

Story of Diversification

For over 27 years Crafterch has focused on upfront design optimization and manufacture of molded plastic components and assemblies requiring extensive value added operations. We are seeing more and more companies either considering or moving business offshore, mostly Asia.

Based on benchmarking activities to determine the true landed cost, we don't agree in many cases. Quite a number of clients will ultimately suffer due to issues with MOQ's, long lead times, communications and logistics along with potentially sub-par product quality as seen with some of the recent recalls.

Instead of finding a pot of gold at the other end of the rainbow, they're having to deal with additional issues they never experienced in here in the States with a domestic supply chain. We've already seen business coming back to the States as a result.

Crafterch is continuing it's strategic pursuit of diversification by leveraging our GMP, ISO, TS-16949 and UL Certifications along with our strong supply chain management skills to provide our clients with solid opportunities for outsourcing and supply base consolidation.

Our strategy maintains our US presence as it exists now while utilizing NAFTA partner Mexico forming a supply chain with more flexibility, improved logistics and competitive pricing. Crafterch has already been doing business in Baja CA for some time and will continue to grow our presence in Baja.

We will still continue to utilize and expand our highly successful Asian tooling operations along with selected competitively purchased components.

We're recommending a few things to our clients:

- 1) Get Lean. Do your core competencies or product critical functions well and explore the possibilities for outsourcing.
- 2) Employ Lean and Six Sigma methodologies to improve. If you don't have a program, Crafterch can assist you in developing one.
- 3) Grow Smart. Find partners to grow with so you generate more dollars without expanding.
- 4) Look to current suppliers with good track records and good supply chain management skills to partner with.

The next few years should prove to be very volatile for US manufacturing. While strategic sourcing circles will continue to pursue the Asian and emerging region options, Crafterch is committed to providing our clients the ability to remain competitive while providing the support and ease of doing business that come from a US based organization.

