

## ATD391 -- OVERSEAS PRODUCTION

Instructor:	e-mail:
	Term:
Voice mail:	Total class hours: 24
Office hours:	Class meets:

**Course description:** Manufacturing offshore can reduce the cost of production, help get a product to market faster and reduce delivery costs. For most businesses, it makes sense to manufacture overseas to reduce component costs while keeping research and development, design and short-run manufacturing in the United. For most small businesses, the trick to manufacturing overseas is to find a way to contract the job or go into a partnership with an overseas manufacturer without losing control of the product.

**Course objectives:** This class looks into:

- Exploring manufacturing options
- Risks associated with manufacturing overseas
- Finding and choosing an overseas manufacturer
- Managing production and quality
- A manufacturing agreement

**Competencies assessed:**

- Devise protocols for communicating ideas, changes and corrections to domestic and foreign manufacturers.

**Class format:** Class time is divided between lecture, research and classwork.

**Required supplemental materials:**

**Standards of conduct: Complete and on-time attendance is mandatory.**

- **No student can miss three or more classes and expect to pass this class.**
- Attendance is at the beginning of each class period. If you are late, you will lose half the attendance points for the day. If you arrive late, it is your responsibility to make sure you have been counted present. If you arrive more than 15 minutes after the beginning of a part of the class period, you will be counted absent for that part of the period.
- If you are absent, you lose the attendance points for that day. If you know ahead of time that you will not be in class, make arrangement with the instructor the night *before* class (by 10 p.m. and by telephone).
- It is the student's responsibility to keep track of assignments and turn them in on time should the students miss the class or arrive late.
- Professionalism means: Turn off your cell phone. Attend the full class. Focus and follow-through during classroom work. Have respect and work well with classmates. Use the same behavior in the classroom as you would on the job in the apparel industry.
- Late work will result in a one letter grade deduction.

**Labeling Policy:** All student work must be turned in with the following information: Name, Course Name/Number, Instructor, Term/Date, Project/Assignment, Contact Info (phone or e-mail). Work may not be accepted for full credit without the required information. PFI cannot guarantee the return of student work that is not labeled with the required information.

**Incomplete:** A student who, due to medical or other exceptional causes, cannot

complete the required class work must document his/her situation and submit a written request for an incomplete grade to be entered. The instructor, the academic advisor and director must approve the grade and assign a time line for the work to be completed. Incompletes must be requested and approved no later than the end of the quarter for which the incomplete is requested. To remove an incomplete, a student must complete the required course work before the next quarter commences. If a student does not comply within the time line or does not complete the work, an "F" grade, or the grade calculated by the instructor on the incomplete form, will be entered to replace the incomplete.

To initiate a request for an incomplete grade, the student must fill out an incomplete form and submit it to his/her instructor. The instructor will obtain the required signatures and submit the completed form with final grades.

**Withdrawal (W/WF):** The student who withdraws from a course or from the program during the first six weeks of the quarter will be assigned a "W" code for each course. The "W" code is not used in computation of the student's grade point average; however, "W" credits are counted toward total credits attempted. The student who withdraws from a course or from the program after the ninth week of the quarter will be assigned a "WF" code for each course. The "WF" code is the equivalent of a grade of "F" and is used in computing the student's grade point average.

Students wishing to withdraw from PFI must file an official status change form with the Academic Advisor.

Last day to withdraw from the class is 48 hours before class starts.

**Lab Policies:** Leave food and drink outside the classroom. Disciplinary action will be taken toward any student found using the equipment in an inappropriate manner. Disruptive, disrespectful, rude behavior is not tolerated.

**Plagiarism:** Presenting the writings, images or paraphrased ideas of another as one's own, is strictly prohibited. Properly documented excerpts from other's works, when they are limited to an appropriate amount of the total length of a student's paper, are permissible when used to support a researched argument.

**Attendance Policy:** Students who are absent from all scheduled classes over a 14-day period (2 weeks) are subject to automatic attendance suspension—from PFI, not just from this course. This means the student is administratively withdrawn from all courses and cannot attend classes or continue in the current quarter unless he/she successfully appeals for reinstatement. Students who anticipate violating the attendance policy should contact the academic advisor immediately to discuss options such as withdrawing from PFI or navigating the appeals process.

**Picking up Work:** Please pick up your work no later than the first Friday of the following quarter. If you cannot retrieve your work by this date please make arrangements with me. All work not picked up by this date will be recycled.

**Students with Disabilities:** It is PFI policy not to discriminate against qualified students with a documented disability in its educational programs, activities or services. If you have a disability-related need for adjustments contact the academic advisor.

**Evaluation:**

Attendance/Professionalism/Participation	10 %
Case study paper	10 %
Manufacturing options paper	10 %
Cultural issues paper	10 %
Quality standards paper	10 %
Game plan	20%
Manufacturing agreement	30 %
<b>TOTAL</b>	<b>100 %</b>

**Grade Scale**

Letter	Number	Rating
A	95-100	Excellent
A-	90-94	
B+	87-89	Good
B	83-86	
B-	80-82	
C+	77-79	Satisfactory
C	73-76	Fair
C-	70-72	
D+	67-69	Marginal
D	62-66	
F	<62	Failure

**COURSE CALENDAR**

This syllabus is subject to change at the instructor's discretion.

WEEK/DATE	TOPIC	ACTIVITY	ASSIGNMENTS
1/	Introductions. Terminology. Process. Goals and Objectives Supply chain basics; History of trade & tariffs	<b>Bring supplies to every class.</b> <b>LECTURE:</b> Supply chain basics History of trade and tariffs Why choose overseas: Costs & skills <b>IN CLASS RESEARCH:</b> <ul style="list-style-type: none"> <li>• US trade and tariff rules &amp; schedules</li> <li>• Case study: Manufacturing process key and choices</li> </ul>	Turn in completed case study  Duty rate depending on what you're making
2/	Understanding WTO; Supply planning & timelines	<b>LECTURE:</b> Understanding WTO, TPP Supply planning & timelines <b>IN CLASS RESEARCH:</b> <ul style="list-style-type: none"> <li>• Working with tariff schedules</li> </ul>	
3/	Manufacturing options	<b>LECTURE:</b> Manufacturing options <b>IN CLASS RESEARCH:</b> <ul style="list-style-type: none"> <li>• Contract manufacturing</li> <li>• Licensed manufacturing</li> <li>• Joint ventures with company &amp; government</li> </ul>	Turn in manufacturing options paper
4/	Business & Cultural issues	<b>LECTURE:</b> Risks with manufacturing overseas: <ul style="list-style-type: none"> <li>• Lose control over manufacture of products</li> <li>• Relationship difficulties with supplier or business partner</li> <li>• IP theft or misuse</li> <li>• Exchange rate fluctuations.</li> </ul> <b>IN CLASS RESEARCH:</b> For chosen country, research <ul style="list-style-type: none"> <li>• Cultural</li> <li>• Infrastructure</li> <li>• Bureaucracy</li> <li>• Corruption</li> <li>• War</li> <li>• Social issues</li> </ul> <b>PRESENTATIONS</b>	Turn in cultural issues paper
5/	Managing quality	<b>LECTURE:</b> Hiring brokers and agents On site employees Independent inspection companies <b>IN CLASS RESEARCH &amp; WORK:</b>	Turn in quality standards paper

		Setting quality standards <b>PRESENTATIONS</b>	
6/	Communicating with different cultures	<p><b>LECTURE:</b> Finding and choosing an overseas manufacturer:</p> <ul style="list-style-type: none"> <li>• Learn the regulatory requirements of your target industry.</li> <li>• Research the market or industry to find out its structure – it can be very different to what you might expect.</li> <li>• Define your needs accurately.</li> <li>• Research potential manufacturers.</li> <li>• Shortlist potential manufacturers and get quotations and references. If you don't have anyone in-market to assist, ask potential manufacturers for US or local references. Follow these up.</li> <li>• Do a proper legal background check on the final candidates to verify the information provided, including ownership, registrations and business scope.</li> <li>• Personally visit the top candidates with a trusted translator and experienced resident.</li> <li>• Use a proper legal translation from a law firm for final contracts. Make sure the company you hire for this has experience in structuring offshore manufacturing contracts and is familiar with the law in the country concerned.</li> <li>• Corporate responsibility standards set for company and checks (e.g. surprise inspections).</li> </ul> <p><b>IN CLASS RESEARCH &amp; WORK:</b> Create a game plan for target country and manufacturer</p>	Finish game plan
7/	Project exercise: Manufacturing agreement	<p><b>PRESENTATIONS:</b> Game plans <b>LECTURE:</b> Manufacturing agreement:</p> <ul style="list-style-type: none"> <li>• Accurate description of the products including product specifications, raw materials and packaging</li> <li>• Ordering procedure, shipping terms and delivery arrangements – including the transfer of title in the manufactured products</li> <li>• Price for the finished product and the payment terms (varies based on design).</li> <li>• Whether or not the manufacturer has the right to sell the finished product to third parties</li> <li>• Warranties and contractual protections relating to the delivery and quality of the products</li> <li>• Requirement that the manufacturer develops and maintains suitable business continuity practices and capabilities</li> <li>• Comprehensive IP clause that clearly identifies who owns the IP in the finished product and any materials developed in the course of production</li> <li>• Process for effective management of the relationship between the parties to enable open communication and speedy resolution of problems</li> <li>• Escape clause for your business</li> <li>• Dispute resolution procedure</li> <li>• Country's laws that will govern the agreement</li> </ul> <p><b>IN CLASS RESEARCH &amp; WORK:</b> Create manufacturing agreement</p>	Finish manufacturing agreement
8/	Final presentations	<p><b>PRESENTATIONS:</b> Manufacturing agreement <b>LECTURE:</b> Follow up and getting help</p>	

