



**ModusLink Debuts Consumer Electronics Supply Chain Solutions Suite:
Tailors offering to meet supply chain management challenges and global
operating requirements of fast-moving market with rapid-fire
product lifecycles**

**Supply & Demand Chain Executive
January 8, 2007**

Supply chain solution provider ModusLink today took the wraps off its ModusLink Consumer Electronics Solutions Suite, an integrated suite of tailored solutions designed to address the specific supply chain challenges and global operating requirements of consumer electronics companies faced with fast-moving markets and rapid-fire product lifecycles.

Based on its decades-long experience developing solutions for the consumer electronics market, ModusLink said it has documented and standardized the best processes, technologies and operating methodologies and now offers them as part of its new, integrated solution suite.

The suite aims to help clients reduce complexity and speed implementation of key supply chain strategies — from late-configuration and global sourcing to direct to retailer fulfillment and expansion into new regional markets — while lowering associated capital investment, cost and risk, according to the solution provider.

Additionally, with globalization increasing the field of competitors, ModusLink said its solution will help companies differentiate themselves by expediting time to market and improving customer service, satisfaction and loyalty.

Standardizing Custom Solutions

The new Consumer Electronics Solutions Suite is comprised of nine "solution packages" that manage a range of forward supply, reverse logistics and "go-to-market" (channel direct and regional expansion) supply chain activities. Jacob House, director of market solutions at ModusLink, said that the new suite includes elements and learnings from the various customized solutions that the company has developed for its customers in the retail sector over time to solve such problems as getting products to market, getting products to new markets, minimizing supply chain costs and reverse logistics.

"Until now, we've customized solutions for the unique problems that each individual company has had," House said. "Over the years of doing that, we've seen that many consumer electronics companies have common problems, and many of the customized solutions that we've created have quite a bit in common between them. We saw an opportunity to standardize and optimize those custom solutions into a few packages that we believe are extremely to any consumer electronics company trying to get their product to market, minimize total supply chain cost or minimize total supply chain lead time."

The solution packages that ModusLink is highlighting in the suite include:

- **Optimized Configuration** — Leveraging supply chain network optimization and simulation analysis to determine the best global supply chain model and capacity strategy to meet cost and service targets.
- **Retail Direct** — Services and processes required to manage, and ship directly to, the retail channel in various geographies, including radio frequency identification (RFID) and messaging, as well as merchandising and collaborative planning and forecasting replenishment (CPFR).
- **Gateway to Market (Asia, Europe and Americas)** — Services required to help clients quickly and cost-effectively enter new geographic markets. In addition to all the key supply chain services, such as sourcing, light manufacturing, fulfillment and returns, this solution addresses such complex needs as regulatory compliance, taxation, customs and local language support.
- **Factory Supply (with optional VMI)** — Services required to source multiple components and materials and deliver to factory consumption points with optimum efficiency, inventory management and customer service, including optional processes that optimize hub operations using "intelligent" vendor managed inventory (VMI) techniques and direct-line feed supply models.
- **Reverse Logistics** — Design and execution of reverse logistics processes that minimize non-value repair and accelerate the identification of no fault found products and components to expedite the processing and return to market of valuable returned product.

Optimizing across the Product Lifecycle

House singled out the Optimized Configuration and Retail Direct solution packages as "significant differentiators" for ModusLink, setting the company apart from its competitors or from what a consumer electronics firm can do on its own.

In the consumer electronics space, companies are under intense market pressure to constantly innovate and bring out new products at a rapid pace. These companies must determine the best solution for where and when to manufacture these products across their lifecycle, based on production costs, logistics costs, inventory considerations and so on, and they must be prepared to alter that solution as the product ages across its lifecycle.

Optimized Configuration aims to help companies determine the best solution based on all these factors. "Because of our footprint, we can do that very easily, and we can move a product, for example, from a 'postpone configuration' to a 'low-cost country configuration' as the economics of that product dictate," House said. So if a company wants to get a product kicked off very quickly, ModusLink can establish an "in-country" supply chain to get the product to market quickly. Then, later in the product's lifecycle, as cost becomes an issue, ModusLink can migrate that supply chain to a lower cost model.

More Solutions

With others of the solutions, House acknowledged that ModusLink faces greater competition, as with the Reverse Logistics solution. "There are lots of companies out there that can offer a reverse logistics solution. The unique thing about us is that we offer a reverse logistics solution in combination with global logistics or in combination with e-commerce programs."

Other solution packages include Digital Content Load, for managing content load processes

with a globally-integrated content management infrastructure, including loading of digital content to various media and re-flashing of firmware; Accessories and Options, for managing necessary supply chain activities to maximize sales potential of accessories and options from sourcing, configuration and inventory management to final distribution and returns; Service Parts, providing services required to manage spare parts inventory for warranty repairs, including inventory optimization, screening and repair; and Custom Solution Builder, for clients whose needs do not fall neatly within any of the defined solution packages, with services to create a customized solution that meets their specific supply chain operating requirements.

Joseph C. Lawler, chairman, president and CEO of ModusLink's parent company, CMGI, noted that while demand for consumer products remains strong, manufacturers are battling the affects of shrinking product lifecycles, rapid commoditization of goods, increased demand for innovation and mounting global competition. "Our suite helps clients effectively balance customer focus and cost by taking redundancy, inefficiency and risk out of the supply chain, while boosting quality of service to customers," Lawler said.