



Daddy Lab:

A Father's Love & Persistence

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In 2015 Jim Wei was confidently focused on building his start-up, which was specialising in the assessment of chemical safety and toxicological risks, into a large enterprise with revenue of over RMB100 million. He had no idea that his career was going to be upended by something as mundane as his daughter's plastic adhesive book covers.

Not long before the spring semester started in 2015, his daughter – who was in first grade – asked Wei to help put protective covers on her schoolbooks. Wei, who had been working with product testing and chemical safety assessment for 16 years, was shocked at the pungent smell coming from the covers. His intuition told him this might be cause for concern. He then bought seven best-selling book covers from the stationery store his daughter often visited, and the result was worrisome. Most of the covers on the market were “three-no products”, meaning their labels had no information about what they were made of, no manufacturers' names, and

no addresses or contact information.

Wei spent RMB9,500 testing the seven covers at the National Fine Chemical Quality Supervision and Testing Centre in Taizhou, Jiangsu Province. The result showed that they all contained a lot of PAHs and DEUP. PAHs is a chemical carcinogen, and DEUP interferes with internal secretion and can cause fertility problems.

Thinking of the potential safety hazard that came with thousands of elementary and middle school students using these book covers, Wei became agitated. He began to post comments on micro blogs and make phone calls to inform related governmental bodies of the problem, and he even published the test result via WeChat official accounts. He also penned an article on toxic book covers, which, with the help of media, quickly drew a lot of attention and led to a national debate online.

In June 2015, he established a fund to set up a testing team and, in his role as a concerned parent, founded “Daddy

Lab”. He registered the brand and was determined to root out “toxic book covers”.

The power of love

In order to draw public attention to problems of this kind, Wei personally invested about RMB100,000 to shoot a documentary about the process of testing book covers for toxicity. The documentary was reposted and reported by various media including CCTV and *People's Daily*. The video received more than one million clicks. He gained the nickname “Daddy Wei” and also support from thousands of parents.

Taking advantage of the momentum, Wei and his team set up more than 10 WeChat groups for parents to access information. He also actively invited government officials into these groups to discuss how to improve product standards. In one of the groups, a mother from Hangzhou asked anxiously, “Toxic book covers are not to be used, but books are still there to be covered. What should we do?”



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Wei replied, “That’s true. We cannot be satisfied with uncovering problems without solving them.” In order to find a toxin-free book cover, he began to interview manufacturers. He found a stationery manufacturer in Shanghai and told the factory manager about the idea of customising a batch of book covers made of raw materials that are of food-safety level. Given the high cost, the manager did not accept the proposal. Later, Wei learned that the manager’s son was in kindergarten. On his second visit to the factory, he said to the manager, “Your son will soon be an elementary school student. Do you want him to use toxic book covers every day?” This convinced the manager to accept Wei’s proposal; he developed and produced hundreds of thousands of environmentally friendly book covers.

During the week before the 2015 autumn semester, Daddy Lab WeChat store began to sell the book cover. Within a week, Wei received more than 5,000 group orders. But what excited him even more was that, at the start of the spring term in February 2016, the Bureaus of Quality and Technical Supervision in Jiangsu and Shanghai inspected book covers on the market and decided to add tests for two kinds of toxic chemicals – PAHs and phthalates. This was exactly what Wei had been fighting for.

With more and more parents trusting and supporting Daddy Lab, Wei decided to leverage that power to benefit the society even more. He often came across news about fundraising for children suffering from leukaemia and he believed there was a link to home renovation. In

August 2016, in order to help parents determine whether there are worrying levels of formaldehyde in their homes, Daddy Lab initiated a formaldehyde detector sharing activity nationwide.

Wei raised RMB50,000 through crowd-funding from 487 parents to purchase three high-precision formaldehyde detectors. Parents who have their houses renovated can apply for the detectors without paying a deposit or signing a contract. They are only required to leave a message in a notebook prepared to record and share comments. Wei called this activity “an online experiment to pass on trust”. As of January 2017, detectors had been sent to 29 provinces and 1,082 families; none had been lost or damaged.

Solving pain points via crowd-funding

“In the past I always thought that I would earn money by testing the quality of products in order to protect life; I never thought that one day testing would cause me to burn money,” Wei mused. After his widely popular testing of book covers, many parents began to ask Wei to test all the things their kids were using that were a potential hazard, ranging from pencils, erasers, files, water purifiers to insect-repelling lamps... Wei was impressed by the huge social demand. He was also well aware that testing fees are not affordable for ordinary customers, and many organisations that do tests do not accept requests from individuals.

The ceaseless requests for testing gave Wei a sense of parents’ expectations and the level of support they could provide; but at the same time he was also worried about Daddy Lab’s future development. By the end of October 2015, although the Daddy Lab WeChat Store had stable monthly income of about RMB300,000, testing and promotional campaigns had left it with a deficit of about RMB700,000. The parents in the groups suggested to Wei that he explore using crowd-funding to test objects that were the cause of common concern.

To ensure the tests’ objectivity and impartiality, the Daddy Lab engineer team would set the bar relatively high when assessing the toxicological risks of items, search for historical data, work out related product testing standards

according to EU REACH Regulation database and chemical hazard toxicology database, commission qualified third-party testing organisations to assess, and announce every expenditure on the WeChat account in detail. By the end of 2016, a total of 4,660 people had invested RMB240,472.16 through the WeChat crowd-funding platform developed by the Daddy Lab team. The money was used to fully fund 23 testing projects.

Reform the supply side

On March 3, 2016, Wei resigned from the chemical compliance service company that he had founded and devoted himself entirely to Daddy Lab. Its goal: to identify problems in everyday products and ensure that they are brought to the attention of the relevant governmental bodies, so as to push them into effectively fulfilling their twin roles of supervision and formulation of new standards. In order to effectively balance the relationship between the company, manufacturers and related governmental bodies, Daddy Lab does not reveal brand names when it publishes product testing analysis reports on its WeChat official account and its website. “We don’t directly expose unqualified manufacturers, but consumers can still figure out the brands,” Wei said.

Although some products conform to national standards, they cannot be said to be absolutely toxic-free. Wei explained, “There is always a spiral route in the development of

things. Scientific development and technological advancement have created all kinds of products for us. Only when standards are constantly upgraded can there be effective supervision. That means we need more industrial self-discipline, customers need to improve their ability to resolve conflicts, and companies like us need to enforce, supervise and supplement.”

Left or right?

There are three routes for internet start-ups to follow now. The first option is ‘to B’; this is where they engage directly with other businesses, they charge companies. Using this method, tests cannot be impartial. The second option is advertising, with companies and manufacturers covering the expense. This is the same as option one, still engagement with other businesses and lack of impartiality. The last option is selling products to consumers, ‘to C’.

Wei believes it would be very difficult to be fair and impartial if their clients were companies that they charge a fee to test products and issue certificates. He chose to work directly with parents and consumers, helping solve their pain points. The question was: guided by the results of their tests, should they provide the results on a paid subscription basis or sell the products that performed well on the tests?

Wei had several factors to consider in making his decision. Chinese consumers have not yet formed the habit of paying for information, and

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product sales had been an effective way to support Daddy Lab’s development so far. At the same time, he was also benefiting from a kind of “fan economy”, which allowed Daddy Lab to develop by focusing on consumers, not advertising revenue or sponsorship from businesses or factories.

The WeChat store called Daddy’s Heartfelt Recommendation opened at the end of 2015. It sells products such as stationery for students, mother and baby products, kitchenware, as well as delicacies and fresh food – many of which are sold at cost, generating no profit. The store also publishes the cost of products, packages and tests as well as the test report for every product. When paying, consumers may voluntarily choose to add RMB10 or RMB20 to support Daddy Lab.

From January to April 2017, Daddy Lab earned more than RMB2 million in revenue each month. As of May 2017, Daddy Lab had 19,770 users. On March 23, 2017, Daddy Lab’s Taobao store officially launched and now generates monthly revenue of about RMB200,000.

Judges vs. players?

As Wei puts it, “A tester is a judge; parents and consumers, as your audience, will trust you. An e-commerce practitioner is a player.

If one is both a judge and a player, how can the audience trust you?” His original goal was to test products, now he wants to be a different ‘judge’: one who is striving for breakthroughs at every level: products, processes, principles and perspectives.

Parents submit all the products for testing, and there are factories that are willing to ensure their products pass the test so they can sell them on Daddy Lab. However, in order to be just and impartial, Daddy Lab chose independent third-party organisations to test all products against international standards.

Daddy Lab selects one outstanding example out of all the qualified products in a segment, and in making its choice the most important factor is safety. The rest of the products are showcased on the Daddy Lab online store’s good product list. Products that have passed the test and are sold in the store have the Daddy Lab label and the company gets modest earnings from their sale.

Challenges, and a look ahead

August 25, 2017 marked the second anniversary of Daddy Lab. Wei is more than aware that the enterprise can never be self-sustaining; it needs parents’ support. His team pursues a sustainable business model and tries to build a

social enterprise that bridges business and the public good as well as solve social problems. By recommending quality products and selling them on Youzan.com and Taobao, Daddy Lab has already realised monthly revenue of about RMB2 million; it has begun to make a profit. “Our target, in 2018, is to reach revenue of RMB100 million and a team of 75 people,” says a confident Wei. “Currently our biggest challenge is how to gain more fans.”

He believes that when the number of fans reaches 1 million, Daddy Lab’s monthly revenue will reach US\$10 million, and then it can adopt a paid subscription model. With this model, Daddy Lab will be a platform where manufacturers can sell their products after getting them tested and certified. Daddy Lab will charge a small subscription fee from consumers on the platform. Meanwhile, all the products sold on the Daddy Lab platform will have its trademark and QR code. Consumers can pay between RMB0.3 and RMB0.5 for product tests by scanning QR codes. This is an important way to crowd-fund testing fees.

The second challenge is the dilemma of being judge vs player. Wei has been looking for a balance between both roles so that Daddy Lab, known for excelling at both testing goods for the public good and e-commerce, can develop sustainably.

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