

Email Metering

Dalian Email Metering China

December 2002

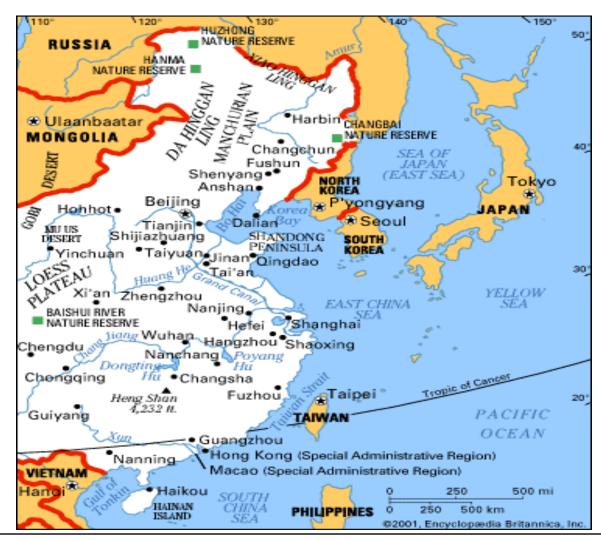
Geoff McMillan Logistics Manager



Introduction

- Started initial supply review in January 2000
- In June July 2000 we installed & commissioned a manufacturing plant in Dalian China
- ◆ To produce single phase electro mechanical electricity meters for the world market

Dalian - China





Manufacturing

- ♦ August 2000 we manufactured our first meters
- November 2000 received ISO 9001
- November 2001 we manufactured approx 50,000 meters for local, and international markets which was a record volume for Email Metering



Suppliers

- Our responsibility was to identify and select suitable quality suppliers for our manufacturing plant and to ensure that we obtained significant cost reductions
- ♦ We formed a Supply / Engineering / QA project team
- ♦ Developed and implemented a supplier assessment program.
- We used Austrade, Dalian Duty Free Trade Zone, Internet, Chinese Gov't agencies and existing business contacts to identify suitable suppliers to review

Suppliers

- ◆ Initial assessment via Company profile, product samples and replies to our RFQ. Many phone calls, faxes, emails and Video Conferences
- During the initial supply meetings it is important to sell the benefits of working, and supplying Email Metering.
- We completed a comprehensive Company and supplier assessment program and travelled extensively all over China to locate suitable suppliers for Email



Suppliers

- Quality and capability is the foundation of our supply strategy especially when our Engineering, Logistics and Technical expertise is base in Australia. This has ensured that we can manufacture a high quality long life electricity meters
- Develop good relationship with your suppliers and this will will benefit all parties.



Important Issues

- Specifications to be translated into Chinese
- Australian Standards to be cross referenced with International Standards
- Work instructions to be in Chinese and English using photographs to help explain the processes
- During Supplier visits ensure that you understand the organisations structures, positions etc
- Communication business and cultural understanding

Important Issues

- Customs, Foreign Trade (SAFE) Visit and develop a honest and good relationship with the Senior Officials (Do not be afraid to ask for help)
- ◆ Little issues can take many days to resolve but you need to be persistent
- ♦ Select a professional freight forwarder and custom agent

Opportunities

- The Metering business is very exciting in China due to the large growth and the restructuring of the industry
- Very competitive low cost manufacturing base which enables Email
 Metering to obtain international and local Chinese sales
- Thankyou for your time and opportunity to discuss Email Metering's Chinese Operation and congratulations to EAU for their comprehensive report on China
- China Embraces the World Market