

CYPRESS

LABS

Logical Solutions for Managing Component and Manufacturing Costs

Cypress Labs Contract Manufacturer Cost Analysis Report Overview

2007

For more than 15 years, Cypress Labs has repeatedly supplied its clients in the technology industry with the tools necessary to make informed, cost effective, business decisions surrounding the manufacturing and competitiveness of their own, and their competitors', products in the global market. By providing an in-depth look at the total cost associated with manufacturing a product, down to its individual components, Cypress Labs Contract Manufacturer Cost Analysis Reports enable clients to better negotiate with global contract manufacturers and suppliers, thereby significantly reducing overall manufacturing costs and maintaining a competitive edge.

Contract Manufacturer Cost Analysis Reports Provide:

Contract Manufacturer Cost Analysis Reports provide the following:

- Comprehensive Bill of Materials – A complete list of every component in the product. Images of components available upon request.
- Total Estimated Benchmark Manufacturing Cost – A full evaluation of any component-intensive product, for the individual component, subassembly and product levels. The benchmarking process considers the following in order to generate best case, defensible procurement cost estimates:
 - Region of Manufacture – The Client-chosen country of manufacturing origin takes into account variability in global labor pools.
 - Volume Run Rates – The Client-chosen (1 or many) annual volume production takes into account any economies of scale.
 - Quantity–One Commodity Components Price – Suppliers are sourced across the world in order to find the best quantity-one procurement price based on the applied annual volumes. Next, the team applies proprietary knowledge of the buying power associated with that volume and the aggregate buying power of the very specific Contract Manufacturer that is actually building the product.
 - Fabricated Components and Materials – Benchmarks are provided for what it should cost any manufacturer to make each of these components. This is done by employing our extensive knowledge of “world class” manufacturing practices, assembly times and overhead costs.

Time to Delivery:

Our cost-effective and time efficient process gives heightened value to our clients. For example, Cypress Labs can return a report on a \$1,000 color laser printer or fully loaded PC notebook within 5 days of the time the product analysis

begins in our labs. Results are immediately delivered in both e-mail and presentation quality hard copy.

Contract Manufacturer Cost Analysis Reports Serve:

Benefactors of the Contract Manufacturer Cost Analysis Reports are dispersed across a multitude of business units.

- Manufacturing Departments – Come to the table fully informed when working with Contract Manufacturers.
- Supply Chains – Understand end of life component factors for seamless product fulfillment needs.
- Product Management – Garner forward-thinking costing intelligence for prototypes that will soon be brought to market and decipher any design wins.
- Competitor Analysis Teams – Gather thorough analysis on competitive offerings, including latest technologies employed.
- Procurement – Make better, informed decisions by leveraging a powerful tool for negotiating on a component level.
- Legal Departments – Uncover any patent/infringement issues in competitive offerings.

About our Clients:

Many of the world-wide manufacturers in the technology industry are repeat, long term clients.

- Cypress Lab clients manufacture component-intensive products, typically through Contract Manufacturing relationships on a global basis
- List includes those on the Fortune 500 and Global 2000
- Clients often engage us not only for their competitors' products, but also for their own products and prototypes as well. In fact the majority of the reports we have built for our clients have been for their own products!

Product Category Expertise:

- Printers: Thermal, Inkjet, Laser, Solid Ink, MFP, Copiers, Digital Production
- Consumables
- Personal Computers: Desktops, Notebooks, Handhelds
- Servers
- Networking
- Data Storage
- House-wares
- Wireless: Mobile Devices, Cell Phones, Handheld Terminals to Metro Level Base Stations
- Displays: CRT, LCD, Plasma, RPTV, Projectors
- Consumer Electronics
- Telematics
- Medical Technologies
- Printed Circuit Boards (PCB's)

About Cypress Labs:

Cypress Labs was founded in 1993 and is headquartered in Houston, Texas. In the end, our service empowers our clients with a credible way to successfully monitor their contract manufacturers and their suppliers regarding individual and collective component and manufacturing costs. Understanding the typically high volumes of production runs, the savings on each unit easily provide a compelling financial justification for clients to repeatedly employ our unique resource.