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On June 2, Zebra Technologies Corporation announced that its Guangzhou Technical Support Center will provide engineering and production support for Jabil, the top-choice outsourcing manufacturer in China and that Jabil will set up special production lines for Zebra Technologies. By strengthening its technical facilities in Guangzhou, Zebra Technologies will markedly improve its design and manufacturing capabilities and further consolidate its position in the Chinese market. The move marks an important milestone in Zebra Technologies' global customer support strategy. The news was announced by CEO Anders Gustafsson during his visit to China.

From Left to Right: Andrew Tay, President of Zebra Technologies Asia Pacific, Anders Gustafsson, CEO of Zebra Technologies, and Hugh K. Gagnier, Senior Vice President for Business Development and Operations at Zebra's Specialty Printer Solutions Department.

Manufacturing, channels and applications are all indispensable

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Zebra expands in China by strengthening technical and manufacturing capabilities

Barely nine months after his last trip to China, Mr. Anders Gustafsson, CEO of Zebra Technologies, made another visit to the country. He announced an exciting piece of news: Zebra Technologies Corporation's Guangzhou Technical Support Center will provide engineering and production support for Jabil, the top-choice outsourcing manufacturer in China, and that Jabil will set up special production lines for Zebra Technologies. The improved production capabilities will cover printer system assembly, PCBA and desktop printers, industrial and commercial printers, mobile printers and certificate/card printers. By the end of 2009, all products bearing the Zebra brand will be produced in Guangzhou.

"In the current economic environment, our strategy is to offer bigger returns on investment and more comprehensive support to our customers," said Anders Gustafsson. "Our performance in the world market, especially in the Asia Pacific Region and China shows that Zebra Technologies has the ability to provide support to our customers around the globe. Meanwhile, it will also help us to acquire greater advantages in a tougher business environment."

With improved technical facilities in Guangzhou and greater advantages in product research, design and development, Zebra Technologies will be able to better meet the demands for improving operational efficiency and reducing costs from customers in various sectors including mobile services, retail, healthcare, government, manufacturing, logistics and transportation. This is particularly important in such times of economic difficulty.

“The improved production capabilities in Guangzhou clearly embody our commitment to our customers in China and around the world,” said Andrew Tay, President of Zebra Technologies Asia Pacific. “The investment will enable Zebra Technologies to provide better services to our customers worldwide. Meanwhile, it will also allow us to offer more comprehensive services to key sectors in China, including logistics, manufacturing, healthcare and government”.

The arrival of Anders Gustafsson has not only heralded the realization of this strategic investment, it also conveys to us his confidence in the Chinese market. This has once again reinforced Zebra Technologies’ long-term vision. Anders shared with us Zebra Technologies’ future investment plan and market strategies for manufacturing, channels and applications. In the first quarter of 2009, Zebra Technologies achieved a net sales revenue of USD 192 million, with the Asia Pacific Region (including China) contributing for 10.1 percent of this. Asia Pacific, therefore, has become a more and more important link in Zebra Technologies’ global business network, and China has become the third largest market for Zebra Technologies in the world.

To put it simply, Zebra Technologies’ vision is “to provide product and solutions to help customers to identify, track and manage their assets, transactions and personnel and thus improve their operating returns”, in other words, “to deal with the right asset at the right time and place.”

“Our vision is also our mission,” stated Anders. “Our solutions and products can help our customers to improve their operating abilities, improve their internal workflows and bring good returns. Meanwhile, we will not only provide products or devices to our customers. We also provide our customers with application solutions to enable them to identify, track and manage their assets, transactions and personnel through such solutions and ensure that they can handle the right asset at the right place and time. This is a grand vision. Through it, we hope that we can enter more application fields.”

In the past few years, Zebra Technologies has gained a very good market position in many industries. Zebra Technologies not only provides a much wider product range than its competitors, it can offer a wide range of solutions to different industries. Even in the difficult time of the current period, the company has stepped up its resources investment in the Asia Pacific Region in the past nine months. In the interview, Andrew Tay said that by shifting its plant to China Zebra Technologies will not only achieve cost reduction. The company can gain other benefits from China’s excellent infrastructure. Guangzhou is especially well-known for its product technologies and production expertise – the city offers rich talent with diverse skills.

Labels are a core market for Zebra Technologies. In addition to printing standard and compliant labels, Zebra printers can also be used for label printing on demand, real time printing, and certificate/card printing. In 2008, Zebra Technologies introduced 10 new products into the market. Many of these products are related to label printing on demand. These new products and the new products to be introduced in 2009 all possess a mobile printing function. Zebra’s certificate/card printers can also make printing on demand.

“We bring not only products but also serial solutions into the market, just as we have promised,” said Hugh K. Gagnier, Senior Vice President for Business Development and Operations at Zebra's Specialty Printer Solutions Department. “This is our strength as well as the core of our future development”,

Zebra printers, labels and magnetic tap consumables

The goals of Zebra Technologies' future expansion plan for the Asia Pacific Region are as follows: Increase market share in the government sector in China, expand into new markets, achieve regional expansion into first and second-tier cities through dealer channels, and achieve further growth in the accessories and consumables market. Andrew Tay noted that there will be four key business areas for Zebra Technologies to continuously tackle in the future. These are: Achieving regional expansion through a Partner First Program; expanding in new markets while consolidating in the manufacturing industry; developing accessories and consumables businesses; and attaching importance to developing special products for the Asia Pacific Region.

Three years ago, the Asia Pacific Region only accounted for 6 percent of Zebra Technologies' global sales. In the past two years, the figure has risen to 10 percent. Our long-term goal is to bring the percentage to 15 percent in the next three to five years. Zebra's serial printers are now sold in 19 countries in the whole Asia Pacific Region. Among them, China is the largest market. Zebra Technologies has also made big investment in China. It has set up offices in Shanghai, Beijing, Guangzhou, Nanjing, Chengdu, Hangzhou and Shenyang. Together with its manufacturing workers, the company now employs over 800 people in China. In the future, it will recruit more senior specialists from many fields.

According to Mr. Tay, channels will be a focus of investment for Zebra Technologies in 2009. The company will focus on such market segments as healthcare, government agencies and mobile workstations, and will invest in product solutions. It will expand its distributor force, establish new channel partnerships, select partners, forge closer links with system integrators, and give play to their competitive advantages and specialized knowledge to extend its channel relationships to the target markets.

Speaking on applications in markets, Mr. Tay pointed out that three years ago Zebra Technologies had “already slowly expanded its businesses in the manufacturing industry to government, retail, logistics, mobile services, healthcare and other sectors”.

Mr. Gustafsson and Mr. Tay, both of whom are “old China hands,” were confident: “Slowly you will see that these new industries be pushed forward by us. If we can win all of them, we will have no competitors and will monopolize the market. But, this is impossible. We can win on some while losing others. If we feel that we still need to do some work, we will wait a while, get some small orders and then slowly understand the whole industry and find new partners. This is our *Art of War*.”

One question which journalists have raised in recent interviews is the impact of the current economic crisis. Mr. Gustafsson did not shy away from it: "In the past nine months, we have come across a really challenging economic environment," he said. "At this critical moment, we hope that we can better use our technologies to help our customers to perform better. Zebra Technologies currently takes a commanding lead in the industry, and this industry is very promising. Although the economic situation has not been good in the past few months, the industry nevertheless offers good prospects for long-term growth. We have now made full preparations, acquired sufficient financial strength and developed good enough capabilities and strategies. We can ensure good development even in difficult times by designing innovative products to meet different market demands and offer customization services to our customers. In China, we will also design products suitable for Chinese customers. With greater financial robustness, we can ensure that no matter what situations are, we can always get enough returns and have sufficient probabilities for business growth. In addition, we also have an enterprise resource planning system to help us to improve our internal work efficiency and provide our customers with better services. Despite the current difficult economic situation, we will nevertheless make continuous inputs to make our position firmer".

(Staff reporter: Tan Xueqing)