

How the customer is driving the future of sourcing

Shenzhen

Why the silicon valley of hardware ?

Supply chain

Shenzhen is not only known for electronic but a diversity of suppliers within the area of Shenzhen:

Shenzhen area: Baoan, Longhua, Longgang
(2017: 39.2% of Guangdong total export, high tech products accounted for 46.7%)

Dongguan area: Machinery, textiles, furniture, electronics and food processing
(2017: 8.4% of Guangdong total export, high tech products accounted for 41.2%)

Huizhou area: Electronics and petrochemicals
(2017: 16.7% of Guangdong total export, high tech products accounted for 58.6%)



Ecosystem

Shenzhen is a mix of makerspaces, incubators, accelerators, SMEs and larger enterprises.
It is easy in Shenzhen to visit factories, to meet the boss.

100 renowned VC companies

400 Makerspaces, incubators and accelerators provide technical support, guidance for startups.

500,000 SME and larger enterprises to support manufacturing.

China's Greater Bay Area plan to see the vision of Guangdong, Macao and Hong Kong developing into
An integrated bay area

Speed

A high-speed train, likely a Shinkansen, is shown on a track. The train is white with a blue stripe and is moving towards the left. The tracks are made of concrete and steel. In the background, there are power lines and a clear blue sky. The train is on a raised track with a concrete wall on the right side.

We often hear about Shenzhen Speed.

More and more rapid prototype manufacturing (Quick PCBA, 3D printing, CNC, silicon molding...).

Quick feedback with suppliers.

Quality and CSR

Quality

It is no more the cheap “Made in China”.

Companies are better understanding quality requirements from occidental customers.

Use of quality methods.

We often hear 外贸公司 to emphasize the fact that the companies/factories understand foreign clients’ quality expectations.

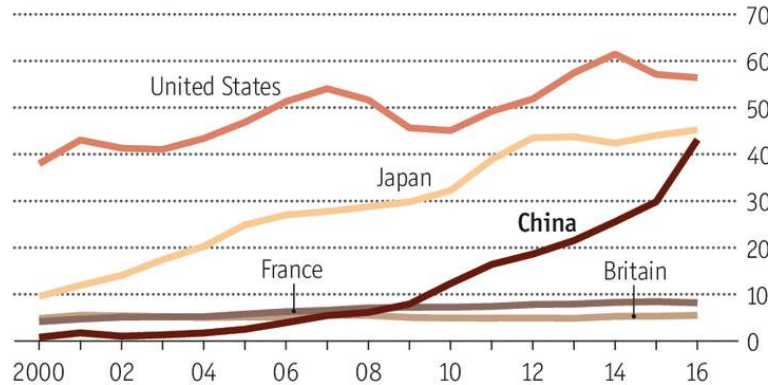
CSR

More and more startups are pushing suppliers to have a code of conduct, pay attention on the working conditions and on labor law minimum wages.

Innovation

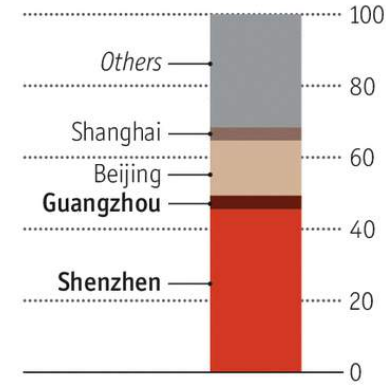
Shenzhen is not more copycat city

International patent applications
'000



Sources: WIPO; SIPO
Economist.com

China's international patent applications by city, %, 2016



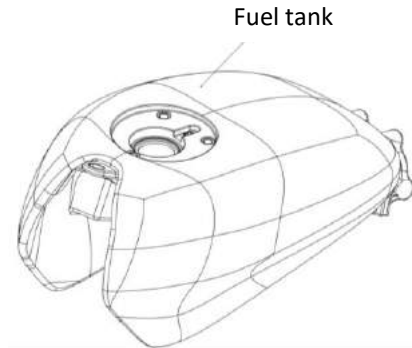
Shenzhen

Why is it better to do in Shenzhen ?

Agility

Flexible in lead-time, in quantity, in specification definition

Request from client for custom made motorcycle to prototype in China because of time flexibility, small quantity production



Why in China ? And not in France

Quicker and flexible on specification (nothing is fixed). The project is progressing, specification keeps being updated testing methods change...

Small quantity

Product launch quicker

Use of 3D print parts for production of small batches = no mould open, cheaper



Connected speaker

1st batch of products = 50 pcs

3D parts + pcba prototyping

Development = 2 months

Shenzhen speed

Production of vaporizer quicker

Need to start the production asap to fulfill the orders



Industrialization + sourcing = 1 month

SOP = 1 month

Ramp up 60k per months =2 months

Quality

Problem raised the morning

Testing all possible root causes, quick analysis



Resolve the problem of water in the battery box for skateboard

**Proposal of solution end of the day,
continual communication with USA**

CSR

Ensure good working conditions for factory workers

Work to make production more efficient with assembly jig and inspection fixtures

Work together with CSR auditing company Responsibilities to increase efficiency & reduce overtime levels



THANK YOU



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