



Speaking of
**Business
Management**

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Vital resources play a key role in EMS effectives

Internal EMS resources have been stretched in the US domestic market. Competitive pricing pressures and very low profit margins in our industry have placed a strain on the people by reducing the depth of in-house resources that EMS companies can afford to retain on a permanent basis. We are all finding ways to leverage off of the capabilities of related companies in this industry as we offer the customer a single point of contact in providing manufacturing services. It was truly a luxury to have all the internal resources available at any time to perform things like: training, technical assessments, audits, benchmarking, design analysis, and a host of other services that can not usually be assigned directly to customer invoices. It is, however, just the kind of things that customer expect of their preferred EMS providers. These could be called necessary organizationally but non-value added activities for the end product.

Production EMS capabilities that have moved to lower material and labor cost areas has been a reality for several years now, and the US companies are finding niches where they can add value to the industry and make a profit. Specialization is a word that could be used for companies that provide services to the EMS suppliers or directly to OEMs. Support services companies are in areas like test hardware and software development, allowing customers to focus on their core competencies. Consultants have been around for awhile, but they are taking on new scope as the depth of internal subject matter experts is limited. Qualified consultants are working with companies for a few weeks at a time to help develop capabilities or correct problem areas, and then they move on and get off the cost load.

Internet services are leveling the playing

field in allowing small agile business the ability to provide their customers with real time data access inexpensively. Only a few years ago a mid or large size company would have an in-house software development department to format internet pages and post data for customers with passwords. Now, there are less expensive standard software packages that can post real time order tracking information and test results. Take advantage of the tools available that can make you seem more valuable to your customers.

Intranet training courses or external training experts are brought in as needed and are taking the place of permanent training staff, allowing the small businesses the same quality training as larger companies have historically enjoyed. Those people who train others for a living can be more objective and are not affected by internal company politics. The added advantage of self-paced on-demand training with interactive testing can result in more flexible scheduling and a more meaningful personal training experience. Curriculum can be expanded automatically if the employee is having difficulty in learning particulate sections.

Outsourced expertise is not just in the technical areas of an EMS business. The small business owner needs to have ready access to legal, financial, strategic planning, funding, and human resources, just to name a few. Too often a small business owner may be very qualified in technology and sales but can miss the boat on the other key areas of importance. Leveraging relationships and knowing when to ask for help is a key to survival. Businesses wouldn't think of not having a very qualified accountant or CPA doing their financials, but often small EMS businesses run open loop when it comes to a marketing plan that is documented and controlled. This is

because the financial world we live in has formal regulations and processes that are enforced by external agencies. Marketing and business planning are often left to fate and can change with the tides. When the time is right, have someone that is not part of your organization, give a critical eye to how things are planned and controlled within your company.

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seamless in their relationship with customers. OEM sourcing personnel have been reduced in staff and are not as capable in managing multiple contractors with interactive relationships. If schedules are dependant between suppliers and commu-

nication is needed to determine the final completion date, better to have the timing monitored by a single qualified supplier that can oversee the progress of up-stream partners.

They should have the responsibility and control to fulfill their part of the supply chain. Determine your core competencies and outsource the rest to proven suppliers, but monitor performance and hold suppliers accountable.

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