



**ELECTRONIC MANUFACTURING SERVICES ASSOCIATION  
GROUP CHARTER**

Intellect is the trade association for the UK hi-tech industry. Our membership comprises organisations both large and small from the UK's information technology, telecommunications and electronics sectors. Intellect is the body UK hi-tech companies must be active in to:

- Influence Policy
- Improve Markets
- Enhance Business Performance

The sheer size and diversity of our membership means Intellect is the most influential representative body in many of the vertical markets in which our members operate. Working with members to understand their business imperatives, we use our tried and tested methodology to identify opportunities where Intellect's focus and intervention can create new and better business for all member companies.

Intellect is acknowledged by the industry as a primary source of qualitative insight into new market opportunities and emerging supply chains. Being a member of Intellect provides the opportunity to influence decision makers within the UK Government and industry.

## ***EMSA Group Charter***

### **TERMS OF REFERENCE**

#### **FOCUS**

The Electronic Manufacturing Services Association (EMSA) is a collective body of companies that manufacture electronic products. Specifically, EMSA members provide services to and/or produce complex circuit boards and associated electronic equipment on behalf of Original Equipment Manufacturers (OEM's) and design house entrepreneurs. OEM's and design houses will typically own both the design and the brand name of the product concerned. The group seeks to identify leading edge and high technology outsourcing markets within which manufacturing in the UK is sustainable in the medium to long term.

EMSA will develop and coordinate Intellect's policy and communications regarding Electronic Manufacturing Services in the UK.

Furthermore, we facilitate dialogue between Government and manufacturing industry on issues such as:

- Enabling members to understand the implications of strategic policy and programmes.
- Providing an effective forum for industry to debate and understand future market trends, opportunities and threats
- Insight and forewarning of political and regulatory developments that will have a direct bearing on the sector

#### **OBJECTIVES**

We believe EMSA is of great value to both suppliers and customers. We are committed to playing an integral and positive role in the development of contract manufacturing in the UK and championing the sector in discussion with Government and other stakeholders.

Specifically EMSA works:

- To help members maintain a good level of awareness of developments and trends that affect the contract manufacturing marketplace
- To provide a conduit for information exchange between Intellect members, customers and Government
- To ensure Intellect members have a strong voice in the media and Government on key issues and are well positioned to provide expertise and contract manufacturing expertise to help shape future policy
- To encourage networking and collaboration with other Intellect member groups.
- To develop our profile as a Group so that we are seen as a trusted source of information regarding electronic manufacturing and best practice
- To work in partnership with Intellect in the development a value-added package of business services for contract manufacturers

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### **2008 WORK PROGRAMME**

EMSA will focus on the following key themes for 2008:

#### **EFFECTIVE AND COHERENT REPRESENTATION**

Both Brussels and Whitehall continue to enact increasing amounts of legislation and regulation that either directly or indirectly affects the EMS industry. This has been especially true in areas such as energy & environment. The burden in this area is set to continue. The Conservative party have recently released ambitious proposals for easing the regulatory burden in the UK that has big implications for UK business. EMSA will work to ensure that Government hears the voice of electronics manufacturing in these and may other areas of policy.

#### **ACCESS TO RESEARCH & DEVELOPMENT TAX CREDITS**

In the April 2007 budget the Chancellor announced a dramatic increase from 50% to 75% in the tax credit for SME's effective in 2008. The Government are serious about increasing R&D in UK and have ambitious targets for doing so. EMSA believes that the tax credit could apply to elements of the contract manufacturing process and are working with HMRC to ensure EMSA members are able to claim.

#### **GOVERNMENT FUNDING FOR TRAINING**

In many other UK industry sectors, funding is made available by Government to cover the cost of training key personnel. Looking forward, it is vital that manufacturing industry in the UK is able to source and then develop good quality staff. The current situation, whereby an EMS company must cover the cost of labour lost by sending an employee on a training course, and then also pay for the training itself, is serious disincentive towards achieving this. EMSA is now working to explore funding opportunities within Government for the delivery of training programmes, with a view to promoting a training tax credit as a preferred option

#### **EFFECTIVE OFFSHORING & SUPPLY CHAIN MANAGEMENT**

EMSA aims to keep EMS operations located within the UK if it all possible. However, it must be accepted that some manufacturers will find it imperative to locate elements of their operations offshore. A number of EMS companies have attempted to reduce costs by outsourcing in this manner, relocating their manufacturing and sourcing of key components to areas like the Far East, only then realizing that the total acquisition cost of offshore outsourcing can be prohibitive. In many cases the distance, language, cultural differences and difficulties in supply chain management often offset the unit cost benefit. EMSA recognizes the need to provide guidance and formulate best practice to its members so they can make informed choices about whether off-shoring best meets the characteristics and goals of their business.

#### **ACCESS TO KEY PERFORMANCE INDICATORS**

Understanding the key trends in the industry is crucial for EMSA members and the Group is currently working to ensure that the good quality data and analysis is available to EMSA members.

## ***EMSA Group Charter***

### **CODE OF PRACTICE**

The EMSA Code of Practice provides a benchmark for customers and the industry against which performance can be measured. In supporting this code of practice, EMSA members are setting high standards of performance in the market place to ensure the effective, high quality serving of customer needs and aspirations. The code will be communicated as widely as possible to customers, Industry, government, media and other stakeholders.

### **MARKET FEEDBACK**

Many Intellect members are key customers for EMSA members. The group is setting up a series of joint meetings and speaker opportunities for key customers. Members will gain further insight into key customer needs, and will be able to assess the relative strengths and weaknesses of their own products.

### **RECRUITMENT**

EMSA will broaden the scope of membership to include all relevant interests within the UK Contract Electronic Manufacturing Industry, ensuring that group representatives have authority to make key decision in their respective companies.

### **EFFECTIVE PUBLIC RELATIONS**

EMSA will effectively position UK Contract Electronic Manufacturing as vibrant and progressive industry. The Public will be reminded of the importance of the industry in terms of job creation in the manufacturing sector, and its overall role in ensuring a healthy UK economy.

### **THOUGHT LEADERSHIP**

EMSA will be the principal arena for those working in the CEM industry to share their collective experience and thoughts on best practice. A regular schedule of events and receptions will be arranged to facilitate this.

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