
Market development China

Background:

Our client, a medium sized European family run company, working in the field of sun protection technology / building facilities was looking to produce some of the components in the Far East, preferable China to reduce procurement costs by at least 10%.

Our approach:

A detailed analysis of the current procurement process to elaborate on building a strategy for the development of new, cost-effective supply chains.

Our suggestion:

Due to the strongly from individual manufacturing embossed production a switch of sourcing would have not brought the desired savings potential. However, it has shown that it would be interesting to produce in reverse components and complete products of the companies range in China for the chinese market.

Contrary to popular opinion in the company that it could not compete against Chinese competition, in fact, some factors have shown a clear USPs:

- The high quality of the entire product
- The manufacture of key components in Europe
- The know-how in the field service / after-sales service that was missing completely with local competitors

The implementation:

Abaco has prepared jointly with the customer to enter the market:

- Successful search for a production location
- Successful search for a strategic partner with whom production and distribution synergies could be developed
- Successful search for a distributor who has an existing dealers network in the most important destinations in the country
- Accompaniment of all technical, legal, administrative operations in the country and the import of machinery and products to China

Project duration:

- Total duration: approx. 24 months
- After completion of the project: accompanying Controlling