Outsourcing as a Business Strategy

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Outsourcing as a Business Strategy

Outsourcing, Contract manufacturing
What are we talking about?
Outsourcing as a Business Strategy

• Contract Manufacturing has evolved
  • Small independent manufacturing has been replaced by large, well capitalized operations
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  • State of the art technology
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  • Small independent manufacturing has been replaced by large, well capitalized operations
  • State of the art technology
  • Vertically integrated processes and capabilities
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Benefits:
Opportunity Cost
Outsourcing: Opportunity Cost

Small and or medium sized companies faced with growth opportunities must consider the benefits of “Buy” over “Make”

- Capital Expenditures
- Head Count Additions
Outsourcing: Opportunity Cost

Where is our strength:

- Engineering and Marketing Medical Devices?
  or
- Manufacturing?
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Benefit:
Design Support
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Benefit: Design Support

Contract Manufacturers now possess significant engineering and design support. The experience they draw from can take a project in its early stages through design and ultimately launch.
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Benefit: Speed to Market

The ability within subcontractors to mobilized capacity and resources can help get product to market faster.
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Summary

Contract manufacturers who have significantly invested in the technology and value stream along with vertical integration, design control and speed to market make outsourcing a strong consideration in business strategy.