matter what business you're in."

Tip 1 for Entrepreneurs:

A company's operation and minor details can be troublesome but they help you learn more about business.

Interest Keeps Your Passion

The first product in Eric's entrepreneur life was an MP3 portable player. Now, his current entrepreneur product is music education software--AURALBOOK. Both are music related products. This is due to Eric's background. "I am a pianist and have also worked as an orchestra conductor and tenor. I have also worked as a guest lecturer at the Hong Kong Institute of Education to instruct future music teachers about how to teach." Eric said AURALBOOK is a unique product in the market and there is no substitution at the moment.

"Music is a very large part of the consumer market. It is also a market with a high barrier to entry," Eric said. "There are 600,000 candidates for examinations for the Associated Board of Royal Music School (ABRSM) around the world every year. Among those candidates, 100,000 are from Hong Kong. Music is a universal language. This market is huge but also requires solid knowledge and content. As a result, not everyone can enter this market. There is still a lot of room for development and this is why we concentrated in this music education market."

"Of course, my own interests are a reason too. In order to maintain the passion of an entrepreneur, income is very important. However, you must have the spirit of an entrepreneur before a profit comes. If what you are doing is something you are interested in, life will be easier. You will feel that it is meaningful to continue. Furthermore, if you are an actual user of the product, you can understand the good and bad points of the product more easily."

"The reason some entrepreneurs start a business is not always interest, at the beginning. They start the business just because they see a business opportunity but they are not sensitive to the market. For example, if you don't play electronic games, you won't be sensitive to the games you are developing, won't know whether the game is really good for the player, won't know whether the interface is user-friendly. If you start a business just because you think the market is good and ignore other factors, the success rate is lower than for a project you are interested in for sure."

Tip 2 for Entrepreneurs:

We shouldn't just consider money when designing a product. Personal interest is also a key factor.

Combination of Technology and Timing

As the demand for music education products is huge, why release the AURALBOOK now? Because related technology requires good timing. "It is not an easy job to analyze with digital technology. If the analyzing report of a piece of singing requires

several minutes to process, the user won't be satisfied. On the other hand, if you use a mainframe computer to process, you can get the result immediately but this cannot be a business. In order to implement an idea, there must be available technology, which can allow you to use the functions at a reasonable cost. This year is the best time to start realizing intelligent music technology analysis." Eric said AURALBOOK could analyze pitches and beats of users' singing, through the iPad's computation power. AURALBOOK will employ cloud-computing technology to record and further analyze users' performance.

"Many Hong Kong people learn music but there are not many professional music teachers," Eric said. "Music teachers from Hong Kong are usually very good at playing piano and violin but may not know how to teach. Aural skill is also not their strong point. The main objective of many Hong Kong students is taking the examination. In many cases, even though percentage of the score based on the aural test is low, whether you pass or fail the exam depends on this part. For examination candidates, AURALBOOK is a very good tool to help them practice."

The Cantonese version of AURALBOOK was launched in the Hong Kong market first and then the English version was launched in the worldwide market at a later stage. Eric said there are more music students in other areas and their target is to learn to play a musical instrument long term. This is totally different from students in Hong Kong. Playnote released the Cantonese version first in order to test the market. The result was very good. Eric believes that music is a universal language. As a result, the same learning model can be applied to other areas and countries. However, in the English version, there is no local language style or wordings.

Tip 3 for Entrepreneurs

Sometimes, even though the innovation is far better than the current status and situation, it may not be successful. We also need to consider the actual market for demand and our own technical capacity.

Knowledge to Protect Yourself

Eric is an engineer and musician. He also graduated with a Bachelor degree of law from the University of London. This unique combination led to Playnote becoming a reality and the production of AURALBOOK. Eric said the idea of studying law is often ignored by many entrepreneurs: "The key of an IT entrepreneur is innovation and creativity, but it also involves legal problems like copyright, patent, etc. You will get into trouble if you know nothing in this area. All your results may be stolen but you cannot do anything."

Eric illustrated this point with an example. In the last startup, the MP3 portable player was very innovative in that year. No local lawyer could understand what it was about. Even with a lawyer team in New York, Eric still needed to spend a lot of time discussing with them so that the lawyer team could understand and know how to write a patent related document. The fee involved is about one million. "After that experience, I started to know patent and copyright related laws. But I will say if you

ask me about real estate law, I know nothing. For a company's legal documents, I will draft them by myself then pass them on to a lawyer to handle. It is unreasonable for a company, which does not yet have a profit, to pay millions of dollars to apply a patent. If you know the law yourself, many fees can be saved. That's why I suggest entrepreneurs should do the hands-on work and learn the essential knowledge," Eric said.

Tip 4 for Entrepreneurs

Legal knowledge can not only protect yourself but it can also let you control your way. You don't need to have a lawyer to keep an eye on all legal affairs.

Don't Be Replaceable

Due to this kind of training, Eric and Playnote became non-replaceable. Eric said that during the panel judgement in APICTA, the judge asked him the question: Is your product irreplaceable? Can other competitors copy it? "This is a tough question," Eric said. "There is nothing in the world that only you can think of and implement. However, if you have some factors that other competitors do not have, your survival capability must be higher than that of your competitors."

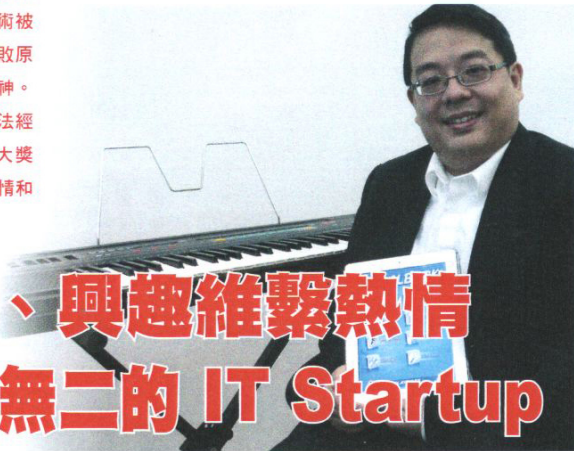
"I told the judges that I am a musician and also a music teacher. I am an end user and also an expert in this area. Besides, I am also an engineer and can utilize my own technology knowledge to develop a product, which can fit the actual demand in the market. Lastly, I am a lawyer and I have the legal knowledge to protect the result from duplication by others. I don't think I could have received this award without my mixed background," Eric said.

By combining so many factors, Playnote was able to receive the grand award. But, is Eric the only one who can make it? Eric said, "Each entrepreneur's case is different. It is impossible to copy another one completely but the method of combining different, special points is possible. Entrepreneurs should have a strong interest in the company's core business and learn the professional knowledge, which can benefit the business. All knowledge learned can help you have a higher chance of success. This model can be done by anyone easily."

Tip 5 for Entrepreneurs

Finding the market opportunity successfully is only the first step. The most important thing is to be irreplaceable in the market.

IT 創富的案例經常被吹捧傳誦，但在成功者背後卻是更多的失敗者。有人因熱情不再，有人因技術被抄襲淘汰，也有人因版權問題而無法繼續。失敗原因總比成功多，而創業者要避開這些障礙就更需提神。本欄曾訪問如何避開因為資金、使用者的問題而無法經營的困局，今次就找來今屆亞太資訊及通訊科技大獎 (APICTA 2012) 創業組大獎得主 PlayNote，從熱情和法律角度探討這些障礙。



知識保護成就、興趣維繫熱情 讓你成就獨一無二的 IT Startup

撞板練成周身刀

PlayNote 的創辦人容志偉 (Eric) 在 99 年已跟科大的教授一起創辦人生第一家公司，那時 MP3 音樂方興未艾，而 MP3 隨身聽更是尚未面世，Eric 的公司便是最早開發 MP3 隨身聽的公司之一。「那時自己只是一介學生，3 個教授也同樣沒有做生意的經驗，所有事情都是在不斷撞板的情況下邊學邊做的。雖然如此，要是沒有這些經驗的話，今天再開公司時就沒有那麼得心應手了。」他說。

「我在讀大學時就已經開始創業，那時候真沒那些創業基金資助，就連數碼港和科學園都未有！」回望今天，坊間已多了很多創業支援機構，Eric 認同這些支援是好事，但提醒創業者更多的事情都要靠自己：「回想當年，連替公司開銀行戶口都要自己排隊搞，更別提買辦、入貨，與今天相比真是兩回事。從公司的角度來看，創業者能夠專心在公司的核心業務上，不用為金融、會計這些雜務而分神，對公司發展才是最有利。」

「但如果從個人成長的角度來看，創業者應該多了解這些核心業務以外的知識，這對你未來的事業發展很有利。」他解釋：「今天有數碼港、科學園替你解決了一時的問題，但最終很多事都要自己接手處理。當你打算再創辦一家公司時，這些知識都可以幫你立即完成工作，而不用再一次重新學起。做任何生意也好，這些知識其實都是必須的。」

給創業者的建議：

1. 瑣碎雜務雖然煩人，但卻能令你掌握更多生意經營知識。

用興趣維繫創業熱情

創業的第一項產品是 MP3 播放器，而今天創業設計的是音樂教學軟件 AuralBook，一脈相承都是音樂相關的產品，有這樣的創業經歷，跟 Eric 本身的背景有很大關係。「我是一個鋼琴家，也是管弦樂團指揮和男高音，更是在教育學院的客座講師，教授未來老師如何教音樂。」Eric 因此笑說 AuralBook 是市場上最獨一無二的產品，也是「捨他其誰」的產品。

「音樂是一個很大的消費市場，也是一個很難踏入的市場。」Eric 表示：「英國皇家音樂學院每年有 60 萬人報考，其中 10 萬來自香港。音樂是國際語言，這市場其實很大，但因為這市場需要有真材實學，不是任何人也能進入，因此這片大市場仍有很大的發展空間，這也是我專注音樂產品市場的原因。」

「當然，興趣也是重要原因。要維持創業的熱情，收入當然是很重要的，但要是還未有回報時就要靠自己的堅持。如果你做的事剛好是你興趣所在，你就較易撐過去，不會覺得自己的工作無意義。再說，如果你本身是最終使用者的話，你也更能知道產品的優劣。」

「有些創業者其實根本就不是因為興趣而做，只是因為看到某市場有潛力而去做，但這樣肯定會對市場缺乏敏感的觸角。如果你本身不玩電子遊戲，你製作遊戲一定不會對遊戲敏感，不知道遊戲其實是否好玩、介面是否舒適的。若單單因為看好某市場便甚麼也不管的投入去做，成功機會肯定比你感興趣的項目來得低。」他說。

給創業者的建議：

2. 不能單從功利角度出發考慮產品內容，個人興趣也會是成功關鍵。

結合技術與時機

既然覺得音樂產品的需求大，那為何等到今日才有 AuralBook 這產品？那是因為需要結合技術與時機。「音樂不是那麼容易用數碼技術做分析，若果要唱一段歌後要等幾分鐘才有分析結果，這樣的使用體驗是不能接受的。反之你用一台 Mainframe 去做分析當然可立即有分析結果，但就不符合成本效益。要實現一種構思需要技術的配合，讓功能可用符合成本效益的方式來實現，因此現在才是智能音樂分析技術實現的最好時機。」Eric 表示 AuralBook 透過 iPad 的運算能力便能分析使用者的拍子和音準，並借助雲端技術再作其他學習紀錄分析。

「香港是很多人學音樂的地方，但專業的音樂老師卻不多。」Eric 解釋：「香港教琴的老師大多都是鋼琴、小提琴考得好，但未必就懂得教人，而視唱測驗亦未必是強項。香港的音樂學生很多都以考試為目標，有時候 Oral 的一點點分數，便是考不考得上的關鍵。對這些考生而言 AuralBook 便是很好的「惡補」機會。」

目前 AuralBook 先以廣東話版本在香港市場推出，並接著在全球推出英文版。Eric 表示外國的音樂學習者比較多，但就以長遠學習一種樂器為出發點，跟一心要考試的香港人不太一樣，因此首先推出廣東話測試市場反應，而成績亦相當理想。他相信音樂是共通語言，因此這種學習模式應該也能在其他國家通用，但英文版就不會有廣東話版那麼多道地的語句。

給創業者的建議：

3. 有時候太過前瞻性的創新未必最成功，還要看實際市場需求和技術能力。

用知識保護自己

Eric 既是一個工程師、音樂家，也是英國倫敦大學的法律學士。這種奇怪的搭配成就了 PlayNote 公司，也成就了 AuralBook 這產品。Eric 表示他學法律是源自一個很多創業者都忽略了的理由：「IT 創業強調創新，但同時也涉及很多有關版權、專利的法律問題。如你不懂得這方面的知識便很容易中招而不知，或是努力成果被人偷取也無能為力。」

他舉例自己的 MP3 產品曾因太過前瞻性，不僅本地的律師無法搞懂其概念，就是紐約的律師團隊也跟他討論了好久，才能搞清楚它的概念來撰寫專利相關文件，而且律師費還要幾百萬。「自此我便學習專利和版權相關的法律，你問我有關樓宇那些法律就不懂了，但公司的法律文件都是自己撰寫後再交給律師處理的。一家公司還未賺到錢卻因申請專利而花掉幾百萬，實在不合理，自己學懂法律便能省下很多費用，這也是我建議創業者不應假手於人，自己學習必須知識的原因。」他說。

「世界上並無一種構思只得你一個人想到、做到，但如果你擁有市場競爭者所沒有的有利條件，那你的生存能力一定遠比對手更強。」

PlayNote 創辦人容志偉

給創業者的建議：

4. 法律知識的力量不僅可以保護自己，更可以讓命運掌握在手，不是靠律師把關。

讓自己成為無可取代者

正是這種訓練令 Eric 和 PlayNote 變得更獨一無二。Eric 回憶在 APICTA 評審的面試上，評審就問了這樣的問題：你的產品是無可取代的嗎？其他競爭者是否能夠複製？「這是一條很易也很難答的問題。」他表示：「世界上並無一種構思只得你一個人想到、做到，但如果你擁有市場競爭者所沒有的有利條件，那你的生存能力一定遠比對手更強。」

「我向評審證明自己是一個音樂家，更是一個音樂教師，我是一個最終使用者也是這範疇的專家。我是一個工程師，我能用自己的技術做出切合需要功能的產品。我是一個律師，我具有法律知識保護自己的努力成果不受到其他抄襲者侵犯。我想要是沒有這些不同的角色配合，我就未必能夠贏到今次的大獎。」他說。

結合那麼多的因素，成就了 PlayNote 的大獎榮耀，這是否代表 Eric 的成功是萬一無一，不能複製？Eric 倒不以為然：「每個創業者的案例都不同，完全複製其他人是不可能的，但這種結合不同特點的做法卻不是不可能。創業者應該對自己的核心業務有濃厚興趣，並學習有利自己事業的專業，這些知識都有助你比其他人更易取得成功，這些經驗其實人人都做得到。」

給創業者的建議：

5. 找到市場機會只是第一步，更重要是成為市場無可取代的角色。