Morpho's Annual Mode of Operation 2026-2027

Why Morpho Exists

When I first came to China 15 years ago, the sourcing industry was overcrowded. Everyone was trying to source products. Very few people were trying to build great ones.

Every conversation you joined, every pitch you heard, was always the same:
"We can find you a factory." "We can get you a better price." "We can ship it faster."

Factories were treated like vending machines. Press a button and a product comes out. That model works if your goal is to move boxes. It does not work if your goal is to build exceptional products and scale brands that actually mean business.

Great products are not sourced. They are built from scratch.

You have to think of thoughtful design, real engineering. Prepare for multiple iterations. Have manufacturing discipline, taste, and above all patience. This is a patience game.

China is the most powerful manufacturing ecosystem in the world. It's not even f*ck!n& close.

How do I know that? I tried. Trust me. I tried. I never imagined a world where there was so much "Anti-China". But then, all of a sudden there was.

So, I tried to build products in North America. Then all throughout Asia. I even lived in India for 4 months and in Vietnam for 2. But no matter where I looked, I couldn't find what I was looking for. I'm not saying that scenario won't change, but I am absolutely saying that it won't change quickly. The tooling infrastructure, supplier density, and engineering capability are unmatched.

So why do people have problems in China? Because most companies approach China backwards. They treat it like a cheap place to manufacture average ideas. Being able to try and fail (and try, and fail, and fail) allowed us to build Morpho on a different belief:

Powerful product thinking/planning/design

+

China's manufacturing ecosystem

=

world-class products.

That belief defines our company. It is our Mode of Operation.

What Business We Are Actually In

Morpho is often described as a manufacturing partner. And that's partially true. Factories manufacture products. Morpho builds them.

Our job is to take an idea and guide our clients through the difficult middle between concept and mass production, so that mass production actually goes smoothly. That "run through the jungle" includes: industrial design, engineering development, supply chain architecture, tooling, manufacturing strategy, packaging, and product experience.

We walk the extra mile with them because most products don't fail in the factory. They fail earlier. They fail when the product is undifferentiated, when engineering assumptions are wrong, when pricing is unrealistic, or when founders refuse to listen to reality.

Morpho exists to close the gap between ambition and execution.

What We Believe

Over time Morpho has developed a few beliefs that guide how we work. China is not cheap (unless you ask for it). China is adaptable.

The perception of Chinese manufacturing as synonymous with low quality is outdated, but it's not entirely without basis, and that's worth understanding.

China became the world's factory floor by offering something no other country could match: the ability to produce enormous volumes at the lowest possible cost. Brands chasing dollar-store margins went to China because China could deliver. That flood of cheap product shaped a generation of consumer perception, and the association stuck. It still holds in the segments where it was always true. Plenty of brands still go to China specifically to minimize cost, and China still executes that better than anywhere else on earth.

But that's no longer the complete picture, and increasingly the world is beginning to recognize it.

The more accurate frame is historical. Japan and Germany tell the same story. In the decades immediately following World War II, both countries rebuilt their manufacturing infrastructure largely from scratch.

Through the 1950s and '60s they were known primarily as sources of cheap labor and inexpensive goods – the "Made in Japan" and "Made in Germany" labels carried the same skepticism that "Made in China" carries today.

What they lacked was not ambition but time: the factories, the manufacturing culture, and the generational expertise that only comes from doing the work at scale over decades. By the 1980s, roughly thirty years into their industrial rebuilding, both had completed that transformation. Germany became synonymous with precision engineering. Japan became synonymous with quality and innovation. The reputation had caught up to the reality.

China has followed the same arc, compressed into roughly thirty years of industrialization beginning in the early 1990s.

The trajectory is identical. What is different is scale. Neither Japan nor Germany had China's population, and population is the variable that turns an industrial transformation into a manufacturing superpower. China didn't just go through the same maturation – it went through it at a magnitude neither predecessor could approach.

The results are visible. Apple manufactures in China not because it is cheap but because nowhere else on earth has the combination of technical capability, manufacturing precision, supply chain density, and production volume to build what Apple builds at the scale Apple needs. That is not a cost decision. That is a capability decision.

China has reached the inflection point that Japan and Germany reached forty years ago. The perception is catching up slowly – partly because the cheap-goods segment never went away, and partly because reputations built over decades don't reverse overnight. But the manufacturing reality is already there. The opinion will follow – in fact, it is already starting.

A Story About Perception

I once travelled to Schaffhausen, Switzerland.

The purpose of the trip was to explore the area and check out the IWC factory. When we got there, I showed one of my watches to the factory manager. We're talking about a world-class horologist. Someone who has been in the business at the top of the genre for decades. And, this same connoisseur actually admired the finishing. He admired the detail on the dial. The bracelet. He couldn't believe that I had manufactured such a beautiful watch at such a young age with no real time spent learning horology. He was truly 'wow'd' at my efforts… until I told him it was made in China.

The conversation ended promptly and I realized that there was something about it being made in China that was scary. That such quality could be achieved for such lower prices. That reaction is common.

People who have perfected crafts across generations are incredibly threatened by what China has accomplished in a fraction of the time. Wouldn't you be?

The TikTok situation of 2025 opened Little Red Book to Western audiences and gave people a glimpse of a China that had nothing to do with the caricature they'd been sold.

Life in China is fantastic. It is safe. It is progressive. It is constantly learning and evolving. It is about hard work. It is persistent. It is diligent. It is brave in expanding horizons. It is constantly in search of more.

Made in China is no longer the butt of jokes. Around the world, international citizens now equate China with quality. China's manufacturing capability is no longer the limitation. The limitation is usually the ambition and execution of the person building the product.

Most Products Fail Because of Decisions

Manufacturing can cause trouble, but bad decisions? Those can kill a product in days.

It's curious how we've seen companies, big and small, making the same mistakes repeatedly, almost in a loop: chasing the lowest possible price, unrealistic timelines, copying competitors instead of differentiating, ignoring engineering feedback, rushing to market before the product is ready.

Our role is not just to build products. Our role is to protect the product from bad decisions. Sometimes (more like every time) that means telling founders things they don't want to hear. Accuracy is more valuable than encouragement.

Less is More. Taste Matters.

Steve Jobs said: 'Innovation is saying no to 1,000 things'. Dieter Rams said: 'Good design is as little design as possible'.

Nobody needs a flashlight that has a battery pack, that tells the time, that has a compass, and that provides neck support. Technical competence matters. But great products also require taste.

Taste shows up in small decisions: what features to remove (less is more), how materials feel, whether packaging feels intentional, when complexity becomes unnecessary.

Taste is the ability to simplify. That is often the difference between a good product and a great one. Less is more. Believe that.

The Morpho Standard

When Morpho works on a product, the goal is simple:

Build the best version of that product in its category.

Not the cheapest. Not the fastest. The best.

And that means thinking about the entire ecosystem: design, engineering, materials, manufacturability, reliability, user experience, packaging, brand.

If Morpho were building chopsticks, the goal would be clear: Make the Rolex of chopsticks. That philosophy applies to everything we build. That's our standard.

How Morpho Evaluates Products

Before committing to a project, we ask a few questions: Does the problem actually matter? Is the product meaningfully different from what already exists? Can it be engineered properly? Can it be manufactured consistently? Will the customer feel the difference?

And finally: Does this deserve years of attention? If the answer isn't clear, the project isn't ready, or it's not for us.

The Clients We Want

Morpho works best with founders who care deeply about their product.

The ideal Morpho founder obsesses over details, listens to engineering feedback, understands that great products take time, values quality over shortcuts, and wants to build something meaningful.

The best collaborations happen when both sides care equally about the outcome.

The Clients We Avoid

Not every project is a good fit.

Morpho is usually the wrong partner for: founders shopping only on price, commodity products with no differentiation, unrealistic timelines, projects where nobody can make decisions, and founders looking for validation instead of truth.

There are many companies that can help with those projects. Morpho focuses on a different type of product.

Why We Are Building Our Own Products

For many years Morpho focused exclusively on helping other founders build products.

That work continues. But one reality became obvious. Even when a product is engineered and manufactured well, its success still depends on the decisions made by the founder.

If the product is poorly marketed, poorly positioned, or undercapitalized, it can still fail. That can be frustrating when the product itself deserved better.

So, with that in mind, we made a simple decision: Morpho will continue building products with great founders.

But now we're entering the arena ourselves. Taking the stakes. Telling our own stories. Building our own ideas.

Lessons From Building Our Own Brands

I always knew we could do it. However, building your own products is humbling. It forces you to experience the full journey. Two of our internal projects illustrate this.

écoute audio

écoute audio began with a simple idea from my co-founder, Kendal: What would a modern vacuum-tube headphone system look like if it were designed from scratch today?

Then we got to work. The project reinforced a few important lessons: Premium customers notice everything. Industrial design and story cannot be separated. And simplifying a product is often harder than adding features. Although it is really cool to say "My product is high-end", what nobody tells you is that it's hard as hell to design and manufacture one.

BrainBlink

On the other hand (way on the other hand), BrainBlink explores a completely different category: a social brain game built around speed, memory, and competition.

This small gadget taught us something simple but important: Products that feel simple are often incredibly difficult to design well. Experiences that appear effortless usually require enormous iteration behind the scenes.

The Next 12 Months

Morpho will focus on three priorities:

Build Fewer, Better Products

We are more interested in building a small number of exceptional products than many average ones. Quality compounds. Reputation compounds.

Strengthen the Morpho Platform

We will continue improving: engineering capability, manufacturing partnerships, development systems, and internal processes. These improvements benefit every product we build.

Expand Internal Products

We will continue launching products under our own brands. Projects like écoute audio and BrainBlink represent the beginning of that direction. They allow us to push our capabilities further and explore new ideas.

Final Thoughts

Morpho is not trying to build the most products. We are trying to build the right products.

Products that are well designed.

Products that are well engineered.

Products that deserve to exist.

Over time, that approach will attract the right founders, partners, and opportunities.

Over time, that is the path Morpho intends to follow.

Josh Fairbairn

Founder & CEO - Morpho