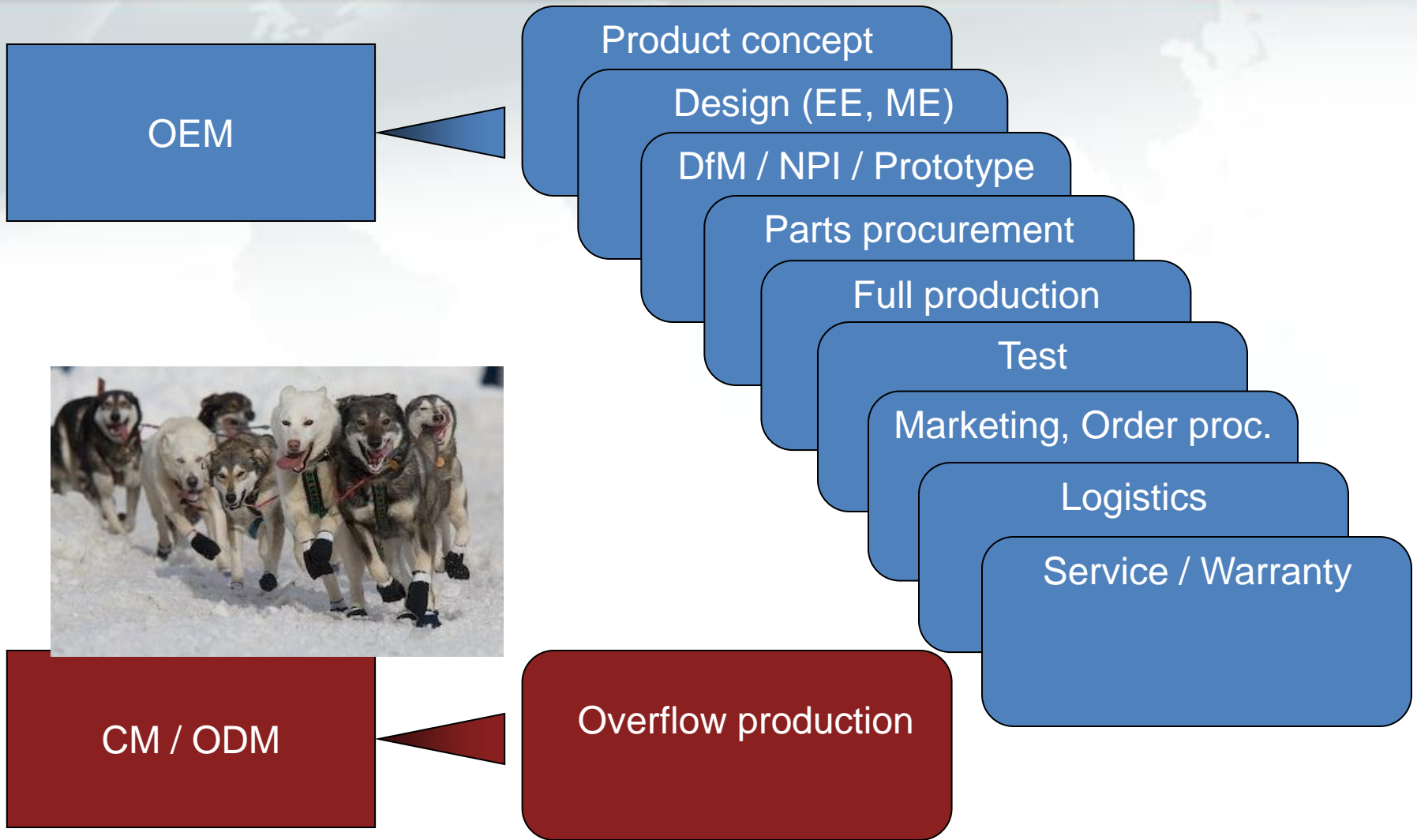


# EMS and ODM Vital Roles in Customers' Sustainability Roadmaps

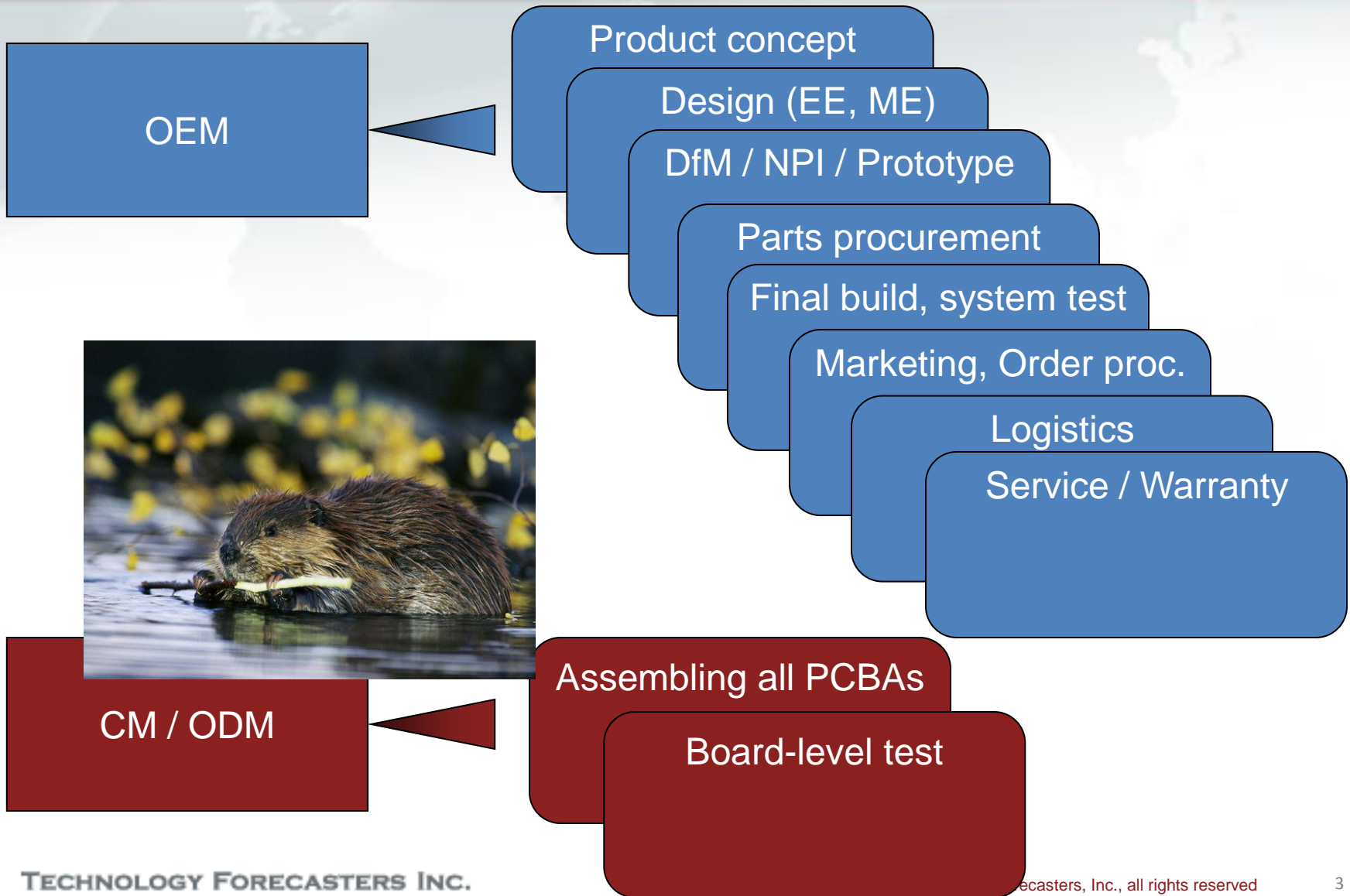
How to create competitive advantage  
and increase customer loyalty

By Pamela J. Gordon  
President, Technology Forecasters Inc.

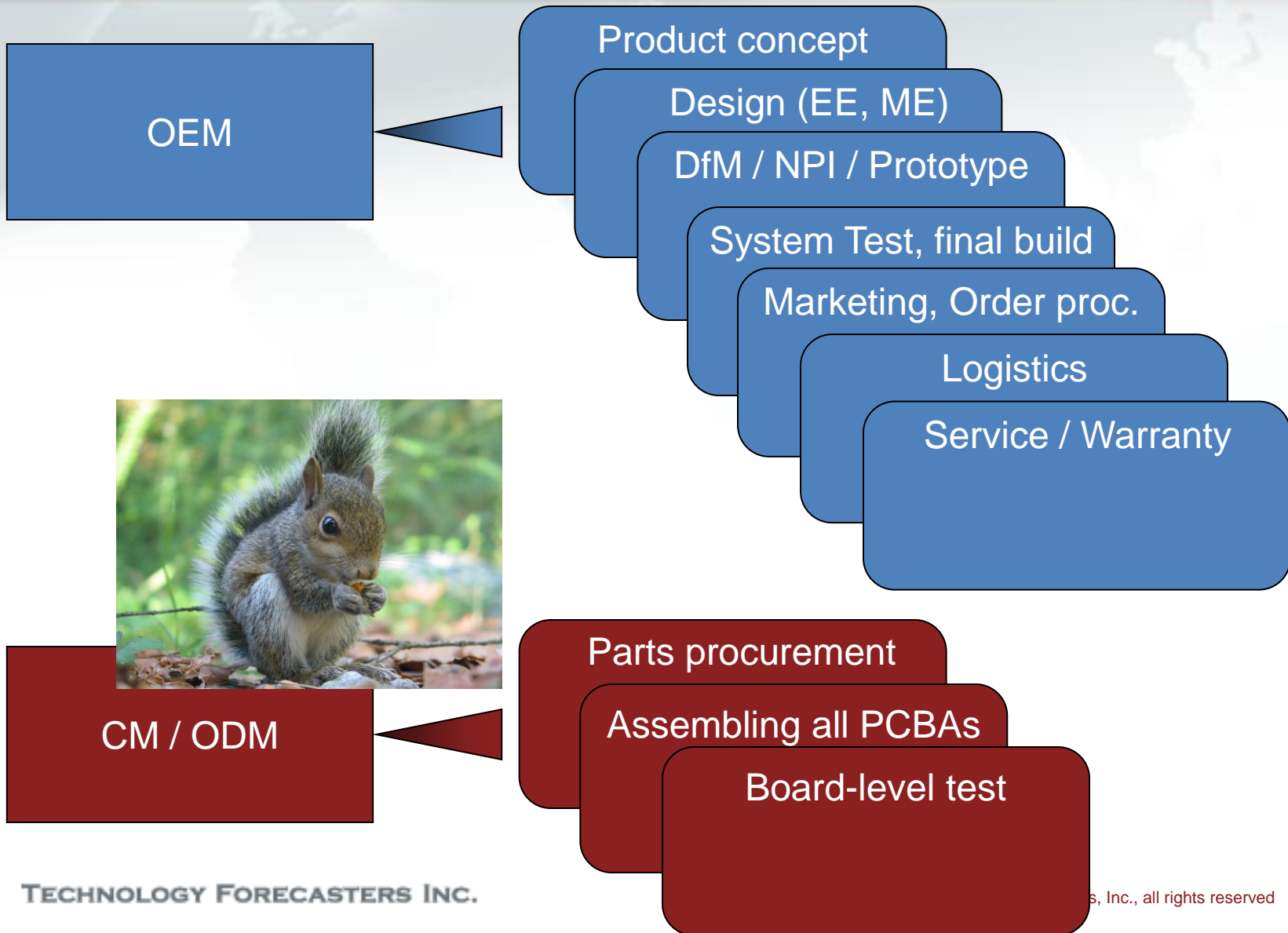
# OEM and CM / ODM -- Who did what Pre-1985?



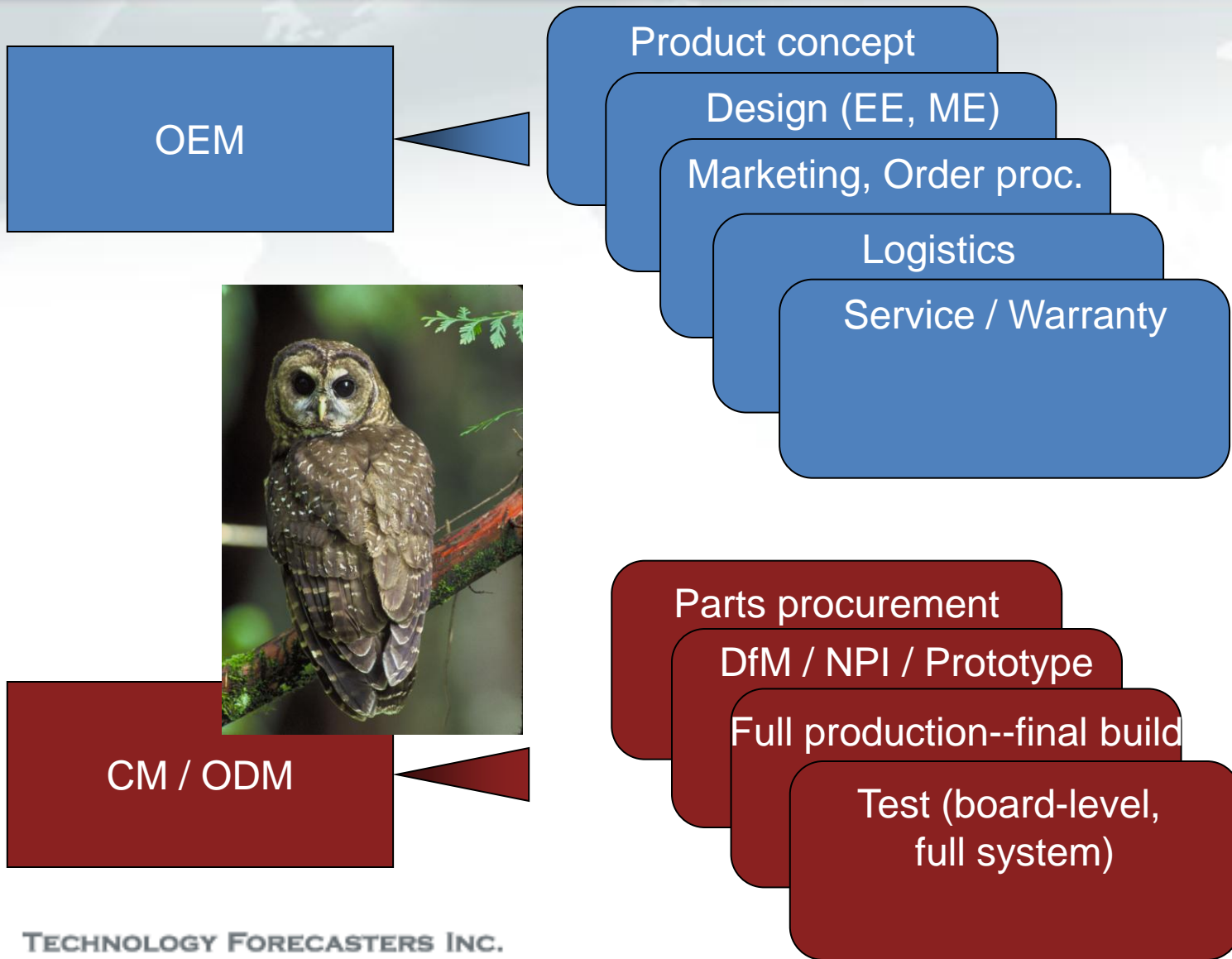
# OEM and CM / ODM -- Who did what from 1985-1990?



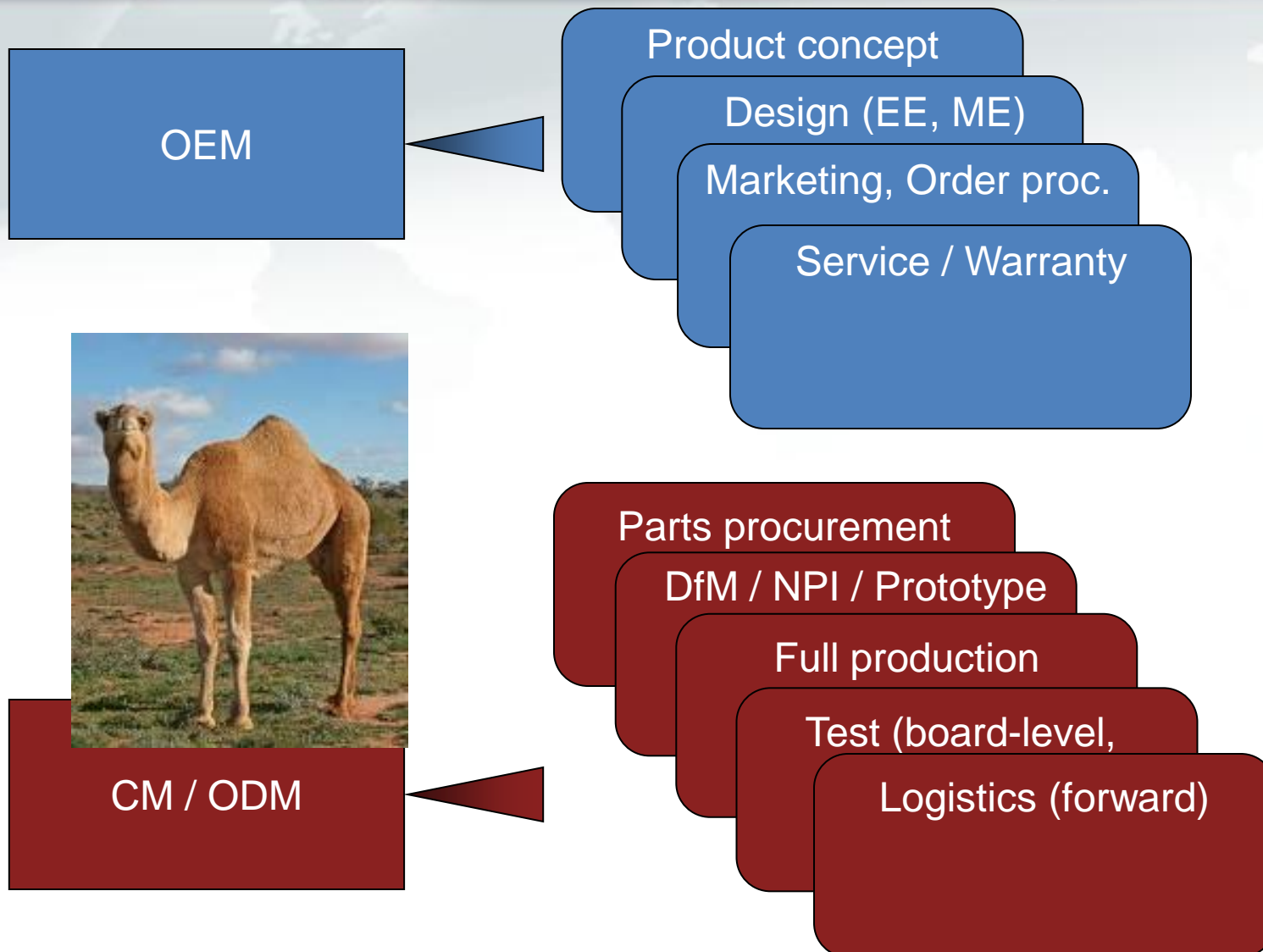
# OEM and CM / ODM -- Who did what from 1990-1995?



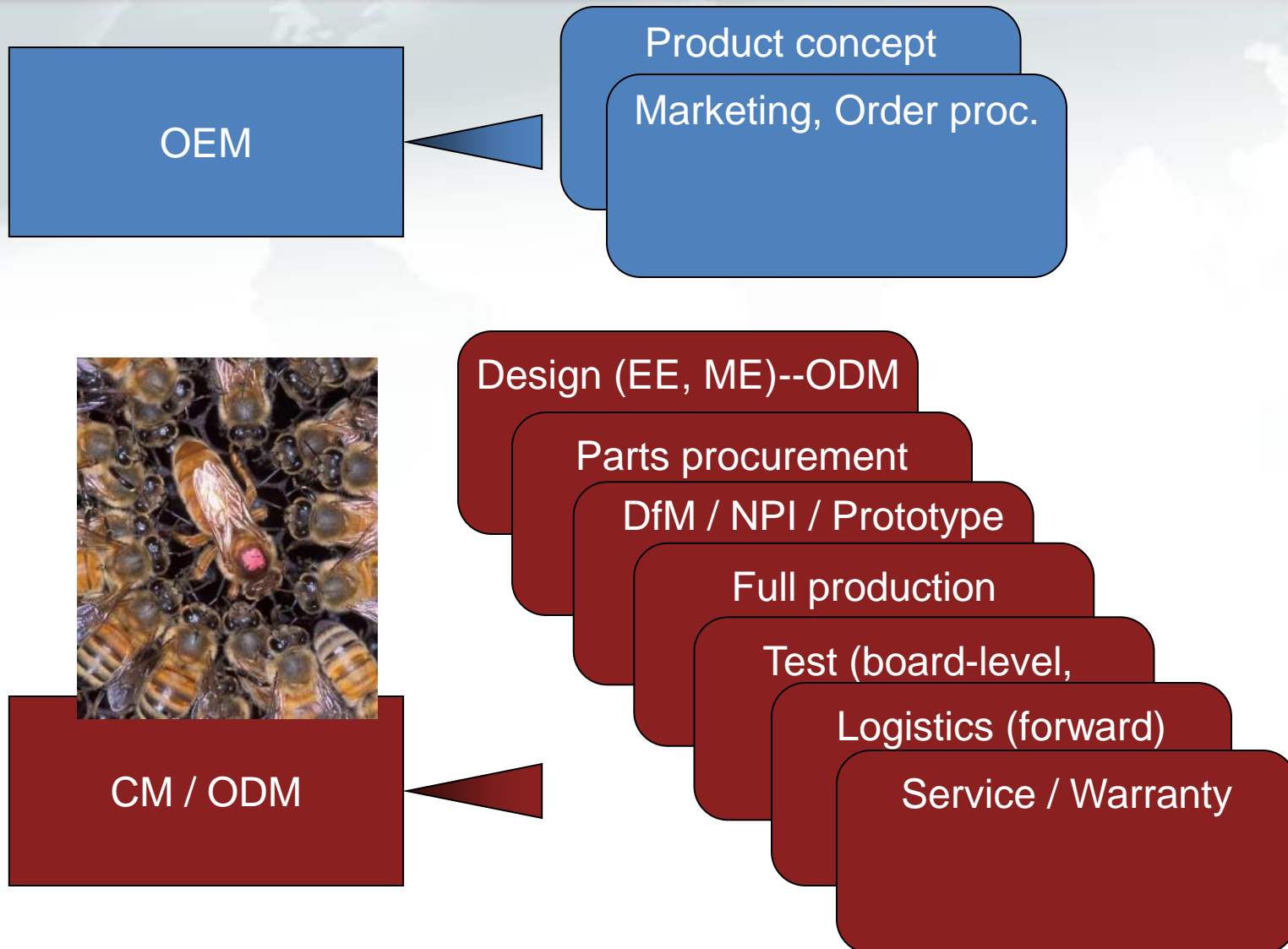
# OEM and CM / ODM -- Who did what 1991-1995?



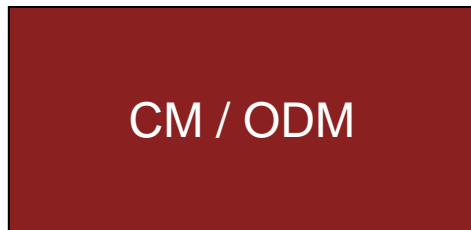
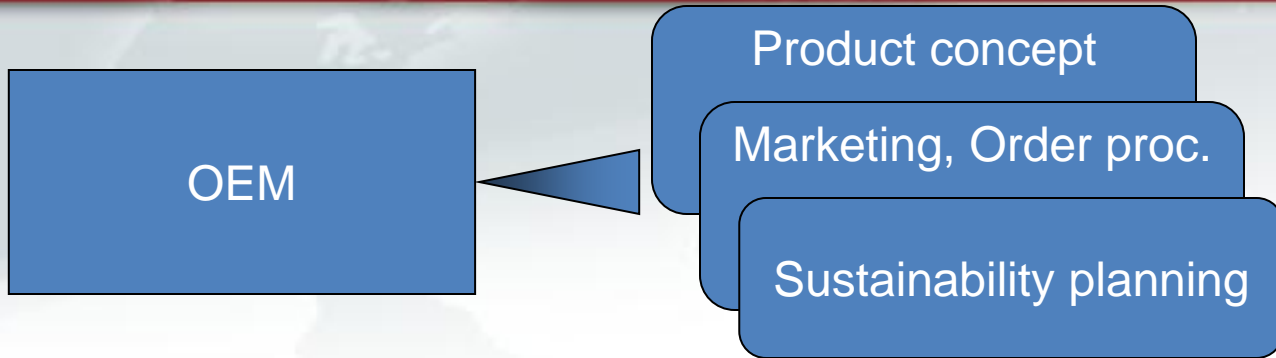
# OEM and CM / ODM -- Who did what 1996-2000?



# OEM and CM / ODM -- Who did what 2000-2005?



# OEM and CM / ODM -- Who did what 2005-2010?



# CMs / ODMs now own the eco system!



So...

# CM/ODMs now have the most opportunity for...

<b>Sustainability Element</b>	<b>CM / ODM</b>	<b>OEM</b>
Design for Environment (Products)	Substances, fasteners, packaging	Big concept changes, such as Cloud, SSDs
Purchase benign, responsible substances	Head of supply chain	At the mercy of CM/ODM to disclose substances
Transport efficiently	Manufacturing facilities around the world	Insist on CM/ODM manufacturing close to customers
Reuse / recycling	Collection, refurb, reuse, recycling	Offer Take Back

# What we're hearing

“Partial disclosure is like no disclosure.”

“The advantages of outsourcing are cost reductions and flexibility, but what we compromise is our ability to manage what is in the products.”

“The number of viable CM/ODMs will decrease over this issue.”

“The book on compliance will be written in 10 years.”

“The large, adept CM/ODMs will have tremendous competitive advantage”

## “High Risk” suppliers

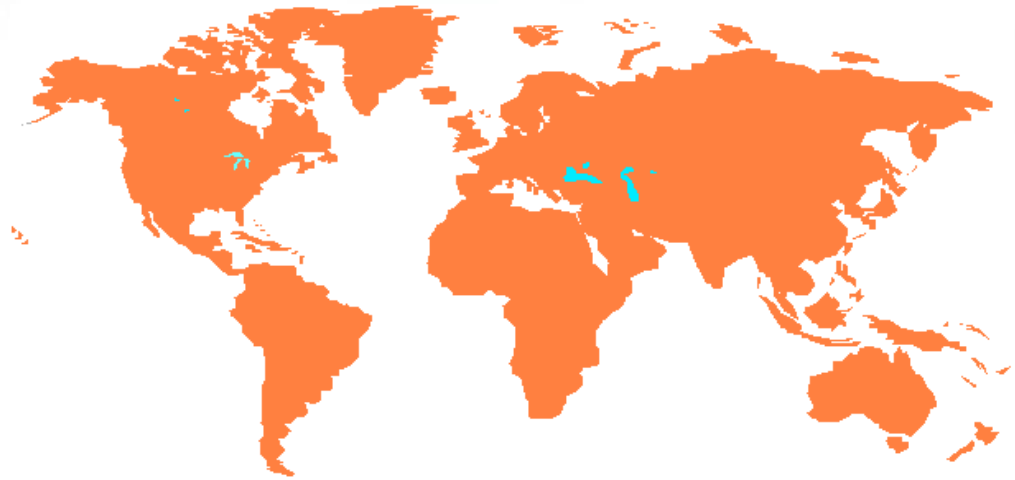
“We’re asking our CM/ODMs to answer specific questions about product content. Suppliers that take a long time in responding, need reminders, and/or respond with dubious data go on our “high risk” list.”

-OEMs

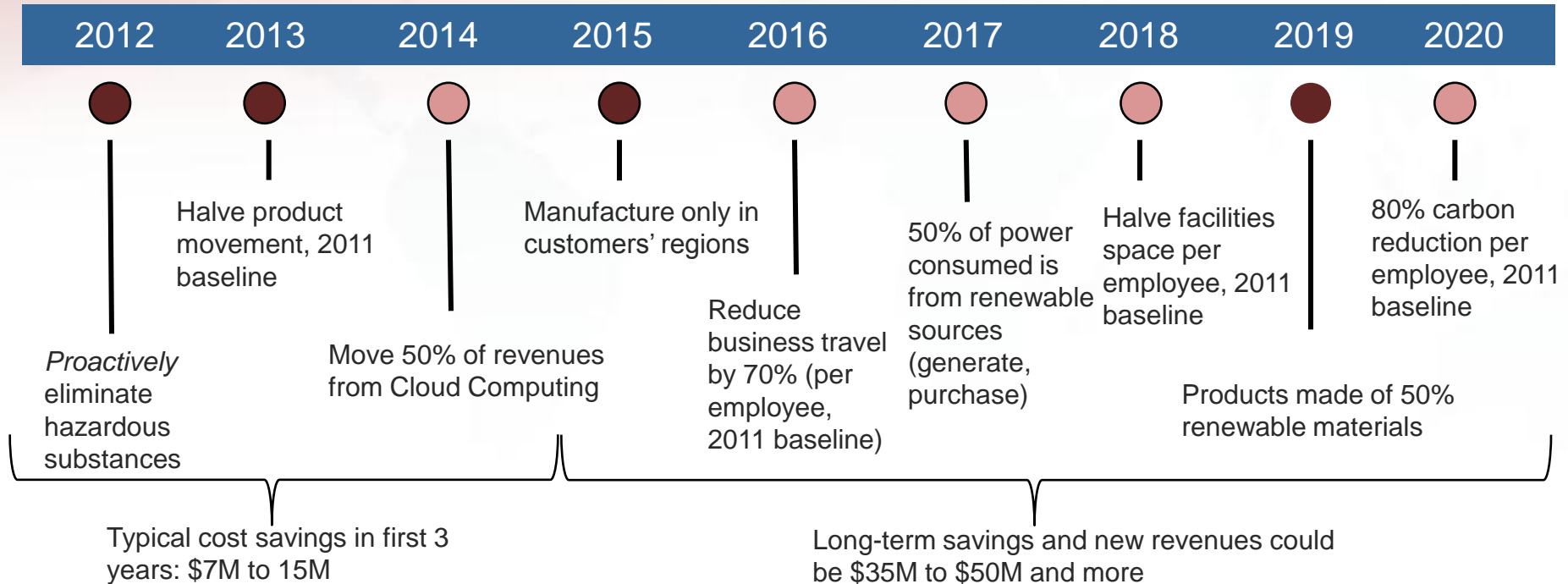
# What do CM/ODMs need to have in place to win?

*Attach* to the OEM's long-term sustainability roadmap

- All products, all geographies



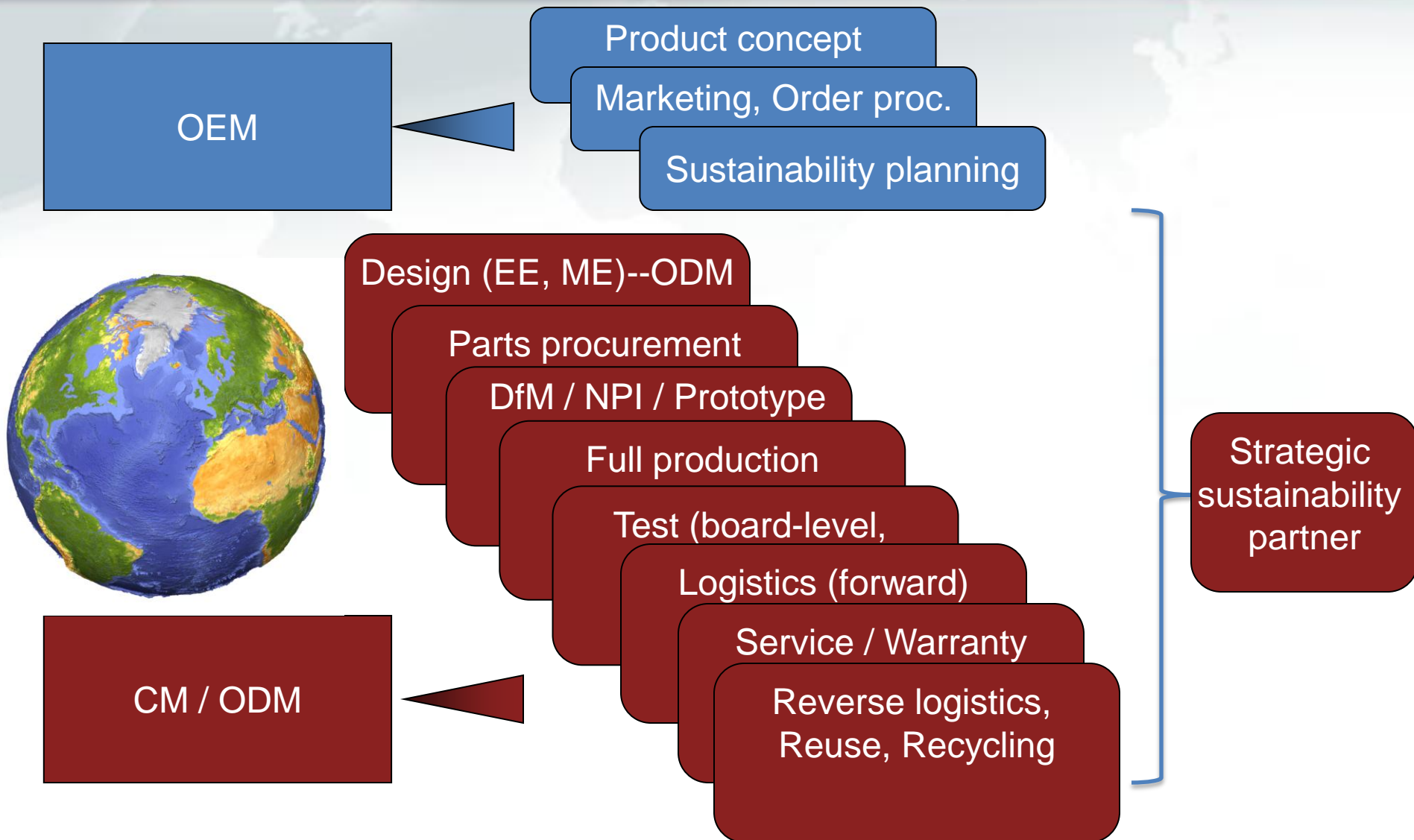
# Sample OEM Sustainability Roadmap



## Role of CM/ODM in OEM's roadmap:

- Primary
- Supporting

# OEM and CM / ODM -- Who will do what 2011-2020?



# Recommendations

- OEMs
  - Choose CM/ODMs that are partners with you in executing your long-term sustainability roadmap
  - Share your roadmap with their top executives, see what's possible
- CM/ODMs
  - Benchmark yourselves against peers in areas of sustainability important to your OEM customers
  - Gain CEO buy-in in making sustainability a serious and lasting competitive advantage

**Thank you!**

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