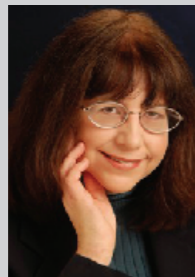


ROBUST

tick on the Bucket List

With over 27 years' experience in the industry, Susan Mucha has built a distinguished career both working in and consulting to EMS companies. We also keep her busy as our American columnist on EMTWorldWide, but she has managed to find time to write a book on the EMS sector. In this interview, EM&T asks her for both her views on the EMS industry as well as some background on her new book.



In 'Find It. Book It. Grow It. A Robust Process for Account Acquisition in Electronics Manufacturing Services', Susan Mucha explores in great detail the entire account acquisition process of companies in the electronics manufacturing service (EMS) industry. EMS companies face the challenges of a 12- to 18-month sales cycle, low margins and geographically scattered customer bases. Growing the business requires a differentiation strategy and a focused process for maintaining mindshare within a diverse target market. Susan Mucha maps the process of building a differentiated brand while creating a repeatable, consistent sales process, and addresses strategies for account retention and growth.

Where can you get the book from?

UK distributor of Find It. Book It. Grow It is IHS ATP (www.ihsatp.com). It is also available through publisher Penwell (<http://store.penwellbooks.com/fiitboitgrit.html>) and will also be in IPC and SMTA bookstores.

EM&T: Is this your first book and what made you want to write it?

Mucha: It is my first book. I jokingly tell people that writing a book was on my bucket list (As in the film *Bucket List* - the list of things you do before you kick the bucket!) and now all that is left is winning the lotto. Since one of my first book launch events is speaking at the EMSI Management Forum at APEX in Las Vegas, I may finish the entire list soon. As they say in Vegas, anything can happen.

But seriously, one of the advantages of working in an industry for nearly three decades over a range of companies is that you start to define processes and see what works and doesn't. I chose to go from corporate life to consulting in part because I felt I had developed a repeatable process for branding EMS companies and improving efficiency in the account acquisition process. I fine tuned with development of the EMS Concentric Selling™ training course and various seminars and tutorials I presented at industry conferences. The book was a natural evolution of the materials I developed in the first five years of my consultancy.

EM&T: Was it difficult?

Mucha: When my publisher sent a contract in late 2006, business was steady but not overwhelming and I thought 2007 would be a good year to write a book. As it turned out 2007 was a record sales year for Powell-Mucha Consulting, Inc. The book got written on weekends, nights and holidays because there wasn't a lot of spare time during normal business hours. However,

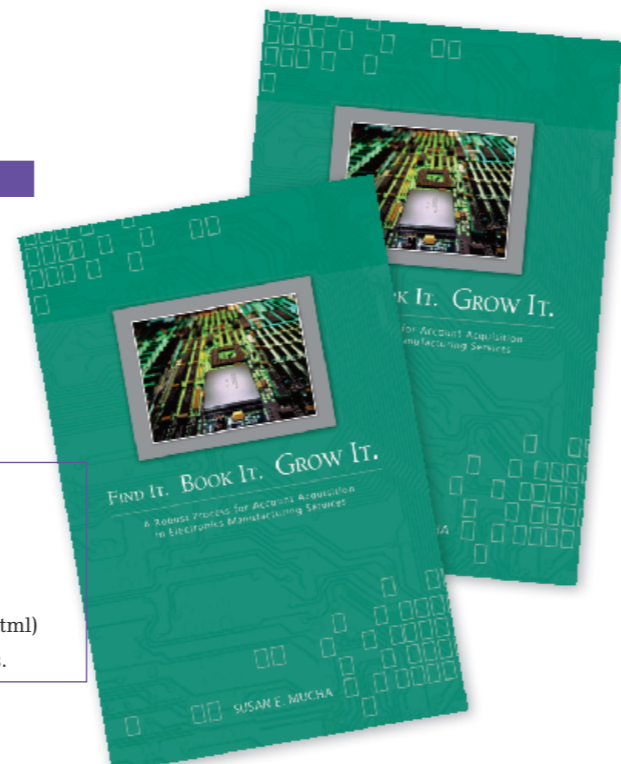
now that I have finished product, I'm glad I gave up all that spare time. The EMS industry has some unique quirks and I'm proud to have written the first book to really look at challenges and options in detail.

EM&T: Let's switch to industry issues. First, is the EMS market in North America still evolving?

Mucha: I think the EMS industry globally is still evolving. Companies of all sizes are finding that they need to change their business models to both meet the needs of their customer bases and continue to be profitable. I think companies at the top are finding it hard to be nimble enough to serve smaller accounts and companies near the bottom are finding that customers still want a full range of services from their smallest suppliers. Some companies are meeting that challenge, others aren't.

EM&T: Is the North American model typical of the rest of the world?

Mucha: Yes and no. The North American model of full service, turnkey manufacturing is still the most popular model in the EMS industry, but there are regional variations. In Japan, contract manufacturers evolved as dedicated subcontractors to major OEMs. In essence they had one customer and a very focused model to serve that customer. When Japanese OEMs outsource, they tend to keep more control of the materials function and like to work with companies that recognize the need for a very customized



menu of services. In Europe, OEMs have tended to retain more control in the outsourcing relationship. For example, US companies embraced turnkey vs. consignment contract manufacturing and outsourced product development much earlier than their European counterparts.

EM&T: You have extensive experience in this field, what have been the biggest changes you have seen in the electronics manufacturing market

Mucha: When I started in the EMS business I used an IBM Selectric proportional spacing typewriter. Fortunately, the company I worked for got the contract to build the IBM PC, so I had one of the first PCs used in EMS sitting on my desk by my second year on the job. Looking at where the industry was in 1981 compared to where it is today is by far the biggest change. We do things today in engineering and manufacturing in seconds that 27 years ago took days to get done. Companies that started in garages or around kitchen tables are multi-billion dollar global business entities. The journey this industry has taken to get from there to

here is pretty impressive and a lot of the people that helped establish the framework that made all this possible were engineers and managers who were simply excited by the potential of an industry whose "product" was transforming ideas into products as efficiently as possible.

EM&T: Have these changes benefited the OEM, the EMS provider, or offshore EMS provider?

Mucha: The growth of the industry has benefited all the stakeholders in one way or another. One of the reasons the world has so rapidly globalised in the last few decades is because of the availability of EMS companies in emerging labour markets who eliminated the risk and learning curve that would have otherwise been present for OEMs establishing facilities in that part of the world. While there will always be OEMs who aren't afraid to globalise on their own, EMS has provided a safety net for gauging the benefits of offshore manufacturing for a lot of conservative OEMs who would not have gone offshore as rapidly on their own. The real challenge is making sure the

industry continues to grow in ways that make sense for the business model. The free trade, fair trade debate has some validity. In some regions, companies are actually training competitors who may end up with a home field advantage not extended to foreign-owned companies once that training period is over. Similarly, the Tier One model supports a finite number of companies and the market shakeout that would help that sector never quite seems to happen. I think over the next decade we'll see the mid-tier segment continue to thrive because they address project sizes not attractive to Tier One and have the widest pool of available prospects. I think the Tier One segment will continue to evolve into a range of more differentiated business models that will include EMS, but will not be limited to traditional EMS.

Susan Muche regularly contributes to EMTWorldWide. If you would like to receive this weekly newsletter please register at EMTWorldWide.com

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