

MANUFACTURING OUTLOOK

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VTech Communications Limited

**TOP
CONTRACT MANUFACTURING
SERVICES COMPANIES 2021**



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*The annual listing of 10 companies that are at the forefront of providing
Contract Manufacturing Services and transforming businesses*

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An EMS Provider with Continued Organic Growth Spanning the Past 19 Years

In today's manufacturing world, OEMs often prioritize pricing while selecting electronics manufacturing services (EMS) providers in order to cut costs and increase their profit margins. Flexibility, scalability, and customer focus are often overlooked despite the dramatic effect these competencies have on the OEM's success. What OEMs truly require are solutions providers instead of traditional contract manufacturers. They need an all-around technology partner to manage the complete product lifecycle, beginning from a product's conceptual stage throughout the New Product Introduction (NPI) process to large scale production.

While the EMS industry has been considered as one of the most competitive and demanding sectors in manufacturing world, we discovered that VTech is one of very few companies among the Worldwide Top EMS Providers List that provides unmatched performance and stays ahead of the competition. VTech Contract Manufacturing is a leading Hong Kong-based EMS company that provides comprehensive electronics design and product management services to OEMs. Founded in 1993 as a subsidiary of VTech Holdings Limited, VTech CMS has track record of offering the highest quality electronic manufacturing solutions ranging from printed circuit boards to full turn-key products.

In an interview with Andy Leung, Executive Director of Vtech Group and CEO of VTech Contract Manufacturing, we take a look at the factors that led to the success of the company over the years.

What are the key successful factors of making the company successful in maintaining 19 consecutive years of business growth which is rare to see in the EMS field? VTech CMS' primary focus is on satisfying unique customer needs and ensuring minimal downtime despite the global shifts in demand patterns and a changing competitive landscape.



The company maintains the highest level of customer focus through its use of Strategic Business Unit (SBU) management structure. This structure allows for systematic control over the number of projects overseen by project leaders and thus ensures each project will get full attention.

"We offer a true one-stop-shop solution to our customers, supporting them through all stages from initial product development to mass production. Our clients include leading OEMs from various industries, including professional audio, wearables and wearables, industrial electronics, IoT and communications, medical and personal healthcare products, and energy management. VTech CMS ensures a robust supply chain by leveraging its large, established supplier base with strategic sourcing to ensure cost-competitiveness, best-in-class flexibility, and business sustainability. And with manufacturing locations in multiple countries, VTech CMS provides customers the option to select a location that is an optimal fit. VTech CMS' NPI Centre offers customizable solutions to OEMs facing difficulties keeping up with shorter product lifecycles and dynamic consumer preferences. The company's dedicated NPI team and state-of-the-art facility support customers to turn their ideas into a marketable product and

be ready for large-scale production while meeting budget and schedule requirements. Moreover, VTech NPI Centre has an established system to safeguard customers' intellectual property."

What are the quality standards that VTech CMS is compliant with and are there any environmentally friendly strategies followed by the company?

"We strictly adhere to all industry standards and also have the flexibility to support clients' individual quality requirements and procedures. While VTech CMS is committed to delivering high-quality products and most competitive manufacturing solutions, it is VTech's vision to create sustainable value for the lives of people and protect the planet for the future generations. In order to achieve the sustainability vision and mission, VTech has developed a 5-year Sustainability Plan 2025, focusing on increasing the use of sustainable materials in our products, recycling our products in a responsible way, increasing the use of renewable energy and reducing the natural

resources consumption in our production process, as well as stepping up our efforts to use more eco-friendly transportation modes in our supply chain management."

When it comes to the future of the company, what are VTech CMS' plans in terms of new service offerings and geographic expansion?

"VTech CMS is proactive with the planning and implementation of the latest technologies to enable its transition to Industry 4.0. Utilizing smart warehouses, widely adopted automation, and the latest manufacturing information systems are some of the steps towards the target, VTech is ready to embrace the evolving landscape of the manufacturing industry. We are confident that the company will continue to grow and exceed customers' expectations year after year as their product development and manufacturing partner. Through strategic acquisitions, VTech CMS will keep expanding its global footprint while simultaneously increasing its technological know-how and markets served."

All-in-all, VTech CMS is well-positioned to continue being a technology leader in the electronics manufacturing



VTech CMS' primary focus is on satisfying unique customer needs and ensuring minimal downtime despite the global shifts in demand patterns and a changing competitive landscape

services space. The company is a one-stop-shop solution for customers looking to develop innovative products in the high-technology markets while also minimizing impact on the environment.



About VTech Communications Ltd	
Member of VTech Holdings Limited (Stock Code : HKSE 303)	
Employees	6,800
Headquarter	Hong Kong
Manufacturing	China, Malaysia, Mexico
Business in Fiscal Year 2021	USD 966 millions