OEM Manufacturing Case Study: Commercial Lawn Spreader

BACKGROUND

Back in 2006, the Customer had been producing commercial rotary spreaders in North America for nearly 20 years. With increasing cost pressure and more competitions from other companies, the executive team started evaluating off-shore manufacturing. However they were very concerned on the quality and uncertainty of off-shore suppliers, as the products were high-end spreaders used for lawn care professional and were seasonal products so on-time delivery was critical for business.

Following a referral from another customer, Source International was given opportunity to quote and develop their best-selling product – Stainless Steel Rotary Spreader.

ACTION PLAN

A Project Management Team with USA based Operations Executive, China based Project Manager, Project Engineer and Quality Assurance Technician was set up early 2007. A couple of Source Core Factories are evaluated and a best suited one from those was selected and the factory personnel were integrated into this Project Management Team.

The Team broke down all the components of spreader and completed a full Bill of Material with detailed specifications for each component. Complete 2D/3D engineering drawings for all components and assemblies were created through reverse engineering.

All Tooling including injection molds, stamping dies, welding fixtures were completed in 2 months, 6 Pre-Production Samples were delivered to customer in May 2007 after thorough inspection and testing in China. They were then inspected and tested in US and customer concluded the quality of the samples were exactly same as the US-made spreader and in fact with the design improvements made during development processes they actually performed even better than the US-made spreader.

The first purchase order of 8000 units followed and Source International started shipping containers in the 2nd half of the year.

After the tremendous success on the first project, customer developed a whole new product line with Source International which included smaller/carbon steel rotary spreader, Bulk/Ice Melt spreader, Drop Spreader, Truckster Spreader, and Handheld Spreader.
Source International set up dedicated production lines for these products, and created comprehensive Product Specifications and Quality Assurance Plans, these ensure the products were manufactured in high quality and delivered in timely manner.

Source International has produced 200,000 units of spreaders as of today and the reported annual defective rate in the field has been less than 0.1%. In addition, the Customer has added additional Spreader SKUs based on the success of the stainless steel spreader project.

RESULTS

With Value Engineering, Total Quality Management and Supply Chain Management supported by Source International, the customer maintains a large share in the market by providing competitive prices and quality products.

Source International’s dedicated professionals can achieve the same winning results for your OEM products. Contact us today to arrange a no obligation assessment of how we can supply a partnership which adds value to your OEM products.

Source International has operational offices in Louisville, Kentucky & Xiamen, China. Our passion is to partner with companies in supply management from Asia. We have a 25 year on-the-ground track record, a rigorous operating procedure, and a very well trained local staff. We welcome the opportunity to show you how we can add value to your supply chain in Asia and invite you to visit our offices to understand better our procedures & the scale of our operations.

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