

Development phase			Characteristics
1	Type of factory	Offshore	Established to manufacture specific items at low cost Technical and managerial investments kept to a minimum Level of local autonomy is typically not extensive
2		Server	Supplies specific national or regional markets Typically located to overcome tariff barriers, reduce taxes, minimize logistic costs or cushion the business from exposure to foreign exchange fluctuations Provides a base from which to launch products into a market (for example the European Union)
3		Contributor	Serves a specific national or regional market Responsibilities extend to product development and process engineering as well as the choice and development of suppliers Potential site as a testing ground for new products, process technologies and computer systems
4		Lead	Creates new products, processes and technologies for the company as a whole Responsible for tapping into and collecting local knowledge and technological resources in general and for use in developing new products and processes Key role with suppliers including choice and development Whole range of external relationships including customers, process technology suppliers and research centres Frequently initiates innovations

**EXHIBIT 9.17** Progressive roles of offshore manufacturing plants