

## ***CSP Global Inc. – Global Manufacturing Solutions***

### **WHO WE ARE**

CSP Global Inc. was founded in 2008 to provide global manufacturing solutions to OEMs and suppliers. Originally the international manufacturing arm of Central Screw Products (established 1924), CSP Global has expanded this competency to serve various types of customers. From part-by-part manufacturing options to full W.O.F.E. setup in China, CSP Global's knowledge of China and international manufacturing is unparalleled in ingenuity and successful deliverables.

### **GLOBAL MANUFACTURING – JINING, CHINA**

CSP Global operates a business technical center in Jining, Shandong, China. Jining is located in close proximity to the heart of China's domestic heavy truck manufacturing center. This regional proximity provides CSP Global with an advantage of a well educated and diverse group of manufacturing factories. Jining is strategically located outside of the higher operating cost zones of China (Shanghai, Beijing, etc.), but still has logistics connectivity within domestic China and for export. Each advantage to this area is detailed below:

#### **Manufacturing Cluster**

Jining is located 3 hours from Jinan, China. Jinan is home to SinoTruck, which has been steadily increasing production since 2001. Due to SinoTruck's requirements and culture, the factories in this region have been well educated and practiced on machining, forging, casting, injection molding, and more. CSP Global started with this basic understanding and has been working with selected factories throughout the Jining area to develop a world class manufacturing cluster. In addition, all of the secondary services are available, such as raw materials, heat treating, painting, and other post processing operations. All these services are not only available, but quality certified with reporting capabilities. CSP Global prides itself on not only being able to produce quality product, but in the ability of the manufacturing cluster to report this quality throughout the supply chain (see SOFTWARE below).

Having a consolidated supply base allows closer management of factories and additional time on the factory floor. Engineers in Jining can easily travel to factories to fix problems reactively, or, even better, prevent them from happening proactively. Factories are eager to work with the technical center since the manufacturing and processing background of CSP Global and our partners are vast. All of the factories in the cluster have entered into long term, mutually beneficial relationships because of the educational possibilities and the amount of process information housed in the technical business center.

CSP Global has also formed close alliances with key members of the local government. By utilizing the relationships that we have throughout the manufacturing cluster and through to the local government we can provide extensive manufacturing options for clients.

#### **Technical Center**

CSP Global's technical center is located in downtown Jining. From any hotel or the business center, it is no more than a 10 minute cab ride. The new age look and feel has helped attract some of the brightest and best people from around China. It is the perfect location to entertain a customer or meet with factories.

Synergies will exist between the different companies working through the technical center. Cooperation will be voluntary, but the presence of other global minded businesses will foster new opportunities for all involved.

#### **Local Government Support**

Most of Jining's current foreign investment is from Japan. CSP Global is changing that focus and adding America and Europe as a major player in this area. The local government is excited about this opportunity and is providing assistance across the board for companies looking to co-locate in Jining.

#### **Logistics**

Jining is located halfway between Shanghai and Beijing. The closest port is Qingdao and it is less than one day's travel. Local infrastructure is good and is not a hindrance to operations. A brand new airport has been developed and is open for all 2009 travel.

Consolidated logistics is available to reduce the overall cost of shipping internally in China and for export. The technical center will provide local logistics options that will compete on a cost and service level for both types of shipping. Just in time, kanban, and warehousing can be managed through the business center for domestic shipping as well as export.

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In addition, moving product throughout the manufacturing cluster can be accomplished with relative ease due to the close proximity of all the players.

### **Cultural Advantage**

Jining is famous for being the home of Confucius, and to this day, still embodies many of the master's principles. Because of this, Shandong people have the reputation of being honest and truthful people. In addition, an excellent work ethic and value for education exists. All of these items together make Jining a very pleasant place to work. Compared to the hustle and bustle of Shanghai and other metropolises, working in Jining is very effective and efficient with the ability to maximize the value of any trip to China.

### **WIN-WIN PHILOSOPHY**

The new business model of the 21<sup>st</sup> century is optimized by a win-win philosophy. The plan and strategy described above facilitates higher quality, efficiency, and, most importantly, effectiveness. Our factories are provided with the tools to succeed and education through our technical center, while our customers are able to produce their product in an optimal location without sacrificing services. The relationships that are formed facilitate mutually beneficial growth and cooperation, which is critical in the ever-changing world business climate.

### **GENERATION 2.0 CHINA**

The emergence of China as a manufacturing powerhouse has occurred very quickly. Because of this, older business models can be quickly outdated without change. The new model described above integrates customers with China 2.0, the new manufacturing climate. With updates in infrastructure and communications, new areas of China are available for business that were not user friendly 10 years ago. Before, industries were set up around larger cities with heavy foreign capital like Shanghai and Guangzhou. These areas have thrived, but they have also fostered a relatively high cost to do business. In addition, they are starting to expand away from their manufacturing roots and turn their attention to services, sometimes not being as excited to have manufacturing clients.

By moving to a growing area of China, as opposed to an already developed portion, CSP Global is positioned for the new business model. OEMs and factories are also seeing this trend and adapting accordingly. As OEMs move out of the metropolises and look to set up new factories, CSP Global will be there to supply product as needed.

### **SOFTWARE**

CSP Global has developed revolutionary software that accomplishes two important aspects of offshore production. Firstly, it quantifies and defines the manufacturing cluster, allowing companies to be added (after their approval process), removed (due to quality concerns), and also allows visual interpretation of interactions between companies in the cluster to track the load on the network and help to look for efficiencies. Secondly, the software allows CSP Global, our clients, and factories to define the reporting necessary for each project. This reporting, quality or otherwise, is imperative for process quality and traceability. By defining the interactions between the companies involved in the supply chain, and defining the reporting that must occur between them for compliance, we have established an invaluable tool to provide a sustainable competitive advantage, and minimize the risk in the supply chain. The software is web based, allowing all data and interactions to be accessible from anywhere in the world. Not just a mobile office, but an entire mobile manufacturing solution.

### **TARGET CUSTOMER**

The target customer for CSP Global spans across a large range. Size is less important than goals and objectives. The target customer will be looking to establish or complement a global competency. They will be willing to learn and adapt to the new, changing model that drives global manufacturing. They will employ, or will be willing to learn, systems and processes that will allow growth and success in China and across the globe.

### **CONTACT INFORMATION**

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