

# Peter Auge says his HK product can only be beaten by masters and grand masters

If asked which city produces the largest number of Chess Grand Masters most people would say Vienna, Moscow or perhaps even Berlin. But they would be very wrong. It's Hong Kong, and the reason for this improbable statistic is Novag Industries, the company established by German entrepreneur Peter Auge and which now manufactures 100,000 chess computers each year.

## Hot idea

Peter Auge came to Hong Kong in February 1964, from Montreal, visiting the territory on business since 1957.

"At that time I saw in a toy showroom a set of plastic tools — a hammer, hatchet, screwdriver. I had an idea that if I made the handles transparent and filled them with sugar pellets people would buy them.

"I got a set of samples which I showed to a few people in the United States and Canada. They said yes — it was a hot idea," he explained.

Mr Auge started a factory in Hong Kong and within three months he employed 500 girls doing nothing but filling these plastic toys with sugar pellets.

"In the first year I shipped 55 million pieces to the U.S., and I figured out that statistically every third American must have had one of my toys," Mr Auge said.

In 1977, when the first primitive chess computers appeared on the market Mr Auge, an avid chess fan, set up Novag Industries. Today Novag is the world's leading manufacturer of chess computers.

Novag's original Mark I chess computer, basically a black box with an LED display and set of input buttons, was released in 1977. Although the user needed a chess board to play out the moves dictated by the computer the company eventually sold 180,000 of them. At the time it was regarded as

a novelty — no one had seen anything like it.

It's different today. The top line Novag Chess computers feature a stylish wooden board with built-in electronics that respond to moves made by the human player. They are highly sophisticated machines that can only be beaten by strong club players, masters and grand masters.

Novag established its factory in Kwun Tong nine years ago and the facility now handles the assembly of "pre-fabricated" parts, testing and packaging of about 100,000 chess computers each year. Originally the factory employed about 180 workers but the use of sophisticated production equipment has reduced that figure to 80 or 90.

Although many components are bought in from Japan, the heart of the computers, the printed circuit boards (PCBs) are designed in Hong Kong by Novag engineers and fabricated by a local electronics factory. The plastic cabinets are also designed here and farmed out to a mould maker for fabrication and then delivered back to the Novag facility.

"On one hand you have the PCB's, on the other you have the cabinets, the Japanese deliver all the components and the printer brings in the boxes and the instructions. In the factory workers solder the components onto the PCBs, then the computer is assembled, packaged, tested and shipped," explains Mr Auge.

Novag Chess computers range from pocket-sized models designed for travellers, attractive table-top sets with full size pieces, to the Chess robot, which won Novag the 1982 Governor's award for year's best designed Hong Kong made product.

"The robot has been quite successful but we have stopped it now because next year we will release a new version which, although it may

look exactly the same, will have a new, more sophisticated program. We expect it to sell well.

"To chess fans these machines are like opium and I know people with ten different chess computers. They hold a certain fascination to chess players. They are driven to beat, or to try to beat the machine," Mr Auge said.

The software that allows Novag computers to perform miracles, like consistently trouncing grand masters in the work of David Kittinger, Novag's chief programmer. Kittinger works out of Los Angeles, U.S.A., and Peter Auge believes that he is probably the best chess programmer around today.

## Alaska

"We found him in Alaska where he was working as a lineman, climbing up telephone poles and putting the wiring right. He wrote a chess program as an amateur which struck us as being very good so we contacted him and relocated him to L.A. where he has written exclusively for us ever since," Mr Auge explained.

The company ships its chess computers to more than 40 countries all over the world but its three major markets are Germany, France and the U.S. West Germany in fact accounts for 20-25% of all factors.

"There are several reasons for this. I am from Germany, I have good connections there and we have very good relations with all the department stores, mail order houses and retail chains, which all makes for good business," Mr Auge said.

Refusing to disclose details of Novag's annual turnover, Mr Auge would say only that the company ships approximately 100,000 chess computers of all sizes each year.

"This year will be a good year for

*(continued on p.48)*

