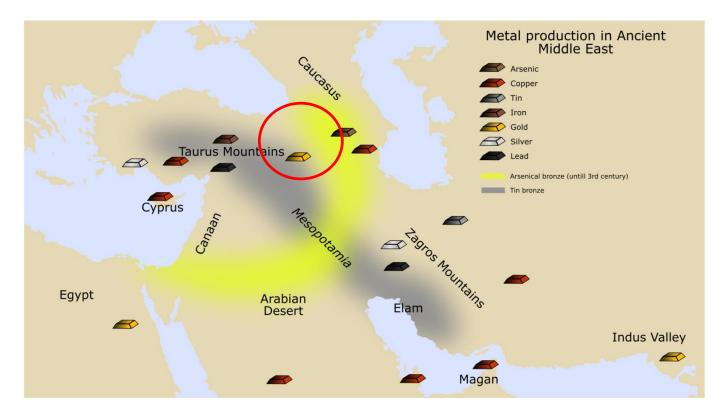
Contract machining: Differences in production's transfers at diverse stages of the projects

Petr Maschita Co-owner & Executive Director VMV

September 2019





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Transfer of production

When? How? Obstacles



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• Basic reasons for using Contract machining

• Customers' expectations and expectations of the manufacturers

- Case study 1: Brand new product
- Case study 2: Innovation phase

• Case study 3: Long-time running project

Content 3

- Obstacles of contract machining
- Benefits of collaboration with VMV

- Petr Maschita, Co-owner & Executive Director since 1996
- VMV, the Czech company with a focus on contract machining

• Master of Engineering, Bachelor in Humanities



Basic technological, economic and political reasons for using Contract machining



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Basic reasons for using Contract machining

• Technological reasons

• Economic reasons

• Political reasons



Customers' expectations vs Expectations of the manufacturers



Icon made by Lucy G from www.flaticon.com



Costs vs Profitability



Icon "Pound" designed by Icongeek26 from Flaticon



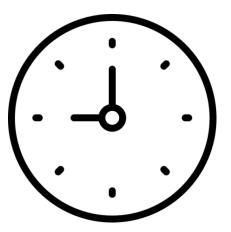
Risk distribution



Icon "Risk" designed by photo3idea_studio from Flaticon



Short vs Sufficient lead time



Icon "Clock" designed by Smashicons from Flaticon



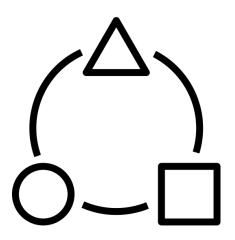
Uneven vs even orders



Icon "Order" designed by itim2101 from Flaticon



High variable vs Immutable production



Icon "Variability" designed by geotatah from Flaticon



Required vs Standard quality



Icon "Quality" designed by Eucalyp from Flaticon



Transfer of the production to subcontractors - Timing differences



Icon "List" designed by Gregor Cresnar from Flaticon

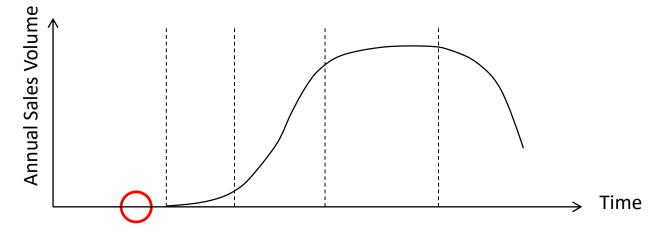
VMV Transfer of the production to subcontractors - Timing differences

Case study 1: Brand new product & Contract machining

Case study 1: Brand new product & Contract machining

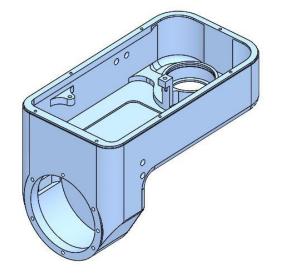
Stage: Development phase of the Product life cycle

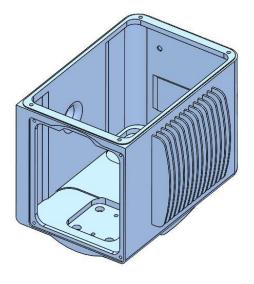
VMV



Development Introduction Growth Maturity Decline

Case study 1: Brand new product & Contract machining





Case study 1: Brand new product & Contract machining

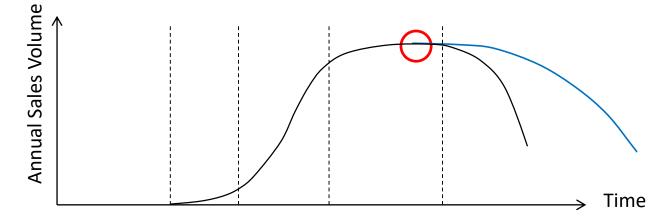
- Cooperation between the R&D department and contract manufacturer
- **Reduction production costs** when developing a new product
- Using suitable materials, shapes, standards and their combination

VMV Transfer of the production to subcontractors - Timing differences

Case study 2: Innovation phase & Contract machining

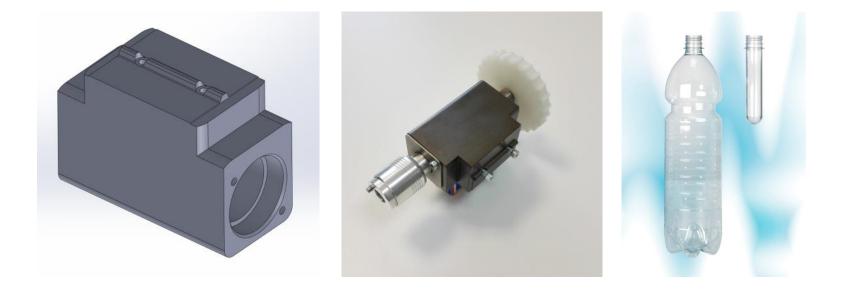
Case study 2: Innovation phase & Contract machining

Stage: Maturity phase of the Product life cycle



Development Introduction Growth Maturity Decline

Case study 2: Innovation phase & Contract machining



VMV

Figure of plastic bottle by Nicole Gordine - Own work, CC BY 3.0, https://commons.wikimedia.org/w/index.php?curid=16844093 25

Case study 2: Innovation phase & Contract machining

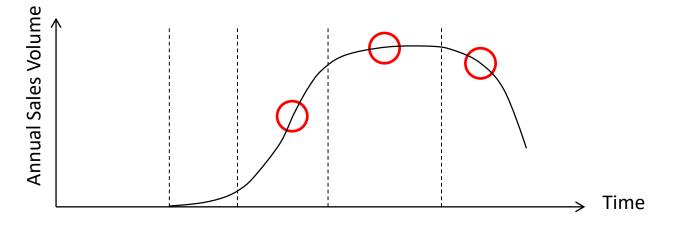
- Cooperation between the R&D department and contract manufacturer
- **Comparison production costs** when developing an innovated product
- Using suitable materials, shapes, standards and their combination

VMV Transfer of the production to subcontractors - Timing differences

Case study 3: Long-time running project & Contract machining

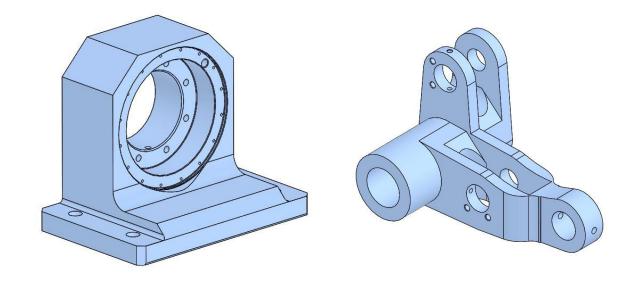
Case study 3: Long-time running project & Contract machining

Stage: Growth, Maturity or Decline phase of the Product life cycle



Development Introduction Growth Maturity Decline

Case study 3: Long-time running project & Contract machining



VMV Case study 3: Long-time running project & Contract machining

- Cooperation between the purchasing department and contract manufacturer
- Unlocking your capacities or Reduction production costs
- Using forecasts, consignment stock, frame orders



Obstacles of contract machining and how to fruitfully face them



Icon "Barrier" designed by Payungkead from Flaticon

Obstacles of contract machining 1

- Support of the relevant departments
- Compatible system
- Trust
- Communication

Obstacles of contract machining 2

- Delivery of existing knowledge
- Delivery of all requirements
- Redundant requirements

Benefits of collaboration with VMV: Technological and economic aspects



Icon "Growth" designed by Vectors Market from Flaticon

Benefits of collaboration with VMV

- Experience and background
- Reliability of supply
- Quality
- Communications
- Internal system and processes



Summary 1

Contract machining: Transfer to a supplier

- Prepare your company
- Determine the right portfolio
- Find subcontractor



Summary 2

Contract machining: Transfer to a supplier

- Built the trust
- Share information
- Transfer



Contact VMV to help you

Booth MH04

www.vmv.cz