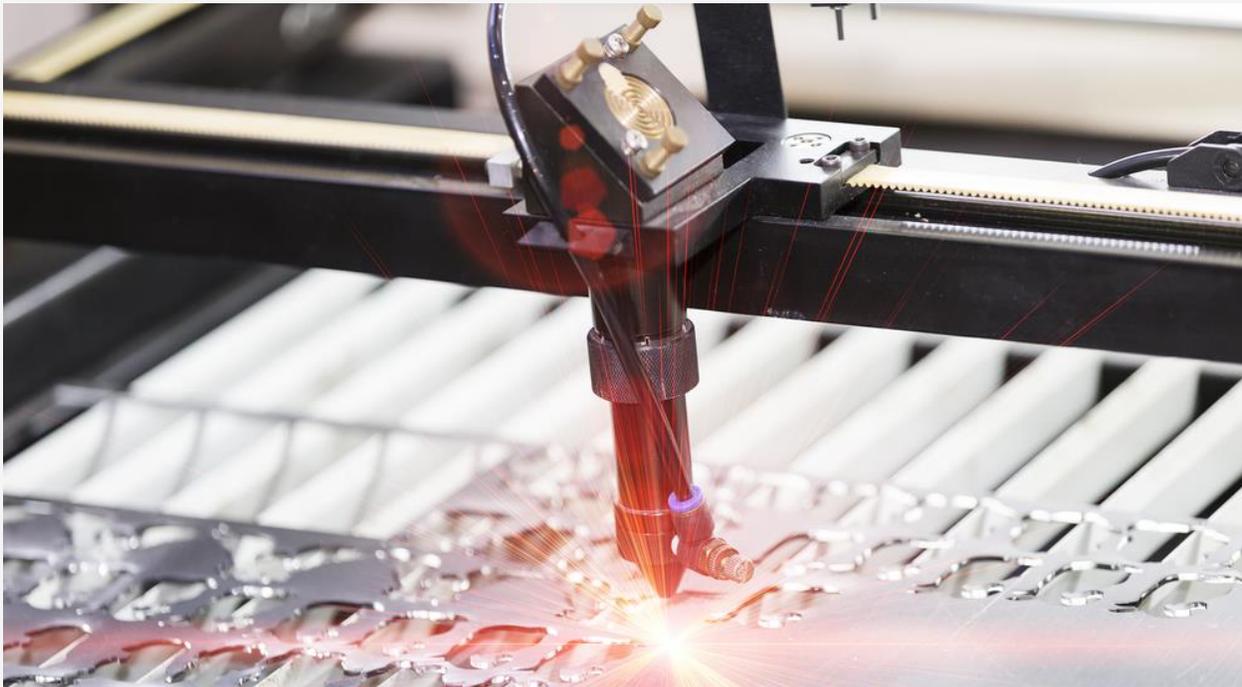


TRACING A COMPETITOR'S SUPPLY CHAIN

Our manufacturing client became concerned that a competitor was sourcing cheaper, better parts to build a rival product. They asked Aqute to analyze the competitor's supply chain globally.



A global manufacturer of complex equipment was alarmed by a quickly growing competitor. The competitor's products were high quality, and they had a good supply of spare parts and efficient logistics. Our client had no knowledge of where the competitor was manufacturing the product, what went into it, or how much they were paying for components. How did this competitor manage to build such a good product? Who were its suppliers?

Sourcing the competitor's device

All Aqute projects start with a wide-ranging search for available published information. In this case, while there was some material about the competitor, there was nothing about the suppliers. As we suspected the suppliers to be in India, this was not surprising.

Our first task was to buy one of the competing devices, so that it could be examined for clues about the component manufacturers. We eventually found a device being sold by a used equipment reseller in the Middle East.

Examining this device revealed several component manufacturers. Our local analyst in India started a wave of primary intelligence gathering to analyze the suppliers, understand the quality of their operations, profile their strengths and weaknesses and map their capabilities against our client's own suppliers. Physical monitoring of the suppliers' plants told us who their logistics providers were, as we saw delivery vehicles driving in and out.

Sweeping the competitor's ecosystem

We were lucky that this project coincided with a number of industry events in the Asia and Europe that we could attend. Working our way around the exhibitors at these events, we amassed a mountain of information about other component suppliers to the competitors, and the terms on which these components were being sold. Some of the suppliers also discussed openly the exclusivity or otherwise of their contracts, and pricing details.

Finally, our conversations with existing users of the device allowed us to report on its strengths and weaknesses, and users' satisfaction with the quality of the product.

Responding to the competitor

Our client's competitor had a better supply chain, which made their product cheaper and allowed easier sourcing of spare parts. Armed with Aqute's competitive intelligence, our client was able to:

- Lower their own manufacturing costs
- Focus their marketing on quality rather than pricing
- Secure investment approval for an improved spare parts distribution plant that became a revenue generator

In short, we empowered our client to make a better product than their competitor.

Aqute Intelligence
San Francisco. London.
www.aqute.com
intelligence@aqute.com