

• Management Accounting Analysis

LEEDARSON TRANSFORMATION

From Hardware Maker to Ecosystem Orchestrator

Say Yes [HB20254853](#)

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Group Members

LEEDARSON
立达信

参赛作品



Mia

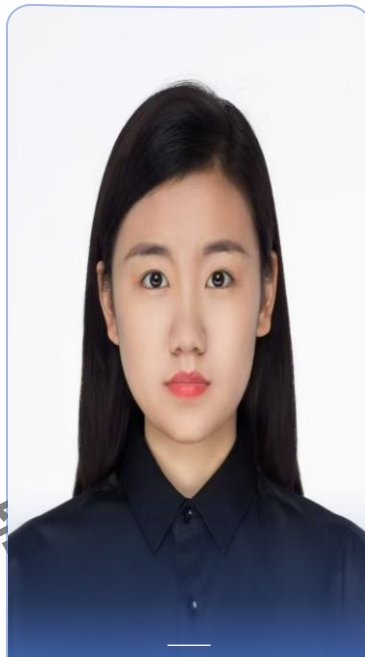
Finance
Manager

(Team Leader)



Luna

Project
Manager



Lily

Business
Manager



Shirley

Strategy
Manager



Lynn

Operations
Manager

IMA (第十五)

01

Case overview

The Transformation Challenge

IMA (第十五届)

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1990

Started as
a CFL trader

2000

LEEDARSON
founded

Proactive Change

2005

Began LED product R&D
and manufacturing

2016

Monthly shipments
broke 100M units

Self-Reinvention

2010

Established dedicated
LED division

2021

Listed on Shanghai
Stock Exchange

2022

Launched Ecosystem
Strategy

2023

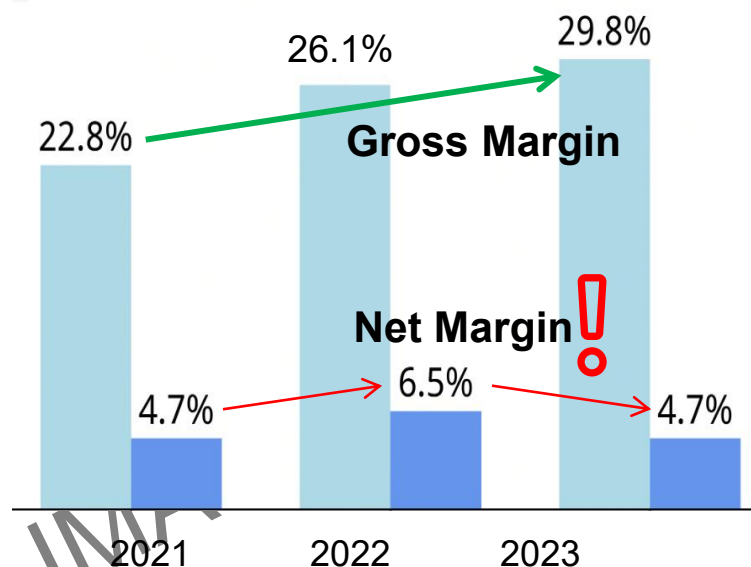
CFL

LED

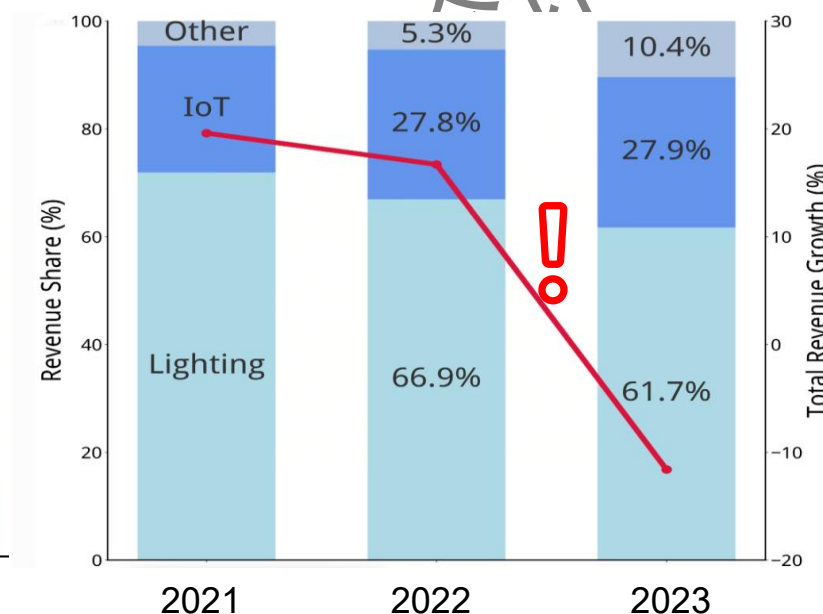
IoT

Hardware Maker

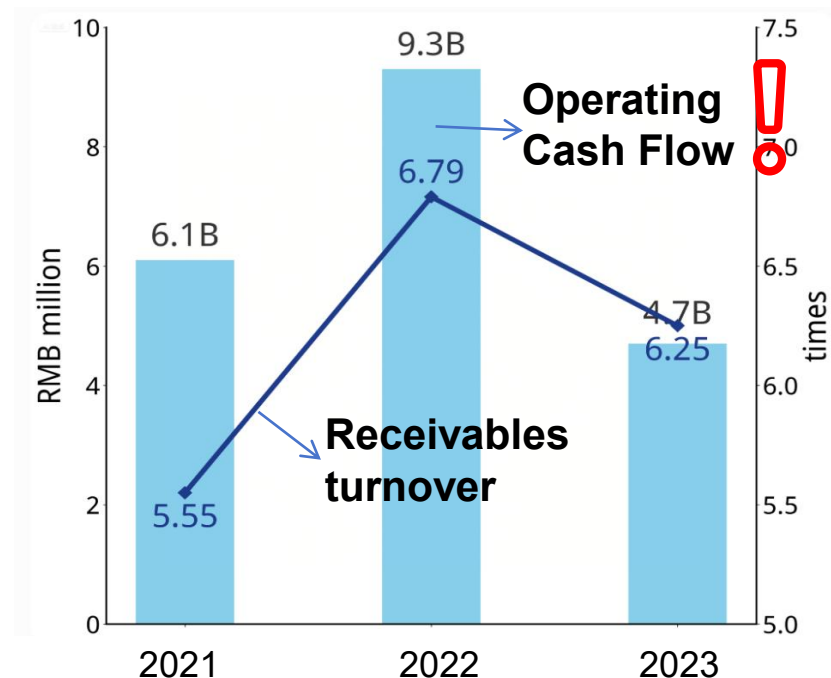
Hardware Maker

System & Service
Provider

Profit

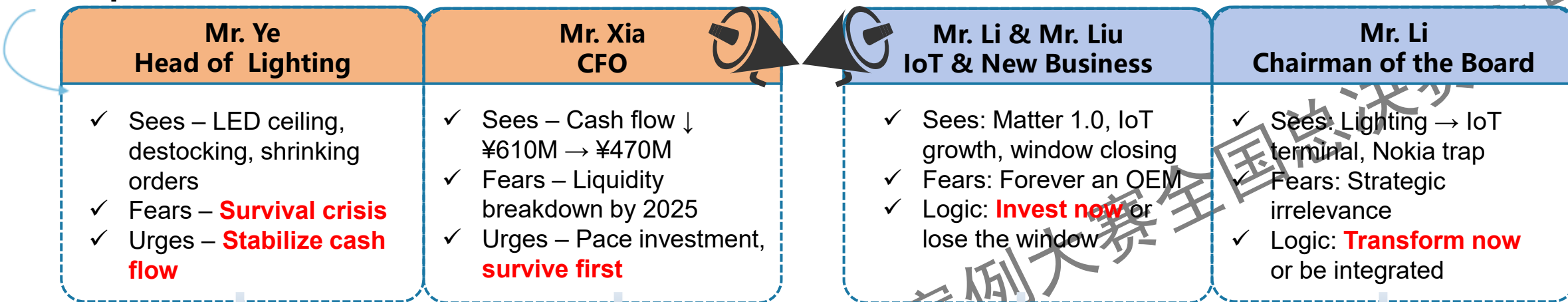


Revenue

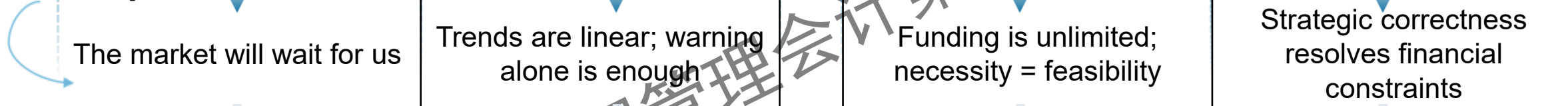


Cash

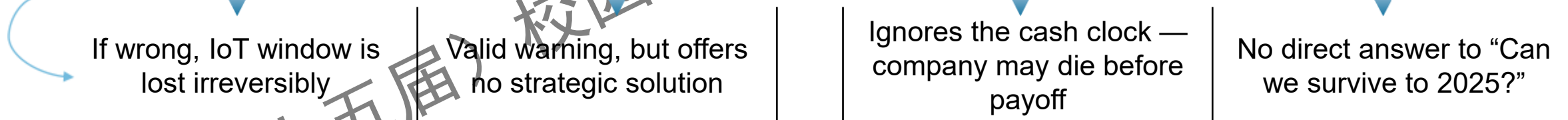
Persepctive



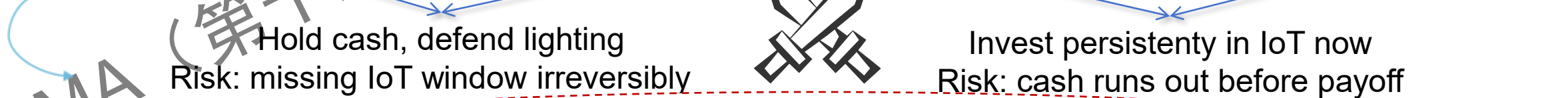
Assumption



Weakness



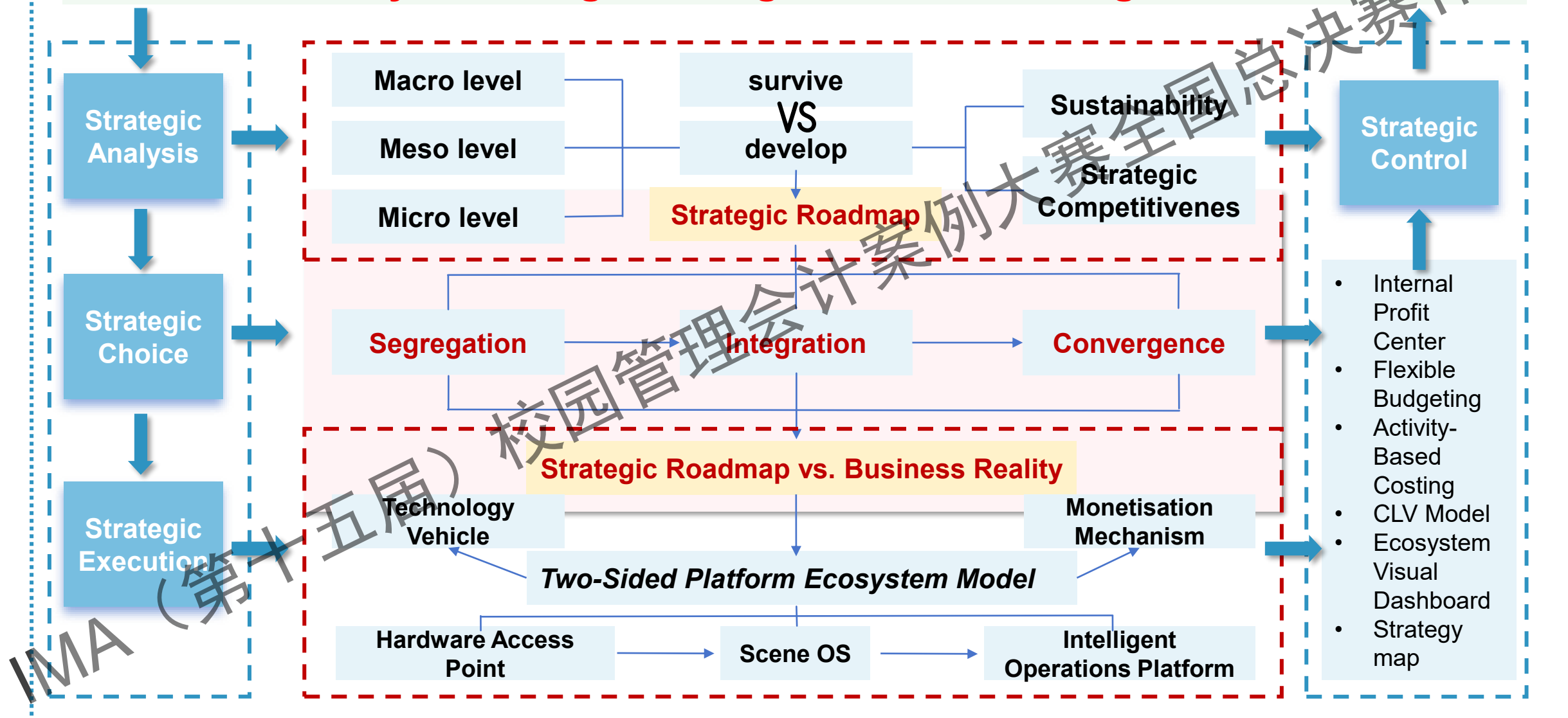
Dilemma



SURVIVE OR DEVELOP

Light Up. Link Beyond.

A four-layer Strategic Management Accounting Framework



02

Strategic Analysis

Should LEEDARSON Slow Down IoT Business?
A Three-Dimensional Qualitative Analysis

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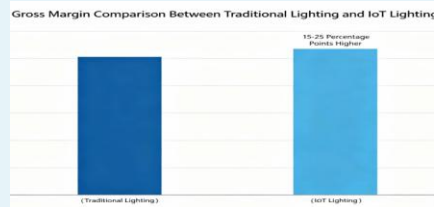
01. Macro Environment Analysis (PEST)

Policy (P)

The 14th Five-Year Plan supports smart lighting; EU Energy Efficiency Directive phases out inefficient lamps.

National policies support smart/IoT lighting; traditional lighting is restricted.

Economy (E)



2025 China Lighting Association

IoT is anti-cyclical with stable profits;

Society (S)



2025 China Smart Home Report.

Users are willing to pay a premium.

Technology (T)



Matter Protocol Network Topology

Matter protocol unifies standards; competition shifts to ecosystem.

Survival-Oriented (Pause IoT)

Sustainable Development Angle:

Loses macro dividends by ignoring policy, tech and green transition trends.

Competitiveness Angle:

Falls behind smart lighting transformation, weakening long-term core competitiveness.



Development-Oriented (Continue IoT)

Sustainable Development Angle:

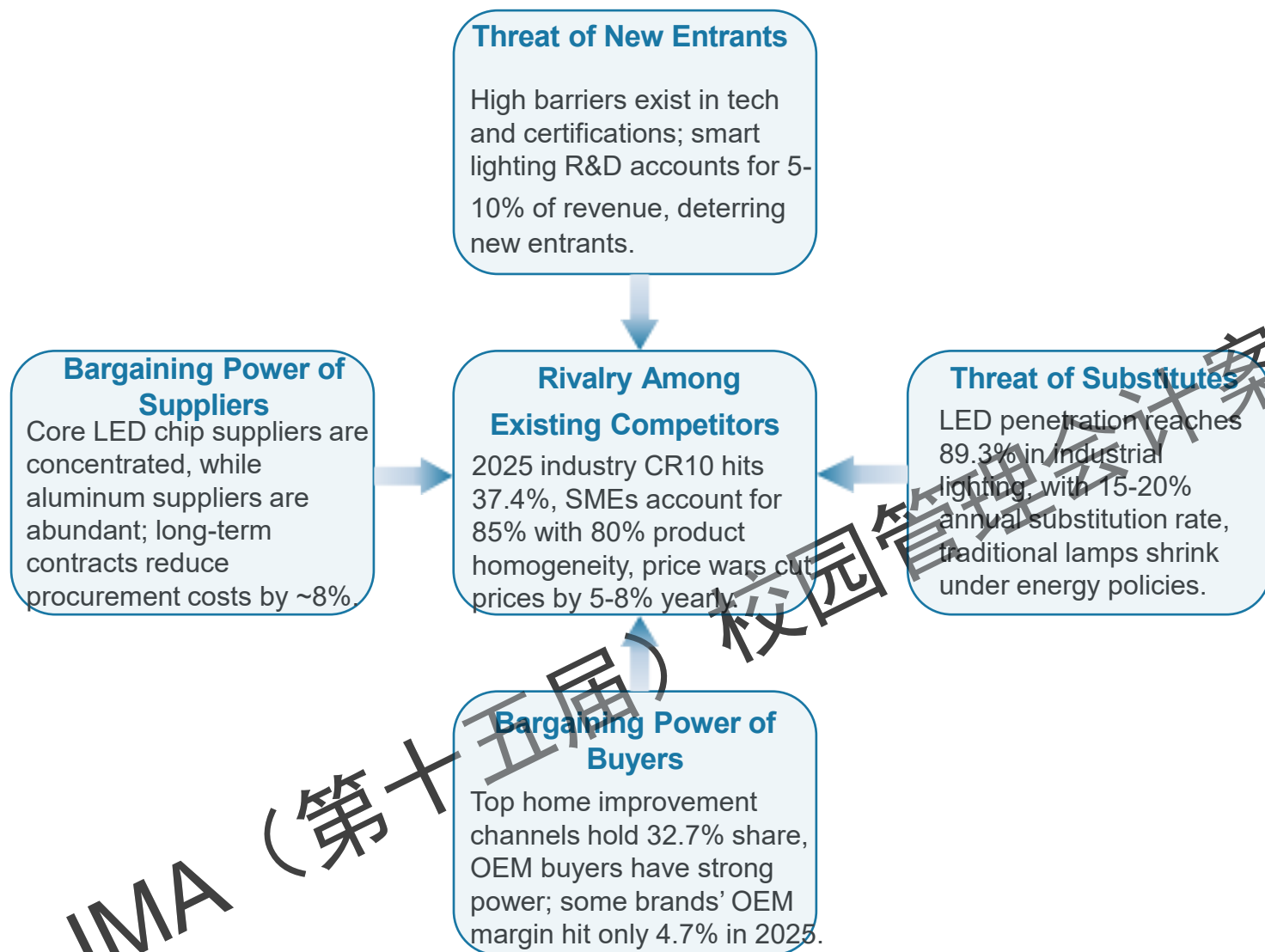
Aligns with macro trends to build a stable, sustainable growth path.

Competitiveness Angle:

Captures smart ecosystem opportunities to build lasting competitive barriers.



02.Meso Industry Analysis (Porter's Five Forces Model)



❌ Survival-Oriented (Pause IoT)

Sustainable Development Angle:

Fails to capture the shift to high-value "solutions + services" segments in the industry.

Competitiveness Angle:

Stuck in price wars in traditional lighting, losing competitive differentiation in the IoT era.



Development-Oriented (Continue IoT)

Sustainable Development Angle:

Aligns with the industry's shift from hardware to high-margin IoT solutions and services.

Competitiveness Angle:

Builds barriers against new entrants and reduces buyer power via IoT ecosystem advantages.

03. Micro Internal Analysis (Operation Chain)

operation chain:
R&D → Manufacturing → Supply chain → Channel sales → Scenario solutions → Platform services

Upstream

4 R&D centers + Central Research Institute support IoT technology accumulation

Midstream

Global delivery (domestic + Thailand bases) for global business synergy

Downstream

High-value scenarios (smart education, home, campus); IoT gross profit margin significantly higher than traditional lighting

❌ Survival-Oriented (Pause IoT)

Sustainable Development Angle:

Disrupts internal IoT value chain, halting long-term operational growth momentum.

Competitiveness Angle:

Loses IoT-driven margin premium and differentiated operational advantages over peers.



Development-Oriented (Continue IoT)

Sustainable Development Angle:

Strengthens R&D-production-scenario chain for stable, long-term internal growth.

Competitiveness Angle:

Boosts IoT-based gross margin and builds core operational competitive barriers.



04. Final Strategic Decision



Conclusion: DO NOT SLOW DOWN THE IoT BUSINESS

KEY TAKEAWAY: The choice is between Competitive safety and Sustainable Development leadership. To secure LEEDARSON's future, we must stay the course on our IoT transformation.

1. Short-term vs. Long-term: Prioritizing sustainability-led IoT over short-term financial relief preserves long-term competitive resilience.

2. Strategic Alignment: IoT transformation aligns with low-carbon industry trends and builds differentiated competitive moats.

3. Value Creation: IoT unlocks sustainable value, boosting profit margins and securing long-term competitive advantages.

4. Recommended Action: Continue the IoT strategy, but optimize the pace of investment to balance risk and return, focusing on high-ROI scenarios.

03

Strategic Choice

From "Don't Slow Down"
to "How to Move Forward"

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**Dual-engine, dual-circulation.
Lighting anchors IoT.
Education builds barriers.**

LEEDARSON's Strategic Choice and Contradiction Diagnosis



Business Role Positioning

Lighting OEM

Cash Cow

Low Growth

High Market Share

*Maintain health.
Steadily contribute
operating cash flow.*

IoT Smart Hardware

Strategic Investment

High Growth

Low Market Share

*Selective investment.
Validate B2B scenarios.*

Smart Education Solutions

Emerging Star

High Growth

Build Market Share

*Focused cultivation.
Create replicable benchmarks.*



Lighting funds the future + IoT scales for dominance + Education builds the moat

LEEDARSON's Strategic Choice and Contradiction Diagnosis



Three-Stage Strategic Roadmap: Segregation → Integration → Convergence

Dimension	Stage 1 (2024-2027)	Stage 2 (2028-2030)	Stage 3 (2030+)
Portfolio Role	Maintain Cash Cow, cultivate Strategic Investment	Strategic Investment → growth engine	growth engine → New Cash Cow
IoT Positioning	Strategic Investment	Independent Growth Engine	Primary Growth Engine
Lighting Role	Independent operation	Synergize with IoT	Integrate into IoT ecosystem
Performance Focus	Revenue scale, connections	Recurring revenue, retention	Ecosystem value, data revenue

Stage 1:

- ★ Lighting = Profit Center
(strict gross margin & cash flow KPIs)
- ★ IoT = Strategic Cost Center
(dedicated budget, decoupled from short-term P&L)

Stage 2:

- ★ Performance shifts scale
→ profit quality (CLV / MRR / retention)
- ★ cross-selling internal settlement established

Stage 3:

- ★ Valuation shifts hardware P/E
→ ecosystem value;
- ★ KPIs: ecosystem partners, platform transaction volume, data revenue share

LEEDARSON's Strategic Choice and Contradiction Diagnosis



Strategic Roadmap vs. Business Reality — Misalignment Diagnosis and Risk Evidence

Value Chain Comparison

Existing Model

Supply Chain Management | Quality Control | Human Resources

Market Research

Product Development

Manufacturing

Logistics Delivery

Strategy Requires

Platform Building | Ecosystem Governance | Talent Development

Hardware Delivery

Continuous O&M

Customer Success

Data Monetization

Three Fundamental Misalignments

Value Proposition

Hardware Products

Service Outcomes

Revenue Model

One-Time Sales

Recurring Subscription

Core Capabilities

Supply Chain

Platform Operations

Operating Cash Flow: ↓ 97%

688M → 360M → 15M

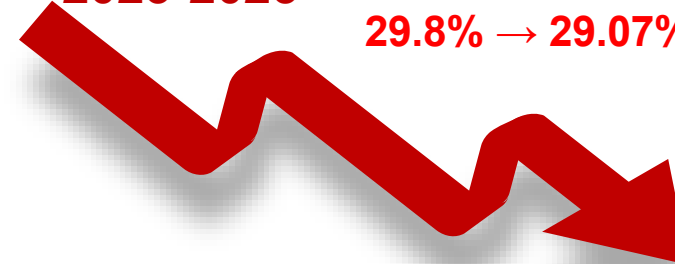
Net Profit Attributable to Shareholders: ↓ 50%

418M → 209M

Gross Margin:

29.8% → 29.07% → 26.03%

2023-2025



04

Strategic Implementation

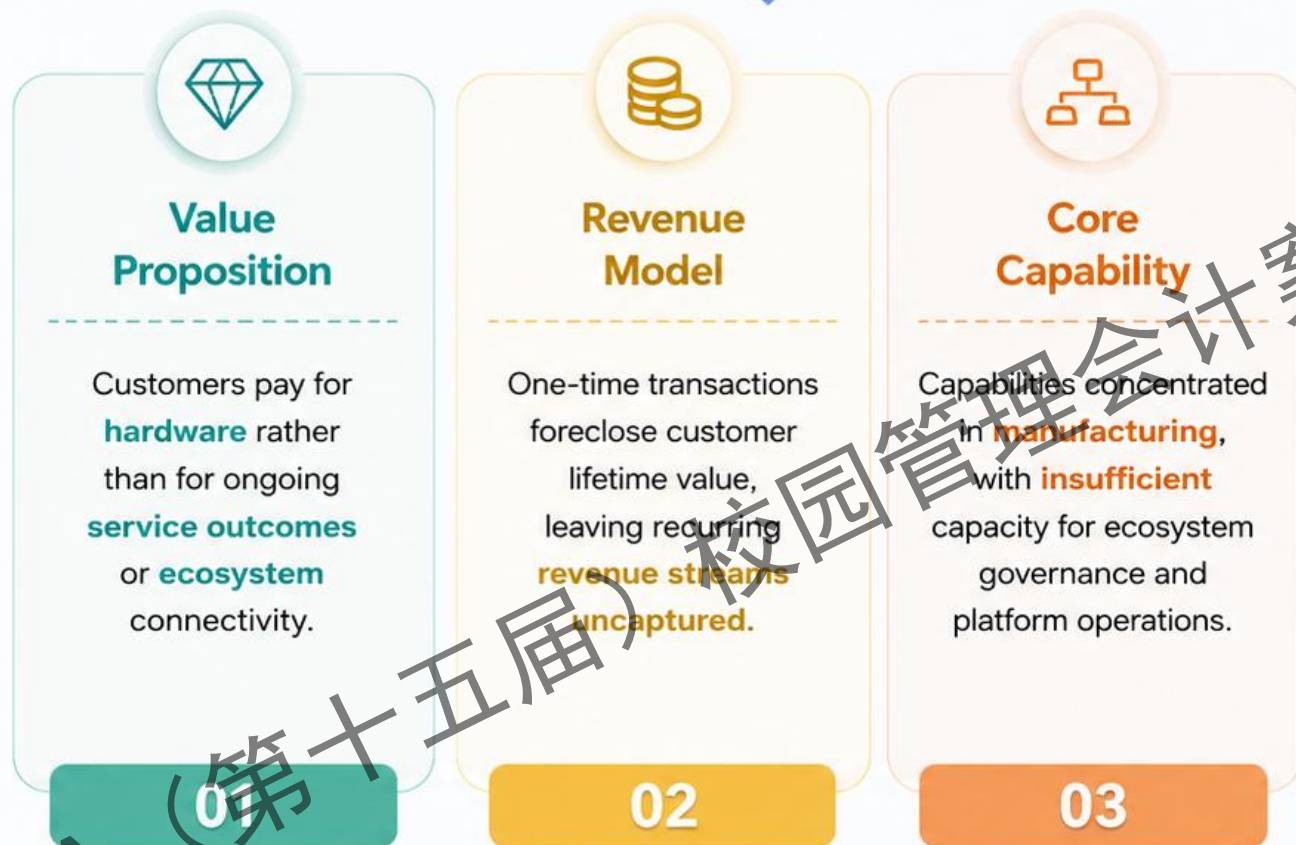
From Product Sales Model to
Two-Sided Platform Ecosystem Model

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The Fundamental Contradiction: Platform-type Business

Operating a Platform-type Business Using a Hardware Sales Model



IoT value trapped in R&D and project revenue, invisible to markets.
Transformation risks: **cash cow drying up**, new businesses **unable to self-sustain**.



? *How to upgrade from a product provider to a scenario platform operator?*

Transformation of the Business Model

Technology Vehicle

Monetisation Mechanism

Financial Outcomes

LEEDARSON transforms from a **hardware seller** to a **two-sided platform operator**, building an ecosystem that creates and captures **long-term recurring value**.





Business Model Innovation: To Two-Sided Platform Ecosystem Model

Before

After

Value Creation:

In-house R&D → manufacturing → sales;
unilateral value creation; bounded upside;

Value Capture:

One-time product margin; customer pays
and disengages; revenue terminates;

Value Delivery:

Single-sided market: serves only schools;

Value Creation:

Build platform infrastructure; enable partners to
co-create; ceiling scales with ecosystem;

Value Capture:

Platform commissions + API usage + data
licensing; revenue-sharing; compounding
revenue;

Value Delivery:

Two-sided market: schools (demand) +
ecosystem partners (supply); self-reinforcing
network effects;

Neither alone is sufficient:

Without the **Education IoT OS**, the platform
has no technical foundation;

Without the **Three-tier revenue architecture**,
the platform has no commercial closure.

Demand Side (Schools)

More schools join → richer
platform data → more accurate
AI models → better services →
attracts more schools

Flywheel

Supply Side (Ecosystem Partners)

More developers join → richer app
marketplace → greater platform
value to schools → more schools
join → attracts more developers

Technology
Vehicle

Monetisation
Mechanism

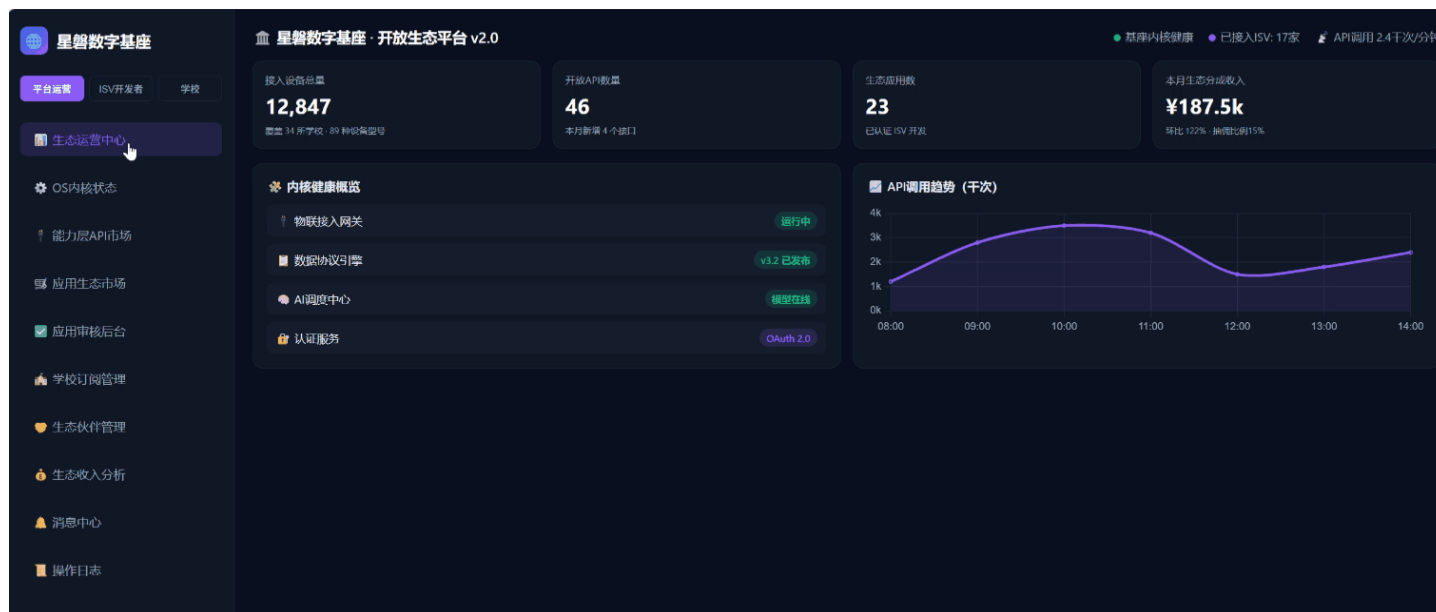
Two-Sided
Platform
Ecosystem
Model

Demand-side growth pulls the supply side forward; supply-side richness feeds back into demand-side value. The result is a **self-reinforcing network effect**.

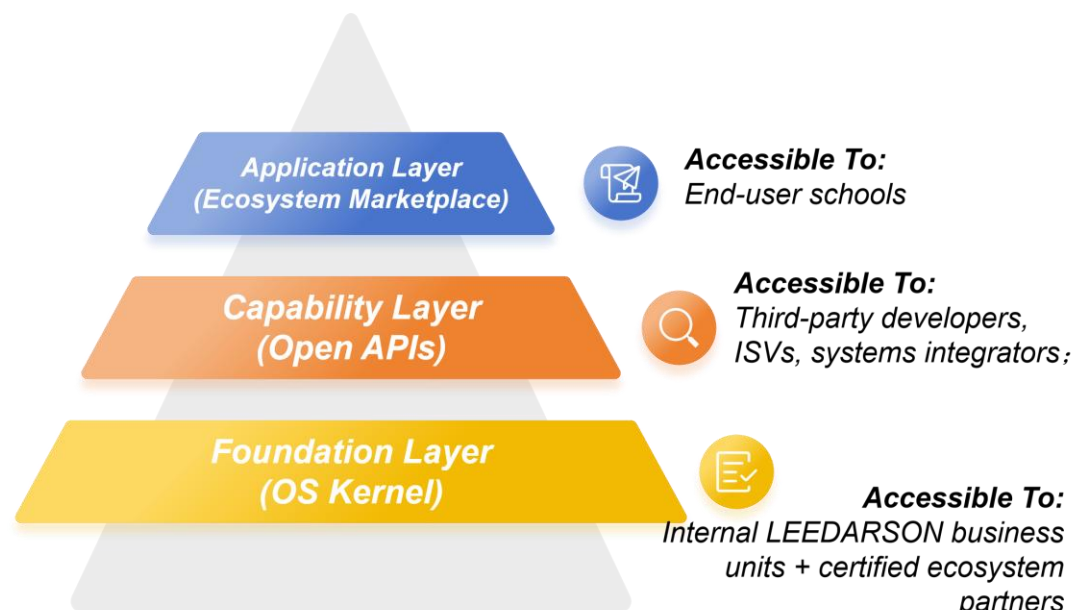
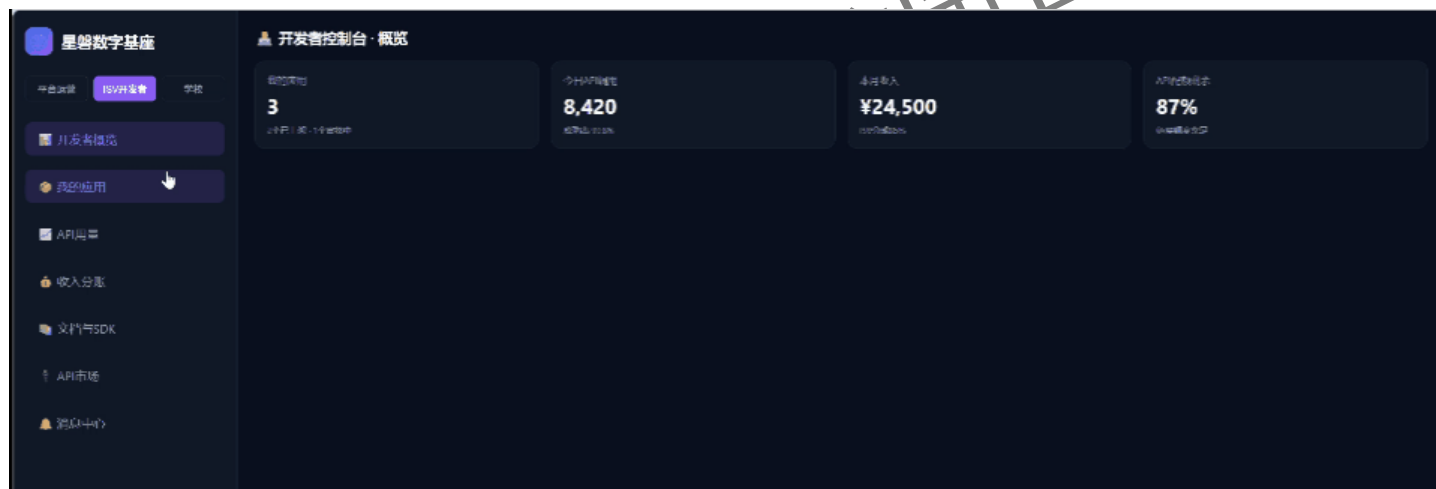


Our Proposal: Education IoT OS — An Open Ecosystem Platform

原创作品



A unified connectivity layer between all smart devices and digital applications in educational environments.





E-IOT OS: Strategic Roadmap “Five-Stage Evolution”

LEEDARSON's Xingpan Digital Platform, launched in 2024, is the real-world instantiation of our Education IoT OS thesis.



Hardware Access Point

- Key Actions:** Scale deployment of lighting, sensing & control hardware;
- Strategic Value:** Establish physical-layer access; Scale demand side (schools); Activate flywheel starting point;



Scene OS

- Key Actions:** Launch unified device protocols, data APIs, AI orchestration;
- Strategic Value:** Technical infrastructure in place; Makes two-sided platform viable at physical and data layers;



Ecosystem Platform

- Key Actions:** Release SDK/APIs; onboard supply side (third-party developers); collect commissions;
- Strategic Value:** Two-sided structure activated: Demand side and supply side both live; Network effects begin;



Data Network

- Key Actions:** Accumulate lighting, energy, behavioural & pedagogy data;
- Strategic Value:** Dual flywheel: more data → better models → higher platform value → more users join



Intelligent Operations Platform

- Key Actions:** Intelligent Operations and Continuous Optimization;
- Strategic Value:** Two-sided platform fully mature: AI-driven continuous optimisation; Cross-scenario intelligent orchestration; Data feedback-driven operational efficiency;



The five stages build the foundation, activate the ecosystem, accumulate data, and achieve intelligent operations — powering a self-reinforcing flywheel of value.

Cold-Start Execution Plan&Risk Assessment:

Cold-Start Three-Step Playbook

STEP 1



Data as bait

- ✓ "Data only via platform access"
- ✓ Target top AI / Security firms

STEP 2



Anchor Partners Break Ice

- ✓ 6-12m exclusive data access
- ✓ Develop & list first apps

STEP 3



Self-operated Safety Net

- ✓ Energy mgmt & safety alert
- ✓ Immediate value for schools

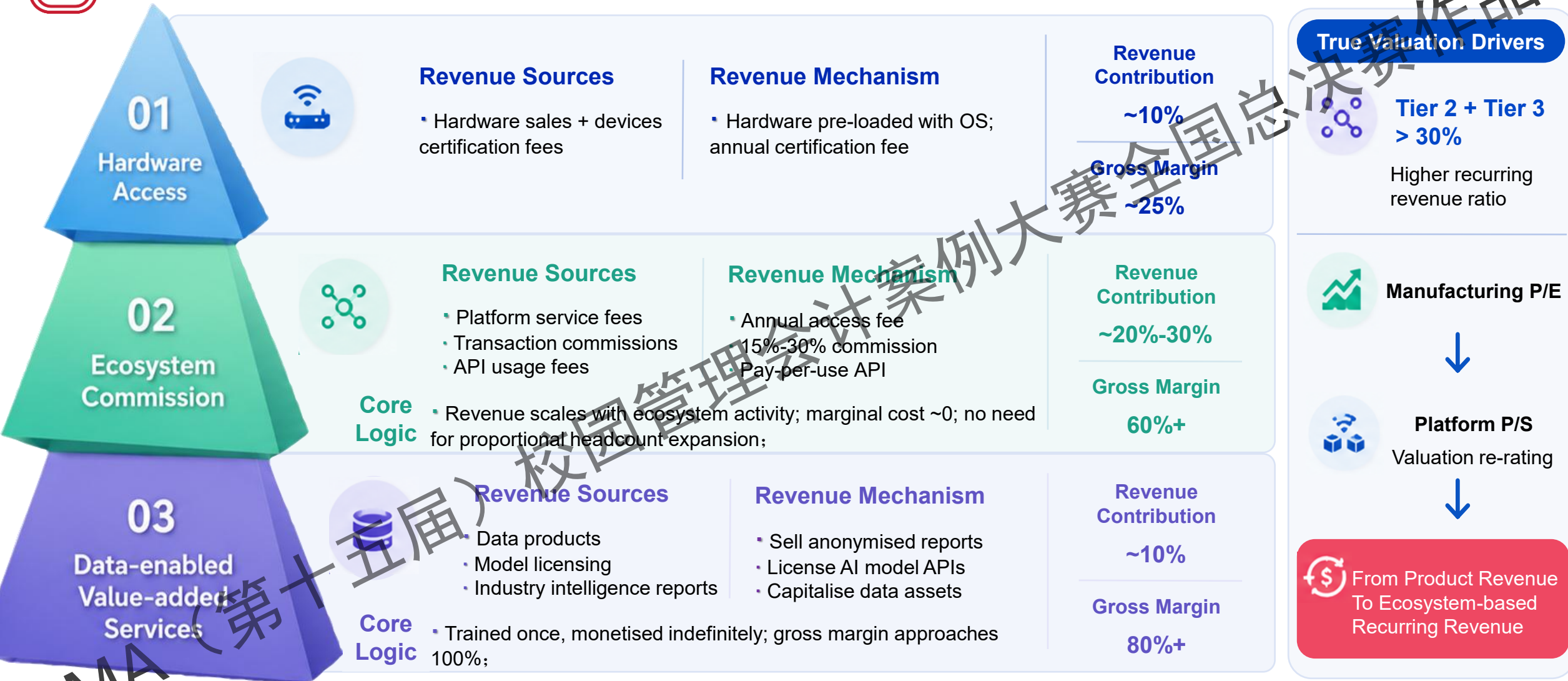
Risk Assessment

Type	Risk Description	Mitigation	Decision Threshold
 Financial ★★★	Peak spend, near-zero return	 Asset-light; Hardware CF funds platform;	 Hardware OCF $\leq 40\%$
 Execution ★★★	Cold-start deadlock; Capability gap;	 Redeploy team; Hire platform roles;	 Staffing rate $\geq 70\%$
 Competitive ★★★	Limited window; Big players can catch up;	 Accelerate data; Embed in procurement rules;	 Classroom coverage $\geq 80\%$



Flywheel Live: 10+ Apps · 1K+ Active Schools · 10K+ Monthly API Calls

Ecosystem Operating Flywheel: Monetisation



Three-tier structure drives high recurring income, margin expansion and valuation re-rating.

Financial Outcomes: Valuation Re-Rating from P/E to P/S

Strategy → Business Model → Financial Outcomes → Capital Market Re-Rating

Before

Product Sales Model

 One-time Hardware Sales

 Gross Margin ≈26%

 Single-sided Market (Schools Only)

 Valuation Multiple P/E: 1~2x

 Core Assets Equipment & Facilities

After

Two-Sided Platform Ecosystem Model

 Hardware + Platform Fees + Data Services

 Blended Gross Margin ≥40%

 Two-sided Market (Schools + Partners)

 Valuation Multiple (P/S) 5~8x

 Core Assets Data Network & Platform Capabilities

Management Accounting Leading Indicators

Leading Indicator

Management Accounting Significance

 Ecosystem Partner Count & API Call Volume

Validates ecosystem commission scalability;
ARR leading signal

 Platform Service Revenue Share

Direct trigger for valuation re-rating (Manufacturing P/E → Platform P/S)

 Data API Call Frequency & Model Licensing Revenue

Signals data network effects forming;
Points to highest valuation premium

From one-time hardware margin to ecosystem-driven recurring growth

 The core tracking targets of the management accounting tools in **Part Five**.

05

Strategic Control

A Management Accounting Approach
to Driving Long-Term Value

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Management Accounting Implementation Roadmap

Strategic Solutions

1 Segregation**2 Integration****3 Convergence**

2024-2027

2028-2030

2030+

Provide data

Leading Indicators

Allocate resources

Measure value

Communicate results

Tools:

Internal Profit Center

Clear responsibilities

Flexible Budgeting

*Allocating fund
as planned*

Activity-Based Costing

*Cost Optimization
Decision Making*

Customer Lifetime Value Model

*Verifying the value per customer and
establishing a positive business cycle*

Ecosystem Visual Dashboard



Leading Indicators Disclosure

internal management + external disclosure

Three Roles of Management Accounting

pre-action resource allocation

in-process control

Post-event narrative reshaping

IMA

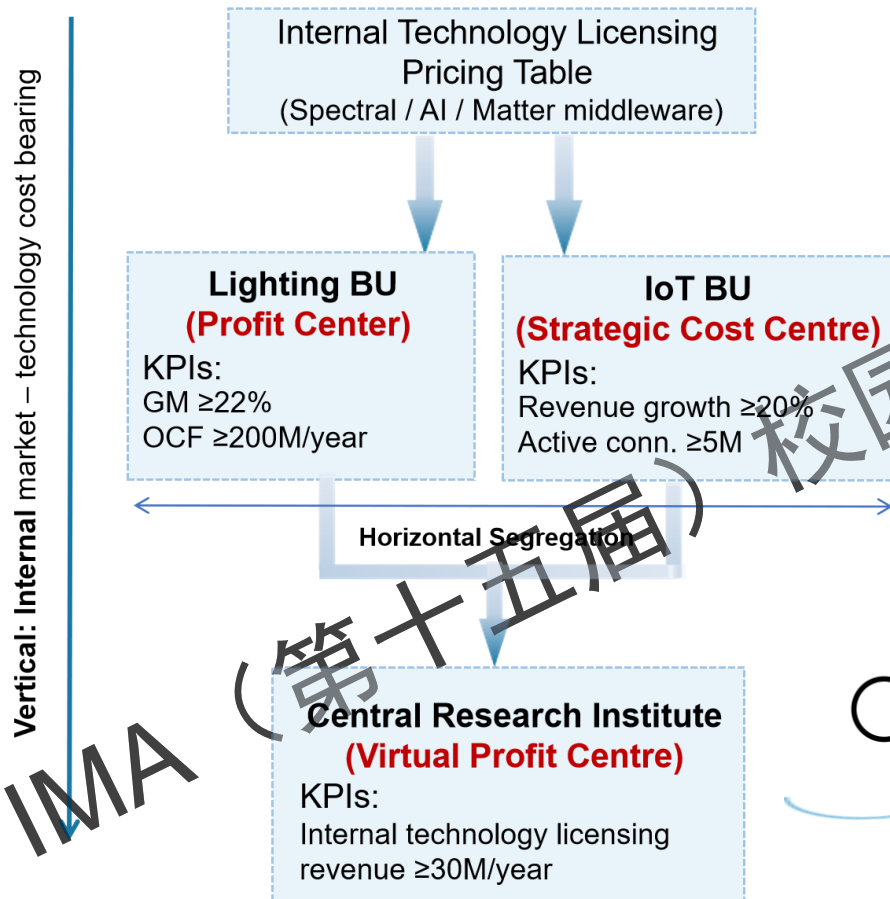


Segregation

(2024-2027)

safely invest resources into the IoT space despite extremely tight cash flow

Internal Profit Center



1

- These “virtual revenues” do not directly impact external financial reports, but are incorporated into internal management statements to assess the research institute's “value contribution.”

2

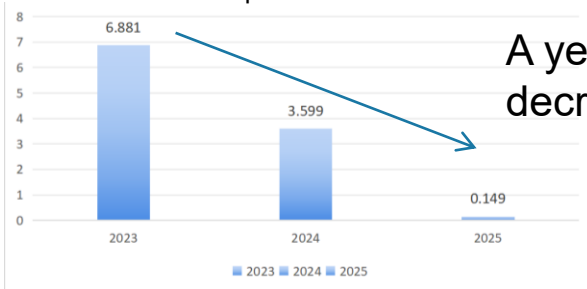
- Establish their own independent budgets and performance evaluation baselines
- The outcome is clear responsibility and measurable accountability

Internal Technology Licensing Pricing Table

Technology Application	Pricing Method
Spectral technology for eye-protection lamps	3% of external revenue of that product line
AI image recognition for smart campus security	2% of project hardware revenue
Matter protocol compatible middleware	0.5 RMB per exported smart luminaire

Flexible Budgeting – Making New Business Funding “Risk-Controlled”

Cash Flow from Operations (hundred million)

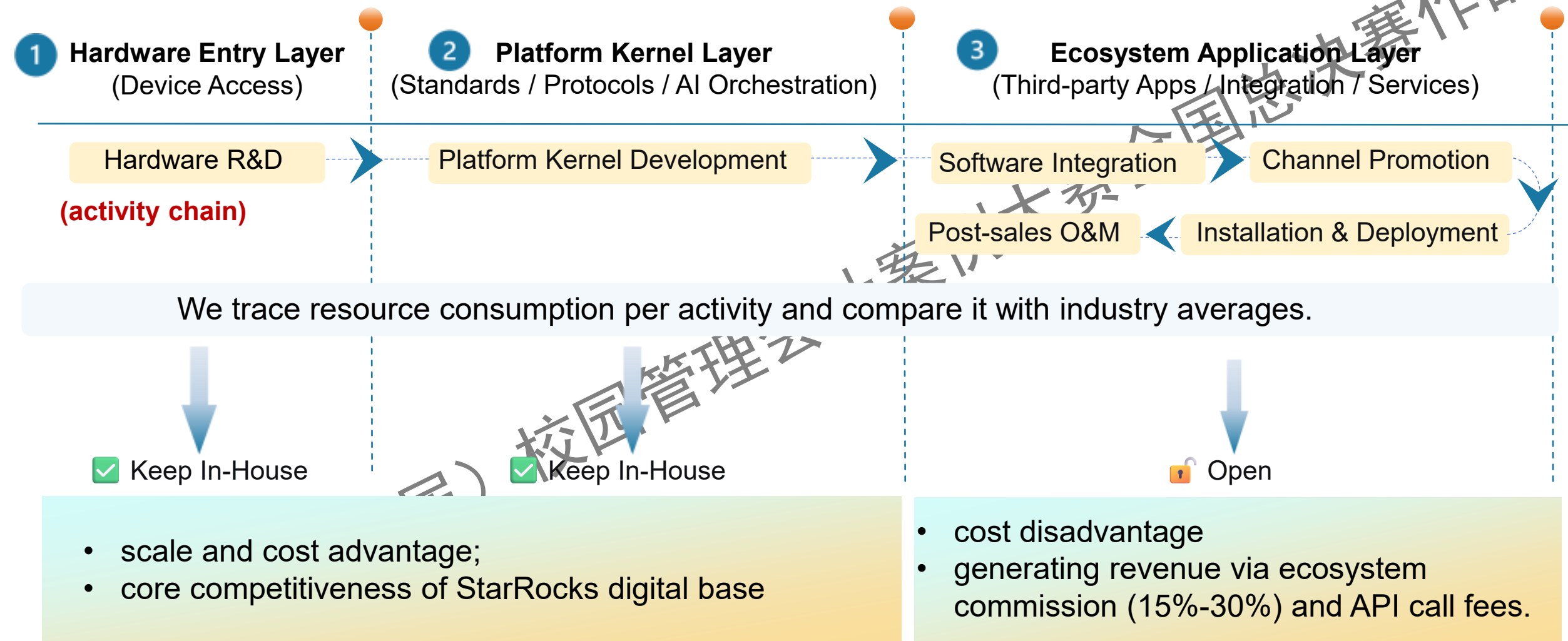


- Each milestone must be achieved before the next tranche of funds is released.
- A quarterly Milestone Achievement Audit Report is issued, and any unmet milestone triggers an automatic alert.

one-size-fits-all slowdown & a bottomless pit of spending

Phase	Phase 1	Phase 2	Phase 3	Phase 4
Goal	Verify Product-Market Fit (PMF)	Renewable upon verification	Verify the economic benefits	Cross-region replication
Name	Seed	Validation	Scale	Expansion
Budget (RMB)	5M	15M	30M	+20M
Milestone Conditions	Sign 10 benchmark schools, platform MAU ≥2,000	50 schools renew with renewal rate ≥70%	Average annual service revenue per school ≥80k, NPS ≥40	Replicate to ≥3 provinces
If Not Met	Automatic review, cannot enter Phase 2	Funding paused, needs re-application	Normal execution	Separate approval required

Activity-Based Costing – Defining the Open Boundary of the Ecosystem



ABC directly serves “open ecosystem platform” strategy, enabling the shift from “selling hardware” to “collecting ecosystem taxes.”



Integration

(2028-2030)



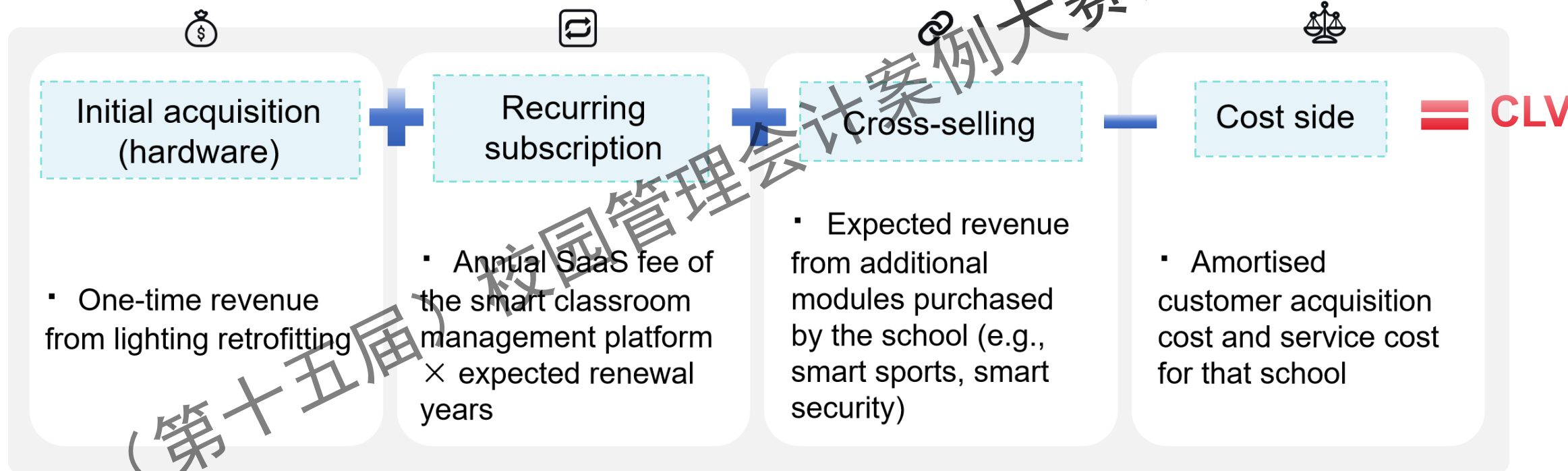
Making the Ecosystem “Measurable”

The goal is to quantify ecosystem value and drive synergy

Customer Lifetime Value (CLV) Model



Taking “Smart Education” as an example:



Compare CLV with CAC: If $CLV / CAC > 3$, it indicates that this ecosystem model is a virtuous circle (snowball effect) and deserves continued investment.



Convergence

(2030+)



Making Value “Believable”

shifted from traditional hardware PE to ecosystem-based valuation

Ecosystem Visual Dashboard

Ecosystem Scale

KPIs:

- Platform connected devices
- Active ecosystem partners
- Schools / households connected ...

Ecosystem Health

- Partner renewal rate
- Cross-SBU collaboration projects
- Milestone achievement rate ...

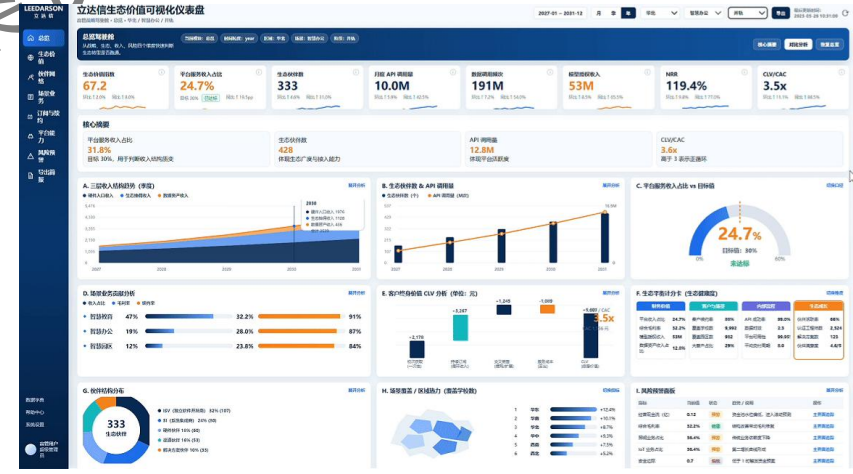
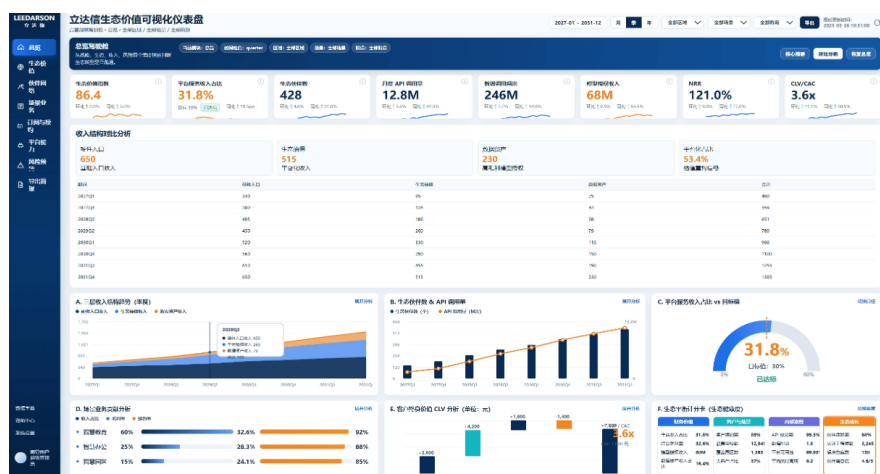
Ecosystem Benefit

- Platform service revenue share
- Ecosystem commission rate
- Monthly API calls ...

Ecosystem Risk

- Cash flow safety margin
- Partner churn alert
- Customer concentration ...

Examples:



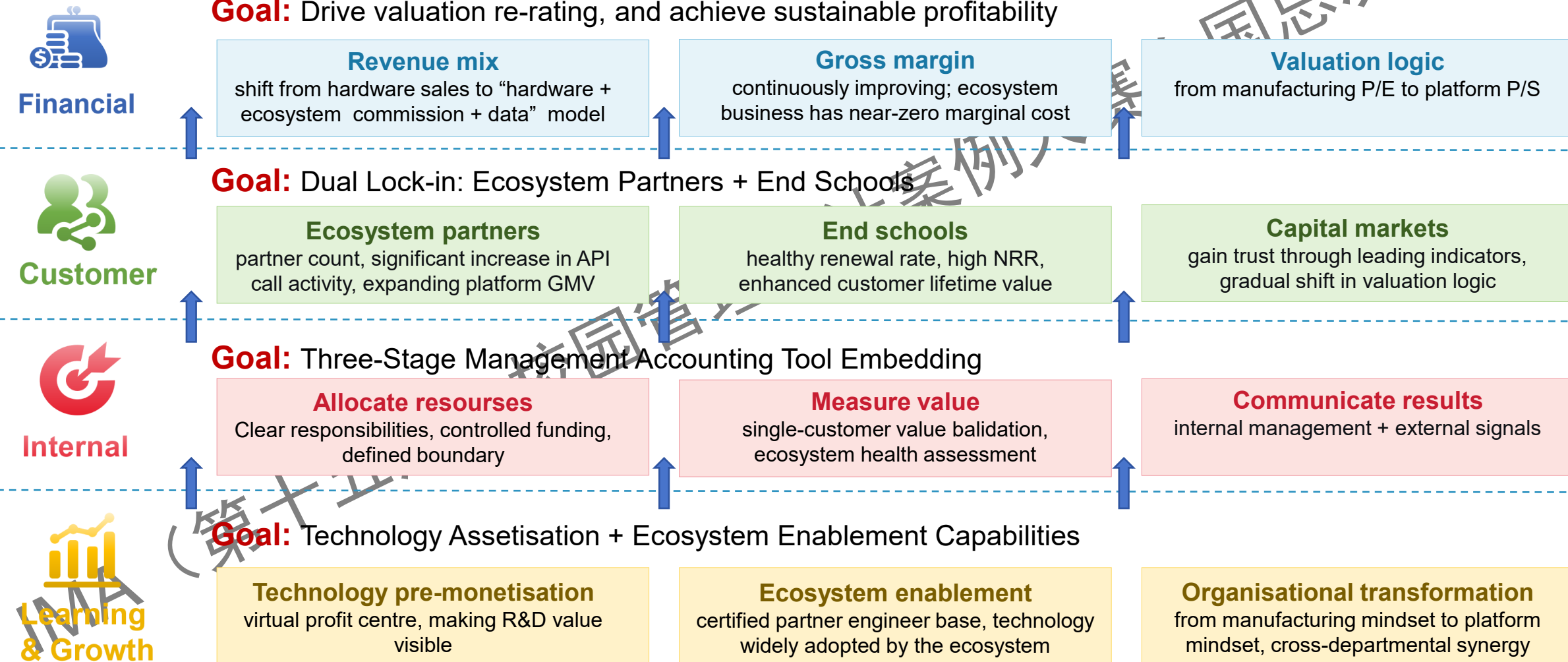
English note:

- Full version is used internally for strategy meetings; updated monthly/quarterly.
- Externally, three leading indicators (platform revenue share, NRR, monthly API calls) will be disclosed to the capital market quarterly, driving valuation re-rating from hardware PE to platform PS.
- Data sourced from StarRocks digital base real-time operations.

P/E → P/S

LEEDARSON Strategy Map

Long-term vision: “Light Up. Link Beyond!”



★ Accountability Units

Strategic Objective	Responsible Department
Technology pre-monetisation	Academia Sinica, Ministry of Finance
Ecosystem enablement	IoT BU, HR
Segregation implementation	Finance Department, Strategy Department
Integration implementation	Strategy Department, IoT BU
Convergence implementation	IT Department, Financial IR
Partner scale & activity	IoT Business Unit, Ecosystem Cooperation Department
Customer stickiness	Customer Success Department
Revenue mix transformation	Finance Department, IoT BU
Valuation re-rating	Financial IR, Board of Directors

A implementation pathway that dynamically adapts in response to strategic evolution

Not lack

- strategy, technology, or determination

Lack

- a management accounting system

translates “service effect” into “performance indicators”

“ecosystem synergy” into “internal pricing”

“platform value” into “capital market language”

Conclude:



Leedarson cannot secure its survival by slowing down transformation. Instead, it must achieve long-term sustainability through ecosystem transformation driven by management accounting.

Thanks for your listening!

Say Yes

HD20254853