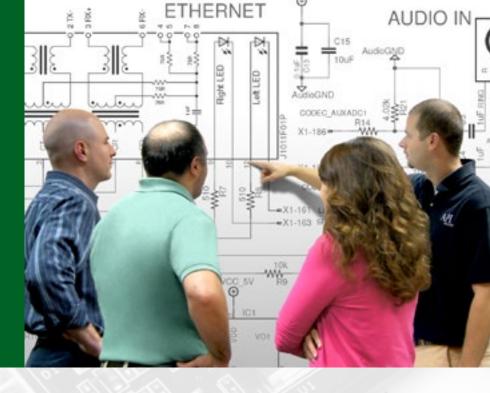
# Is it time to outsource?

Electronic Controls
Electro-Mechanical Assemblies
Engineering Design

**A DECISION GUIDE** 



# Where is our new product going to be designed and produced?

This is typically the first question that comes up when a new project or product is being planned. Deciding whether to insource or outsource your project can be tricky. Sometimes, you don't even know the right questions to ask.

## Helping you find the best solution is the purpose of this Decision Guide.

Start by having your team answer the questions to the right.

# API

"Partners in Design and Production"

## 1 Can we do the work internally?

Do we have the technical capabilities to complete our project?	□ <b>Y</b> es	□No
Do we have the manpower?	□ Yes	□No
Do we have the facilities, floor space and equipment?	□ <b>Y</b> es	□No
Can we meet our deadlines?	□ Yes	□No
Can we purchase the components at competitive rates using internal resources?	□ Yes	□No
Will we be able to maintain our core focus and not affect other important efforts?	□Yes	□No

If answers are all "Yes", you should be OK to keep do the work in your facility, with your personnel.

"No" answers suggest you might need to outsource. So what's next?



### Focus on what you need and clarify your goals.

#### Quality

## Consider how outsourcing may affect your ability to produce quality products.

Quality is critical. Make certain your outsourcing partner has an established quality program with process control steps in place. It's important they clearly document each step in the process and perform periodic quality checks, then report information directly to you to make certain your quality expectations have been met.

#### **Delivery**

#### **Define your turnaround requirements.**

When you outsource, there's always a concern about your outsourcing partner's turnaround time. Discuss your expectations for standard and expedited turn time with potential partners before choosing. Establish parameters to ensure your time-frames are met.

#### **Consider volume requirements.**

If you have small to medium volume projects, but don't want to interrupt your normal operations or maintain costly inventory, outsourcing may be the answer. Give your partner the specs and let them produce just what you need, just when you need it.

#### **Visibility**

## Investigate controls and feedback you would like to have to monitor your project off-site.

It's natural to have an initial sense of concern about outsourcing. That's why you need to make sure your partner has systems which give you instant insight into progress, completion and standards at each established check point.

#### Cost

#### Look at budget constraints you may have.

When choosing whether you should outsource, you must consider budget constraints and your expertise. It always makes sense to keep your project in-house if you can do the job correctly and quickly. If your team is tied up with other projects, it is going to take you much longer



to complete the job. It might be better for the budget to outsource. Just be sure your outsourcing partner has expertise in the project.

## Think about whether outsourcing is a better option than capital expenditures.

Outsourcing your electronic controls and electromechanical assemblies is a valuable alternative to spending on capital equipment or keeping production staff for a project outside your company's capabilities.

## **Project Growth and Management**Quantify company growth plans.

Do you see your business changing/growing dramatically over the next few years? If so, be sure to pick an outsourcing partner who can grow with you. Look for an outsourcing partner willing to adjust to your business demands by adjusting their staff and capabilities.

#### **Logistics and Location**

#### Evaluate if partner facility makes logistic sense.

Although shipping costs are important, logistics is more than just shipping. What about onsite visits? The good news is that almost every issue which might come up can be handled via technology without making a trip. If a quick visit is needed, how much effort/cost will be involved? Will it be a problem if key personnel are offsite overnight? If all things are equal, choosing a partner "close to home" might make more logistic sense to your company.

## You're ready to find the best outsourcing partner.

It's important to choose a <u>partner</u>, not just a vendor. Asking questions about how your goals align with a potential partner's capabilities will help you make the right decision.

### Ask these questions to evaluate potential partners:

Quality:	API AI	liance	#2	#3
Does this potential partner	□Yes	□No	□Yes □No	□Yes □No
have a quality plan?				
Delivery:				
Can they handle our volume, delivery schedule, lead times and turnaround?	□ Yes	□No	□ Yes □ No	□ Yes □ No
Visibility:				
Will my project be lost once inside partner's facility?	□Yes	□No	□ Yes □ No	□Yes □No
Cost:				
Will this outsourcing partner be able to meet my critical cost	☐ Yes	□No	□ Yes □ No	☐ Yes ☐ No
factors, price and capital expenditure constraints?				
Project Growth and				
Management:				
Will this partner be flexible with changes in my company's	☐ Yes	□No	☐ Yes ☐ No	☐ Yes ☐ No
growth and requirements?				
Logistics and Location:				
Will this partner's location	☐ <b>Yes</b>	□No	□ Yes □ No	☐ Yes ☐ No
make it efficient to move our product?				
Will it be easy to visit?	□Yes	□No	□Yes □No	□Yes □No

## **API ALLIANCE**Business Advantage:

Partnership	What that means	
API Alliance works with each client to develop a plan to meet their specific needs, becoming an extension of our client's engineering and production departments.	You get a plan that meets your specific need, and you also get an extension of your business.	
Quality	3	
API Alliance develops and maintains a comprehensive assembly process for each of the products we build. The process builds the product, our talented staff follows the process, and quality checks/final testing guarantee the results.	You get guaranteed results every time and peace of mind.	
Creativity		
API Alliance offers creative solutions by utilizing its extensive multi-industry experience and collective years of engineering and manufacturing development.	You not only get a plan to solve your problem, you get the solution you want.	
Delivery  ADI Alliance combines a multi-ention flevible procurement		
API Alliance combines a multi-option, flexible procurement plan with adaptable production scheduling, and a process-driven approach, minimizing our reaction time to maximize the net results.	You get product when you need it and you don't have to handle the details.	
Visibility		
API Alliance utilizes a full set of forms, documents and automated reports - that allows our production efforts to be updated and available to our clients upon their request.	You can come for a visit and see our operation any time.	
Cost		
API Alliance provides cost-effective assembly services and multi-option, flexible procurement plans for BOM items. We will work with you to determine the best route needed to stay within budget constraints.	You stay within your budget no surprises.	
Growth		
API Alliance's production options and versatile staff are able to adjust for volume growth, while our engineering staff is always on the cutting edge of technology enhancements.	You get what you need plus you control the order process	
Logistics		
API Alliance is centrally located in the heart of the Midwest, simplifying shipping and client visits.	You have easy access to us and speedy deliveries.	



## Begin the partnership with a 'test' run.

Why not schedule a test run with us today?

We're ready to be your Partners In Production. Give us a call and lets get to work!

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