

A long-exposure photograph of a highway at night, showing light trails from cars. The trails are primarily white and yellow on the left side of the road, and red on the right side. The road curves to the right. In the background, there are traffic lights and some signs.

**Low cost manufacturing in
Mexico as experienced by a
medium sized German
Technology company**

Rolf Ritter

COMPANY PROFILE

» Company Profile



Founded 1967 in Rottweil, Germany.



The independent leading supplier of **paper handling devices** - input and output - for the world's leading printer & copier companies.



The leading turnkey design and manufacturer of **autoloaders and libraries** for electronic data archiving and backup.



BDT's **global operations** enable our design and manufacturing points to be near the Point of Sale.

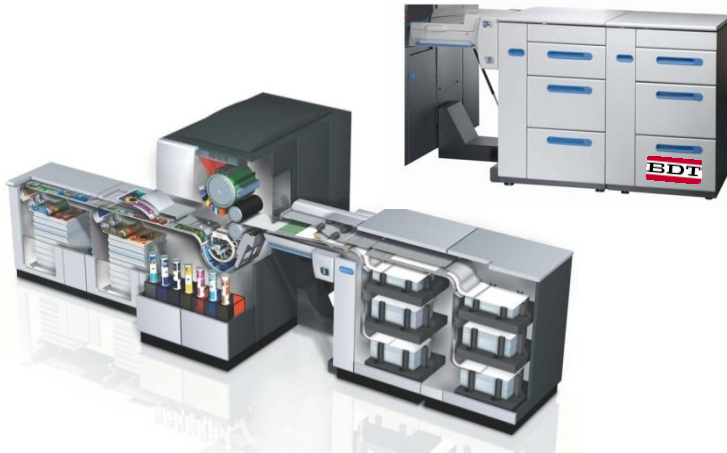
Varied and unique capabilities allows us to be best in development and technology.





Paper Input Systems

High capacity feeders and single sheet feeders basing on different separation technologies.



Paper Output Systems

Qualitative and competitive technologies of sheet finishing devices with various working speeds.



» Storage Automation: Products



1 million
BDT Tape Automation
Systems sold

» Worldwide Locations



Irvine, CA, USA
Sales | Technical
Services

Zhuhai, PRC
Manufacturing |
Technical Services

Rottweil, GY
Headquarters

Guadalajara, MX
Manufacturing

Singapore
Technical Services

» Worldwide Locations



Rottweil, Germany
Headquarters

Founded in 1967



Lauffen, Germany
Manufacturing

Established in 1990



Irvine, CA, USA
Sales | Technical
Services



Guadalajara, Mexico
Manufacturing

Established in 2000



Zhuhai, China
Manufacturing

Established in 2005



Singapore
Technical Services

Established in 2011

Low cost manufacturing in Mexico

» Main drivers: Hard Factors

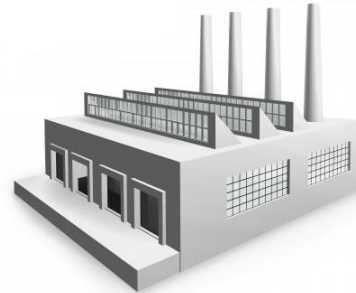
Direct
Manufacturing
Cost



Indirect Labor Cost



Material and
Supply Cost




Transportation
Cost

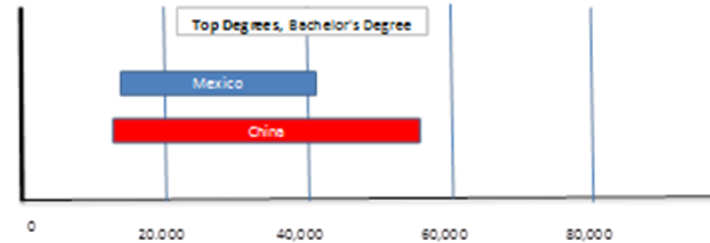



» Main drivers: Hard Factors

Direct Manufacturing Cost



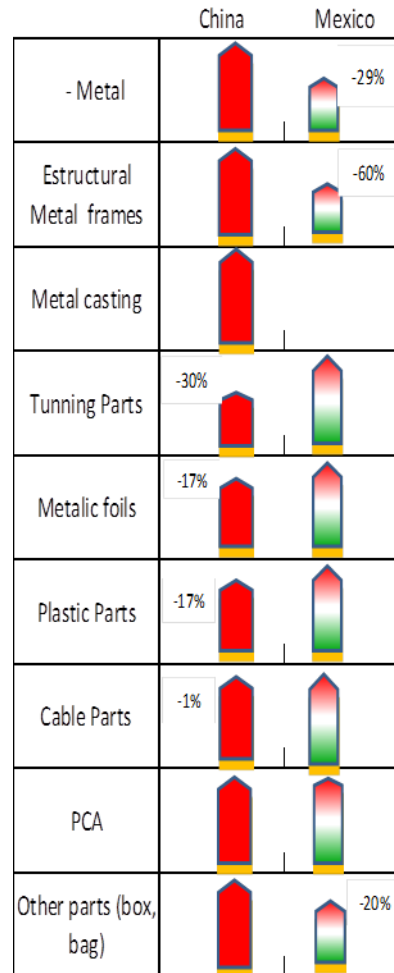
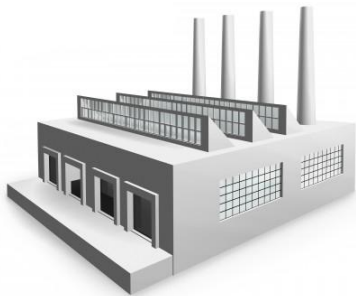
Indirect Labor Cost



Attractive Labour Costs in Mexico

» Main drivers: Hard Factors

Material and Supply Cost



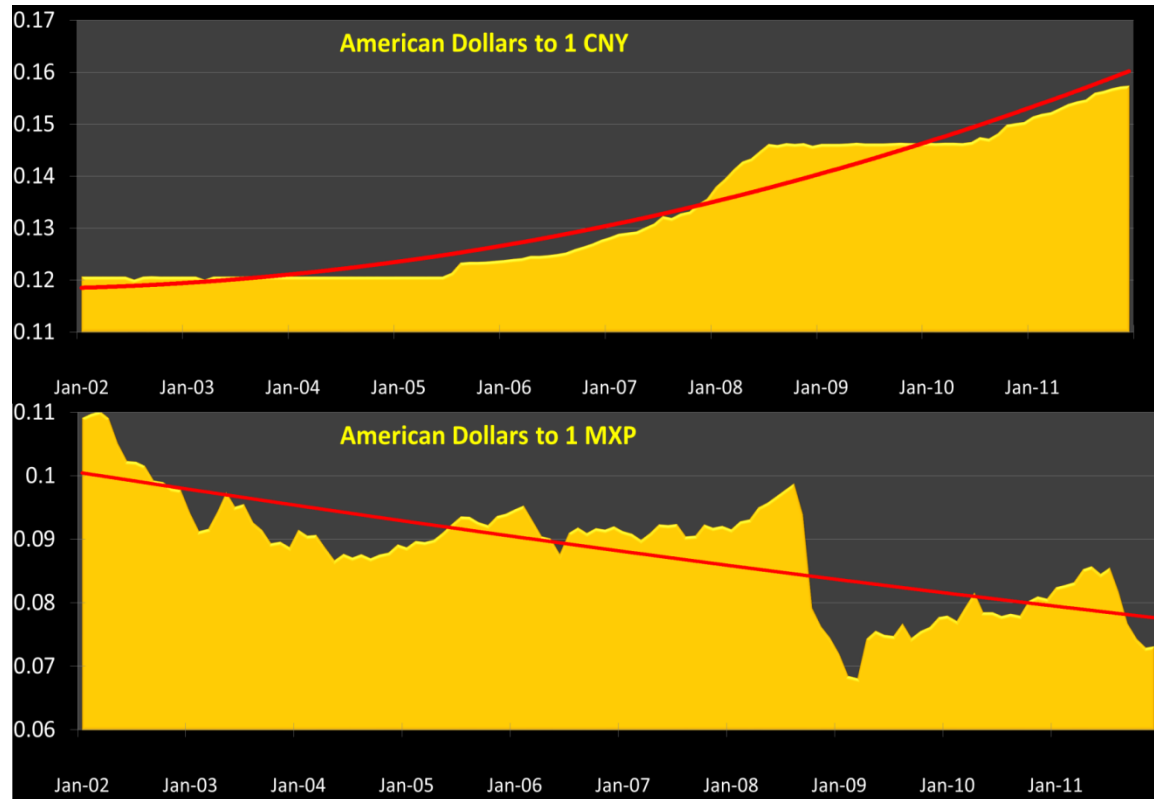
Component prices are overall competitive in Mexico compared to China

Transportation
Cost



- High transportation and customs costs
- Slow and difficult logistics
- Favorable closeness to largest market

Exchange rate USD vs MXP & CNY



Source: <http://www.tradingeconomics.com>

Overall exchange Rate improved Mexican competitiveness enormously

» Main drivers: Soft Factors

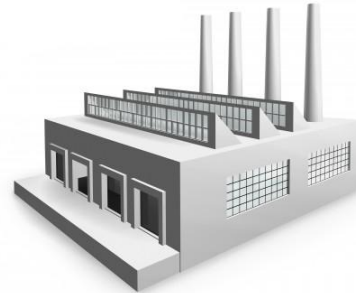
Skill availability



Legal and cultural Framework



Reliability of Supply Chain



Overall Business Risks



Skill availability



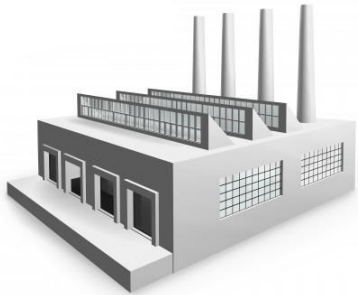
- Good skill level
- Ready available
- High work commitment
- Inter-Personnel commitment is a strong driver for performance
- Autonomous goal driven approach possible

Legal and cultural
Framework



- Comparable legal system
- Enforcement not always easy
- Few cultural misunderstandings
- We felt welcome
- High willingness to work abroad for some time

Reliability of
Supply Chain



- Small supply base
- short term behavior
- Automotive driven

Overall Business
Risks

- Long term economic outlook stable
- Political outlook stable
- Security concerns
- Brain drain concerns



» Low Cost Manufacturing in Mexico

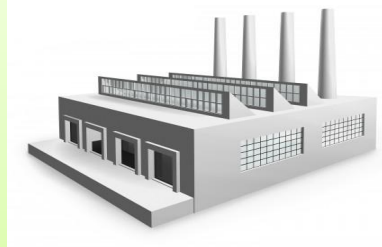
Direct Manuf. Cost



Indirect Labor Cost



Material and Supply Cost



Transportation Cost



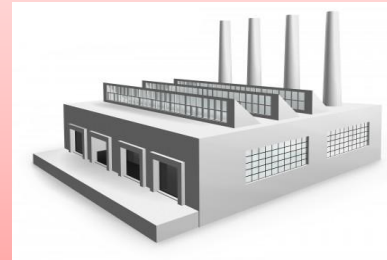
Skill availability



Legal and cultural Framework



Reliability of Supply Chain



Overall Business Risks





Thank you for your attention!



Best in Development and Technology

Worldwide Headquarters • Saline 29, 78628 Rottweil, Germany • +49 741 248-01

United States • 17222 Armstrong Avenue, Irvine, CA 92614, USA • +1 949 474-0480

www.bdt.de

www.bdtp.com