

outsourcing

DESIGN & MANUFACTURING

November 6-7, 2002 / San Diego, CA

Manage Contractors, Leverage Your Core

Determine your core competencies and strategically outsource to meet corporate and tactical goals

Keynote, *Jason Richardson, President, Cutting Edge Information*, will offer current data on how real companies are using strategic outsourcing to save critical resources and spend more time on core competencies

Develop protocols to manage provider relationships and measure performance – ensure speed, quality and end-user satisfaction

CISCO SYSTEMS, ETHICON ENDO-SURGERY, SOLECTRON, PLEXUS, MOEN, FLEXTRONICS, DESIGN CONTINUUM and more discuss their respective strategies for making contract relationships a win-win scenario for all parties

Design contracts that clearly outline project parameters, IP rights, and allow for midstream updates and termination

ZF Micro Devices, creator of the first true PC-on-a-Chip for embedded applications, shares its course of actions when an outsourcing partner refused to build its product and began offering the product to ZF's customers directly – learn what you need to know to adequately protect your IP

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Why this working session is important

As the pressure to cut overhead costs increases, more and more companies are implementing outsourcing strategies to focus on "core" activities. Still, effective outsourcing can be highly complex and determining one's core competencies is not just a one-time decision process.

For OEMs the challenge lies in figuring out what to farm out, how to select the best provider(s), how to oversee outsourced relationships and protect IP. Conversely, contract designers and manufacturers require clear directives, ongoing contact with the OEM and the ability to use their expertise to get the job done and cultivate a long-term partnership.

Working effectively together, contractors and OEMs can reap mutual profit and create products that customers really want. Learn how to implement key factors for making these partnerships work including how to:

- Select the right partners and accurately assess their core competencies
- Build a seamless transition from inside providers to outside providers
- Create metrics to measure the effectiveness of outsourcing and calculate actual cost savings
- Support outsourced relationships with infrastructure, guidelines for sharing information and appropriate levels of in-house expertise
- Develop a properly structured contract that clearly outlines project parameters/deadlines, IP rights and allows for midstream updates

Management Roundtable's conference on *Outsourcing Design and Manufacturing, November 6-7, 2002* in San Diego, CA will offer a unique forum for OEMs and contractors to discuss the latest trends, methods and strategies to make outsourcing a win-win arrangement for all parties.

Agenda-At-A-Glance

Wednesday, November 6

- 7:00 - 8:00 Registration/Continental Breakfast
- 8:15 - 9:30 **Keynote:** Jason Richardson, President, Cutting Edge Information
- 9:30 - 12:00 Case Studies
- 12:00 Lunch
- 1:00 - 3:00 Working with Contract Designers/Case Studies
- 3:00 - 4:15 Working with Contract Manufacturers Case Study
- 4:15 - 5:15 **Keynote:** Jim Sacherman, Chief Marketing Officer, Flextronics
- 5:30 - 7:00 Networking Reception

Thursday, November 7

- 7:30 Registration/Continental Breakfast
- 8:30 - 12:00 **Session A.** Strategic Outsourcing: Strategies for Getting Started, Maurice F. Greaver & Allen J. Klein
- 12:00 Lunch
- 1:00 - 5:00 **Session B.** Successful Strategies for Working with Contract Designers, Facilitated By: Design Continuum, Inc.
Session C. Successful Strategies for Working with Contract Manufacturers, Facilitated By: Solectron Corporation
- 5:00 Program Adjourns

About Management Roundtable



Management Roundtable (MRT) is the leading knowledge and networking resource for product developers. Practitioner-oriented and unbiased, our focus is on providing actionable information about new innovations, processes, tools, and technologies that enable faster time to market, increased profitability, and overall competitive advantage. Founded in 1980.

Keynote Presentations

Outsourcing From Strength

Jason Richardson, President, Cutting Edge Information

Shifting focus from tactical demands to strategic benefits is the current big change in outsourcing. Outsourcing was originally thought of as a work-shifting move – a way to have others do the tasks companies did not want to do themselves. As late as 1997, only 53% of top executives described their outsourcing as “strategic” rather than simply “tactical.”

In the Outsourcing from Strength Era, companies must view outsourcing from the perspective of top-level corporate goals. Outsourcing partnerships can lead to innovations that directly affect strategy while delivering on tactical goals. The best outsourcers, in turn, link their own work directly to their partners’ priorities to strengthen relationships.

Mr. Richardson’s presentation will show how to save critical resources and spend more time on core competencies through carefully planned, strategically sound outsourcing. Key topics include:

- **Making the Outsourcing Decision** - Identifying Key Reasons to Outsource, Aligning Outsourcing with Strategy, Defining Internal Strengths and Core Competencies, and Performing Cost/Benefit Analyses
- **Selecting a Vendor** - Vetting Vendors Thoroughly, Making the Deal, Contracting for a Mutually Beneficial Relationship, Security and Protecting IP, Communicating and Managing Relationships, Designing Communication Plans
- **Measuring Success Factors** - Defining and Measuring Success, Identifying and Correcting Problems, and Making the Transition Smoothly

Strategies for Making the OEM / EMS Relationship Work

Jim Sacherman, Chief Marketing Officer, Flextronics

Mr. Sacherman will discuss how to better foster relationships between the manufacturing services provider and the OEM customer. He will provide an overview of how Flextronics manages the following issues through successful customer examples:

- How to address the more delicate, but common contractual issues including inventory, warranty and recall risk
- How to foster open communication between OEM’s and EMS providers; what tools can facilitate/support communication (actual working examples to be demonstrated)
- How to set realistic expectations and deal with “issues” on a day-to-day basis
- What are the key criteria for a long-term positive relationship from an EMS perspective



Jason Richardson
President
Cutting Edge
Information

Jason Richardson, President, Cutting Edge Information, has led more than 40 major consulting research projects for world-class clients in more than a dozen industries. Some of Mr. Richardson’s selected focus areas include outsourcing, succession planning, e-business, call centers, financial management, product development, thought leaders, recruitment and selection, sales force automation, flextime initiatives, the Balanced Scorecard, financial shared service centers, and customer service effectiveness.

“...In a crowded, overconferenced world, Management Roundtable provides an effective platform for learning the latest product, service and business management innovations from leading experts. MRT makes the decision on what conference to attend simple.”

John Waraniak, Director, Magna International



Jim Sacherman
Chief Marketing
Officer
Flextronics

Before his current role as Chief Marketing Officer of Flextronics, **Jim Sacherman** was Chief Executive Officer of Palo Alto Products International, a company he founded in 1983. Palo Alto Products grew into a premier design firm and manufacturer of mechanical enclosures and was acquired by Flextronics in April 2000. Mr. Sacherman earned his B.S. in Engineering Design and Economic Evaluation from the University of Colorado and holds a Master of Science in Product Design from Stanford University. His current responsibilities at Flextronics include Corporate Marketing and Business Development.



Working Sessions

Thursday, November 7, 2002

These working sessions offer you a valuable opportunity to apply learnings from keynote presentations, case studies and informal discussions to your organization's own specific needs.

A. Strategic Outsourcing: Getting Started - Practical Steps to Selecting the Right Providers, Negotiating Terms & Managing Provider Relationships

This session will provide a step-by-step framework for successful outsourcing and will concentrate on three critical elements: how to select the best providers, negotiate win-win contracts and manage provider relationships effectively. In an interactive setting, Greaver and Klein will tell you:

- How to identify potential providers, their qualifications, and set evaluation criteria
- How to develop the RFP, what should be included, and potential pitfalls
- How to evaluate the providers' proposals
- How to select the best provider for your organization's specific needs
- How to develop a win-win contract; how to prepare for negotiations and set an appropriate scope
- How to best address provisions for performance standards, management/control, and transitions & terminations within your contract
- Methods to monitor provider performance
- How to set up appropriate oversight mechanisms
- How to best resolve disputes
- How and when to terminate the outsourcing contract

BONUS! All attendees will receive a complimentary copy of the book, "Strategic Outsourcing" by Maurice F. Greaver

Facilitators:



Maurice F. Greaver, author, *Strategic Outsourcing* and Founder, Greaver & Associates, provides management consulting services on strategic, financial and outsourcing issues to a cross section of industries. Mr. Greaver is the author of the book "Strategic Outsourcing" and is a seminar leader for the American Management Association's Strategic Outsourcing Program. Mr. Greaver has held executive positions with Home Warranty Corporation, Alexander & Alexander Services, and Deloitte Haskins & Sells. He holds a BS degree in Accounting, graduating with honors from Pfeiffer College. He is a member of the American Institute of CPAs and the Virginia Society of CPAs.



Allen J. Klein, Partner, ShawPittman LLP, is an international technology and outsourcing transactions lawyer. He represents global clients in the structuring, negotiation and documentation of all types of outsourcing transactions. His clients include manufacturing, automotive, financial, and media companies as well as nonprofit organizations.

B. Setting the Stage to Work Effectively with Contract Design Firms

Outsourcing to a design consultancy can be a highly effective business decision, depending on how you structure and manage such engagements. Join a group of business and design professionals in this highly interactive workshop and find out how to:

- decide when using a design firm makes sense? when doesn't it?
- select the one that's right for you
- deal with project justification and the NIH syndrome
- setting up and managing the relationship
- orchestrate the relationship between the design firm, the company and other suppliers
- ensure your organization embraces and acts upon the results

Facilitators:



Tom Merle, Director of Engineering at Design Continuum, manages a very diverse group of engineers and project managers who have developed elegant solutions for companies such as Andersen Windows, Master Lock, Motorola, and Hewlett-Packard. Since joining Design Continuum in 1998, Tom has been engaged in the project management, product development, and client relations for some of the company's key accounts. Prior to joining Design Continuum, Tom worked at the Eastman Kodak for 14 years in the R&D arena.



Dan Buchner, Director of Industrial Design at Design Continuum, manages a growing Industrial Design practice and directs interdisciplinary design projects for leading manufacturers such as Toto, Thermador, and P&G. Prior to joining Design Continuum in 2000, he was VP of Innovation and Design for Moen Inc. Dan established Moen's first Industrial Design Group and was instrumental in the development of Moen's most successful products including PureTouch®, OneTouch® and the Revolution® Showerhead.



Mike Pickett, VP of Engineering, Moen, has over 20 years of experience in developing successful new products. At Moen he has been responsible for the design and development of a new and innovative product portfolio that has positioned Moen as a market leader within the plumbing industry. Prior to joining Moen, Mike worked at AlliedSignal for ten years developing Anti-Lock Braking Systems for the Automotive Industry. Mike earned his B.S. in engineering from Michigan State University and his M.B.A. from Indiana University.



Working Sessions, continued

Thursday, November 7, 2002

C. Successful Strategies for Working with Contract Manufacturers

OEM's can no longer rely on Build-to-Print Contract Manufacturing to provide differentiable value. The winner in tomorrow's marketplace will rely on its Manufacturing Partners (EMS) to provide an integrated supply chain that delivers speed, flexibility, and efficiency throughout the product life cycle. This enhanced value proposition can only be realized through an effective working relationship between the OEM and its supply chain partner from the early stages in the product design to the end of a product's life. For this, the EMS must develop the abilities to deliver services in all aspects of product life cycle.

This workshop session will offer the opportunity to explore the OEM-EMS relationship development, business approaches and program metrics. Discussion in the group would also include:

- team formation and structure
- information exchange during the quote & business process
- service level determination
- manufacturing vs. engineering services
- concurrent engineering advantages
- regional vs. global supply chain
- customer satisfaction metrics

Facilitators:

Dr. Vince DePalma is Corporate VP, Electrical Design & Technology, Solectron Corporation. Prior to Solectron, he spent 20 years at IBM where he held a number of engineering and executive management positions including Director of Semi-Conductor Development at the East Fishkill, NY Laboratories and VP of Product Assurance & Technology Licensing for the Storage Solutions Division in San Jose, CA. Vincent has a Ph.D. in Physical Chemistry from the University of Pittsburgh. and B.S. degrees in Mathematics and Chemistry at Pittsburgh. He was also a post-doctoral University fellow at Ohio State University.

Keith McDonald is Corporate VP of Worldwide Global Accounts & Relationship Management, Solectron Corporation, and is responsible for the direction of all Solectron global accounts, \$11 billion in sales and the integration of the company's services into a total solutions package for customers. Prior to Solectron, he was Sr. VP at Samsung Semiconductor and a member of the board of directors where he played an integral role in leading the company to a No. 1 position in the electronics industry. McDonald has served on supplier councils for Sun Microsystems, IBM Corp., Compaq Computer and Intel Corp. McDonald is also a guest lecturer for MIT Sloan School and studied business administration and psychology at Long Beach State University.

PLUS —

Case Studies from CISCO SYSTEMS, ETHICON ENDOSURGERY, MOEN, ZF MICRO DEVICES. and more will cover:

- How to determine your core competencies - how to decide what to farm out, what to keep
- How to assess the capabilities of those you work with
- Whether to go with one firm that can provide both design & manufacturing, or divvy up the work—pros, cons, costs, savings
- How to set up a mutually beneficial working arrangement; what to put in a contract, how to build in incentives. The importance of organizational culture and "chemistry"
- How to set up the infrastructure, information-sharing guidelines, in-house expertise and level of contact to ensure timelines and expectations are met
- What to do when more in-house time, rather than less, is being spent on the project
- How to protect new learnings and IP that may arise from the project
- Steps to take when your IP has been compromised
- Interim performance measurements, checkpoints and red flags to look out for
- When and how to end an outsourcing relationship; when and how to extend for the long-term
- How to conduct post-mortems and financial analysis - did/does it always pay to outsource?
- Most importantly - how to come up with an innovative and differentiated end-product in record time at a reasonable cost

Who Should Attend

VPs, Managers and Directors of Product Development, Business Development, Engineering, Outsourcing, Operations, Manufacturing and all others that are considering outsourcing design and/or manufacturing and want to find methods to expedite and streamline this process. Outsourcing partners - leaders from design, engineering and manufacturing companies that seek specific approaches to make outsourced relationships successful and mutually profitable.



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Learn to Tackle the Challenges... And Reap the Benefits

- Seamlessly transition from inside providers to outside providers
- Measure the effectiveness (and calculate cost savings) of outsourcing
- Continually redefine your core competencies
- Reduce complexity
- Reduce operating costs
- Optimize productivity
- Free up resources for "core" activities
- Reduce and share risks

Presented by



Registration Form

Please accept the following registration:

Which session are you most likely to attend on Thursday afternoon?:

- B. Contract Design or C. Contract Mfg.

Photocopy this form for additional registrants - please type or print clearly

Name _____

Title _____

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Please bill my    

Account # _____ Exp. _____

Signature _____

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Four Easy Ways to Register:

- PHONE  1-800-338-2223 or 781-891-8080
(Weekdays 9:00am-5:30pm EST)
- WEB  www.ManagementRoundtable.com
- FAX  781-398-1889
- MAIL  Management Roundtable
92 Crescent Street
Waltham MA, 02453

LOCATION & HOTEL ACCOMMODATIONS: The conference will be held at the Loews Coronado Bay Resort, 4000 Coronado Bay Road, San Diego, CA 92118. For reservations, call 619.424.4000 directly for room reservations. Please mention Management Roundtable to receive a special rate (we have a limited block of rooms).

CONFERENCE FEE: \$1295/person. Fee includes program materials, luncheons, reception, continental breakfasts, refreshment breaks, and complimentary 3-month subscription to *Product Development Best Practices Report*.

TEAM DISCOUNT: Groups of 3 or more may deduct \$100 per person on the 2-day conference. Groups of 6 or more please call 800-338-2223 for special pricing.

NO-RISK GUARANTEE: Your satisfaction is 100% guaranteed - money-back or credit.

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