



The Great OEM Race

Four Obstacles on the Track to Success
and How to Overcome Them

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You're In A Race

It's a race with manufacturers of products that compete with yours, with services that displace your products, with new technologies that supersede those upon which your products are based, and it's a race with yourself.

It's a race to get to market faster than any of these others, to keep your offerings in the vanguard and front of mind with customers. It's a race to stay relevant, to maintain leadership, to define your segment and to keep being the category-killer in your category.

It's a race you can no longer win alone.

Virtual Victors

If you've been involved with technology long enough, you'll remember a time when customers preferred that everyone they worked with from your company received a W-2 form annually from your company, meaning that they were a full-time employee. That requirement is now ancient. Customers don't care who employs your resources, as long as their problem gets fixed.

Some of the largest companies in the technology industry estimate that they have almost 100,000 employees, and just about as many contractors and subcontractors.

Today, it has become not only highly possible, but also clearly preferable and more productive to assemble a company by outsourcing functions that are not core to the business, and perhaps even some that are very close to the core.

1

Improving Efficiency

Compare the hiring of an employee to subcontracting someone to perform the same function. The employee must first be located, recruited, evaluated and hired. A costly process to say the least, plus the recruitment fees that can accompany many hires.

Then the employee must be trained and acculturated. At best, it will be a few months and some tens of thousands of dollars spent before this employee begins becoming productive. At worst, the employee doesn't work out, either in your perception or theirs. They leave the company and the process begins again. All that time and financial expense wasted.

The contracted professional is already trained – administered by their own employer – and ready to start work immediately upon engagement.

Their employer is deeply invested in providing the right talent quickly and accurately. At best, they begin contributing value quickly. At worst, they turn out to be wrong for the assignment and their employer draws from its remaining resources to replace them quickly.

Even in the course of their project should any subcontractor become incapacitated, the burden is on their employer to replace them and keep the work flowing. In the case of outsourcing projects or processes, staffing transfers completely to a partner. Work continues unabated.

Support resources are available in abundance from the right partner, too. They routinely perform similar work for others and so maintain all the resources necessary to accommodate volume and velocity far in excess of yours.

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2

Increasing Revenue

Every organization consists of a group of departments. But it is not necessarily reasonable to assume that all departments are equally resourced, developed or prepared to fulfill their function.

The healthiest businesses, of course, are those that can achieve self funding the fastest. Often times, external capital – either from investors or lending – puts undue pressure on the operations, and sometimes this leads to making decisions for the wrong reasons.

So companies outsource functions like R&D and customer-facing activities, freeing them to focus their resources on big-picture issues and prepare for their own individual road ahead.

Companies finding themselves in this situation may seek adjacent technologies or products that are sold to the same customers they are selling to. By aligning with these other manufacturers and service providers, these companies can access the excellent existing relationships that have already been established, shortcutting the sales process significantly.

A company can accomplish this in any of three ways:

- ▶ Engaging the sales and marketing capabilities of a company that is highly familiar with the technologies and products that share their markets
- ▶ Aligning itself with other manufacturers to go to market with
- ▶ Building a reseller partner channel consisting of companies that routinely resell similar and adjacent products to their own

Many manufacturers choose to pursue all of these paths simultaneously. Most often, they find one or the other more productive and eventually focus their attention on that one. This usually has the additional benefit of reducing channel conflict between direct and indirect sales groups.



3

Improving Time to Market

As we said at the beginning, you're in a race. Those who bring a new technology to market first often enjoy a far larger market share than subsequent entries. They often get to further define their category and come to own their segment. Even the largest manufacturers are finding the need to frequently retool and restructure to keep up with the demands of a market that is rapidly changing.

With all of the investments that companies are prioritizing, companies may consider partners who can assume workloads — and sometimes even your resources — to deliver on part of your product lifecycle, from supply chain to end-of-life management. They need partners who stand ready to provide these immediately.

4

Reducing Complexity

Data experts will tell you that every time data is transitioned from one place to another, an opportunity for loss or error is created. Process managers will tell you the same thing about workflows. The same is true for any manner of manufacturing, distribution, marketing and sales. The more parties that become involved in a process, the more latency is introduced, and the more opportunity for error or other kinds of delays.

The solution is to engage as few organizations as possible while maximizing the efficiencies achieved by turning to experts in their respective fields. By far the best possible outcome is to find many reliable resources within the same organization.



Eating Stress, Overcoming Pressure

Everyone in your ecosystem wants you to succeed, and that's good. Investors want you to succeed sooner and return on their investments faster. Customers want tomorrow's solution today; in fact, they need it. The IT industry continues to expand and diversify, providing all manufacturers with new competition and new challenges daily.

You're in a race, and there are hurdles and obstacles to overcome. Your best weapons are your open and fertile mind, your innovative nature and your willingness to toss tradition aside and build your business with all the creativity you can summon.

At Shyft Global Services, we've developed global resources and facilities designed to give you that creative, innovative, responsive, experienced partner who knows your industry, understands your markets and is ready to step in wherever and whenever you need us.





One Shyft is All it Takes

Shyft Global Services is a leading technology lifecycle service provider that partners with companies around the world to shift the way they do business. Powered by a robust global logistics network, team of outsourcing experts and decades of experience, Shyft's end-to-end product and customer lifecycle services enable technology companies to reinvest in growth, transformation and innovation.

Ready to shift your business forward?

To learn more, visit: shyftservices.com