



EMS Operations: Asia vs. North America

Lower price
does not guarantee
Lower Landed Cost



In the past ten-years, many companies followed the trend to move electronics manufacturing to Asia based on expectations of lower cost. Initially, they were able to achieve lower production costs for manufacturing of each board or assembly. Over the long run, many discovered their lower **OVERALL COSTS** did not last; instead they saw their costs increase. Perhaps you've had similar issues...

Achieving Best Overall Cost

At NEOTech, our design experts and manufacturing teams utilize over 40-years of experience to function as an extension of your team, enhancing your designs and streamlining production. Our end-to-end solutions provide our customers lower risk and a better value that ultimately benefits their end-users.



NEOTech's Concept-to-Customer Engineering Solutions will Lower Costs and Improve Product Design, Product Quality, and Production Efficiency

- ✓ Design Analysis - Design for Manufacturing, Test, Assembly
- ✓ Minimizing the Off-Shoring Risk Elements of your product launch
- ✓ Improved Yields Keep Overall Costs Lower in the long run
- ✓ Engineering Services/Solutions to Optimize your product design
- ✓ Better Security for Proprietary IP
- ✓ Lower Travel and Logistics Costs
- ✓ No Surprise Fees or Hidden Taxes
- ✓ Protection from future trade wars and tariffs
- ✓ Protection from government/civil conflicts



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Highlighted below are examples of common issues our customers experienced with other Asian EMS providers that resulted in higher landed-costs, and how NEOTech helped discover the solutions.

Production Yield

Problem

The customer launched production in to Asia with another EMS supplier prior to the design being stable. Multiple un-identified PCBA design inefficiencies caused production fall-out. Input we received was that many Asian EMS partners were slow to report design flaws.

No Design for Manufacturing (DFM) solutions to analyze product designs were made available to help improve product yields.

Asian manufacturing team continued with production despite increased fall-out. The customers had to absorb higher-than-expected scrap costs.

The Asian production team neglected to proactively provide constructive input that would have been beneficial to both organizations. Once discussed, they failed to follow through with promised improvements.

We have been made aware of many situations of counterfeit electronic components causing serious degrade to product quality/reliability, also damaging the customer's reputation.

Solution

NEOTech North America team performs a detailed DFM analysis on every PCBA at design file hand-off; prior to beginning production. The DFM analysis is essential to locate design inefficiencies and reduce production fall-out.

The up-front expense of a DFM analysis is quickly recouped through higher yields and reduced scrap rates.

NEOTech empowers and encourages our entire staff to raise "red-flags" on design or production issues before or during manufacturing to keep customer costs down.

NEOTech only utilizes qualified vendors for component fulfillment, and performs thorough incoming inspection to insure the highest quality components for each assembly's BOM.

IP Security

Customer discovered their proprietary product designs were being copied by outside contract manufacturing partner and used in competing offerings. Their understanding of how their designs were copied and leaked from the Asia manufacturing site yielded no resolutions.

All global NEOTech locations stand-by the legal requirements of the joint NDA's with our customers.

We are proud of the trust and relationships we've established with our customers, and ensure we have the procedures and technology to protect your proprietary information; because when you're successful – we're successful.

Hidden / Surprise Fees

Problem

The initial lower production costs were quickly eroded by:

Surprise fees for additional labor hours needed during meetings and production down-time.

Hidden expenses for Value-Added Taxes (VATs) on goods manufactured in China and imported into USA.

Increased travel and logistics costs for on-site Quarterly Business Reviews (QBRs) and product launches.

Lower cost unapproved components resulting in Quality problems – damaged customer's product reputation.

Solution

There will be no hidden fees for design and production efforts. Our quoting experts will work closely with your team to capture all design and production requirements for the most competitive price possible.

In the event of unanticipated work for your project, NEOTech's priority is to proactively communicate to you all possible cost adjustments so there are no surprises.

North American production eliminates hidden taxes or tariffs, while also reducing shipping charges and simplifying logistics.

Frequent and regular supply-chain analysis to locate the lowest cost, approved and qualified components.



Let's discuss your specific design and production requirements, and together – we'll find a solution tailored to fit your needs.



WE MAKE AMAZING THINGS HAPPEN.®



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