

...NEW YORK...HONG KONG...TOKYO...LONDON



GSGM

GLOBAL SOURCING AND GLOBAL MARKETING INC.

YOUR FAST TRACK TO ASIA™

innovation

international

process

management

action

Offices In Asia For 25 Years



Headquartered in Asia for 25 years, GSGM is a American-owned firm that provides a *Who's Who* of industrial leaders with four key product offerings to those who wish to benefit from strategic opportunities in the Pacific Rim.

1. Sales and Marketing Into Asia
2. Market Research and Competitive Intelligence
3. Low Cost Country Sourcing
4. Independent Quality Audits and Sourcing Rescue Missions

GSGM is a partner and an extension of your operation –

Your Eyes and Ears on the Ground in Asia

GSGM Advantages



- Proven record of performance; providing product to North and South America, Europe and South Africa
- Proven record of performance; acting as the sole China Sales and Marketing arm for multiple companies
- Access to the leading suppliers of components, sub-assemblies and finished products
- Highly-experienced staff (350+ years)
- Offices in China, South Korea and U.S.
- Real-time project information
- Korean, Japanese and Chinese Language skills
- Conducted assessments of >1,500 Asian plants
- Immediately brings you in at the highest levels of management with all suppliers and potential customers

GSGM CAN HELP YOU WORK THROUGH THE MAZE

YORK...HONG KONG...TORONTO...LONDON...NEW YORK...HONG KONG...



OFFICES IN THE RIM FOR
>25 YEARS

SURVEYED OVER 1,500
PLANTS



GSGM

GSGM Advantages



- **GSGM becomes a strategic partner**
 - We actually appear on the organizational charts of many clients
- **Total Rim InvolvementTM - the ability to source from any necessary country or plant without bias**
 - We don't put a square peg in a round hole – we know the right plants and countries by commodity to accomplish your goals
- **Strong technical organization with an emphasis on process and quality**
- **Total transaction transparency**

China Statistics

- Largest consumer of energy in the World
- Largest automobile market in units sold
- Second largest economy in the World
- By 2020, 700 million Chinese will attain middle class status
- China and India are largest mobile phone markets

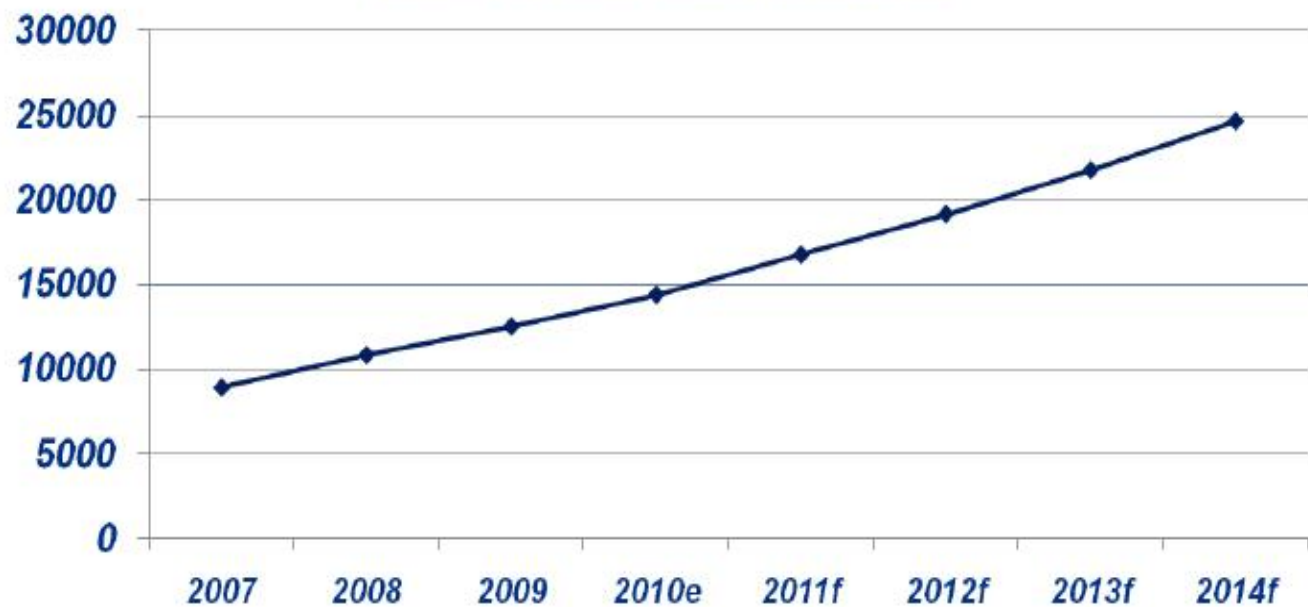
Urbanization

- China is on track to have an urban population of 1 billion people by 2025
- To accomplish this, it could mean that:
 - 5 billion meters of road will be paved
 - 170 mass transit systems could be built
 - 40 billion square meters of space could be built in 5 million buildings
 - 50,000 skyscrapers could be constructed – an equivalent of 10 New York cities.



CHINA'S RETAIL SALES

Total retail sales, CNYbn



e/f=estimate/ BMI forecast. Source: MOFCOM/BMI

Asian Investments



- Outbound Chinese M&A activity is a clearly continuing trend
- A KPMG survey of 150 Chinese executives shows that about half of those from large companies said they plan to acquire U.S. assets in the next three years.
- In 2009, Chinese companies invested \$42.6 billion in mergers and acquisitions overseas

Four Distinct Service Offerings...

1. Low Cost Country Sourcing
2. Sales and Marketing Into China
3. Market Research and Competitive Intelligence
4. Independent Quality Audits and Sourcing Rescue Missions

Serving a Broad Range of Clients...

- NYSE / Industrial 500
- Mid-Tier Industrials
- Private Equity
- Turnaround Specialists
- Niche U.S. and European Manufacturers
 - i.e. *High Mix, Low Volume*

And Industries

- Railway
- Construction Equipment
- Agricultural
- Material Testing
- Pumps, Valves and Compressors
- Home Building
- Small Engine
- Bearing
- Power Generation
- Furniture
- Ship Building
- Marine, ATV, Motorcycle and Snow
- Textile
- Electronics
- Automobile & Heavy Truck
- Fitness & Sports Equipment
- Aerospace
- Machine Tool
- Electric Motors
- Retail

LCCS Capabilities

1. **Low Cost Country Sourcing**

2. Sales and Marketing Into China
3. Market Research – Supplier Profiles and/or Market Analysis
4. Independent Quality Audits and Sourcing Rescue Missions

- Vast database of thousands of suppliers by commodity and category
- Conducted assessments of >1,500 facilities
- Systems build a bridge across the world
- Engineers, metallurgists and SQDE on staff
- Online, web-based project repositories housing all project information
- Detailed Project Tracking Sheets
- Matrix based recommendation output
- APQP approach to launching all new programs
- Entire spectrum from source ID through qualification and project management

Sales and Marketing Capabilities

1. Low Cost Country Sourcing

GSGM has taken multiple companies from virtually no sales and market presence in Asia to leading positions.

2. **Sales and Marketing Into China**

Examples of services available:

3. Market Research – Supplier Profiles and/or Market Analysis

4. Independent Quality Audits and Sourcing Rescue Missions

- Identify and profile potential customers
- Coordinate and manage trade show exhibits
- Develop new, and translate existing, presentations and sales collateral
- Lead sales presentations direct to clients, or along with current your staff
- Provide introductions at the highest levels within target customers
- In-country website development and domain registration assistance
- Assist with the recruitment of field sales, application engineers and other technical support personnel; screen any current personnel for GSGM opinion
- Ability to transition smoothly to a new sales force or to augment current efforts
- Establish parts and service operations after initial equipment is placed
- Strategic pricing reviews
- Trademark assistance
- Technical / after sales support

Business Registration

- Utilize GSGM's network partner to assist you with expansion into new markets in:
 - China
 - South Korea
 - India
 - Vietnam
- Our partner firm has helped register and setup over 3,000 companies in China

Market Research Capabilities

1. Low Cost Country Sourcing
2. Sales and Marketing Into China
3. **Market Research – Supplier Profiles and/or Market Analysis**
4. Independent Quality Audits and Sourcing Rescue Missions

ACTIONABLE MARKET RESEARCH AND INTELLIGENCE for the China and Korean markets. Whether you wish to identify strategically attractive suppliers of a particular commodity, size or segment a marketplace or look at projected growth and drivers, we are uniquely qualified to assist you.

Approach

- Every project is custom tailored; no "off the shelf" reports
- Situation assessment - mutually understood and agreed upon objective, methodology, scope, timing and budget
- Highly technical engineering team provides assistance
- GSGM's vast secondary sources database is tapped
- Detailed interviews conducted throughout the value chain to include key opinion leaders and subject matter experts; face to face and telephone interviews, online and mail surveys
- Mid-point reviews ensure alignment and allow for re-calibration
- Analysis of robust data into actionable recommendations

THE GSGM ADVANTAGE -

A truly unique and seamless capability of shifting from market research stage to sourcing assistance



What's In Your Competitor's Container?

- Develop a snapshot of your competitor's imports into the U.S., as well as that of your Asian suppliers, to determine if what they are representing to be true is actually the case
- Review shipments of your own suppliers to ascertain whether or not they are, unknowing to you, supplying the competition
- Conduct primary interviews with your competitors, their customers and suppliers to assist your intelligence efforts
- GSGM is uniquely able to take the next step in the process to conduct quality audits of identified competitor suppliers or to initiate sourcing of similar programs
- Let GSGM offer suggestions on masking your supply base
 - **You worked hard and spent considerable resources to develop it, now protect it!**

Independent Quality Audits

1. Low Cost Country Sourcing
 2. Sales and Marketing Into China
 3. Market Research – Supplier Profiles and/or Market Analysis
 4. **Independent Quality Audits and Sourcing Rescue Missions**
- Visits an existing or potential supplier(s) to provide an unbiased assessment of their capabilities
 - Rapid deployment of GSGM SQDE personnel
 - Audits range from basic process capability to full blown QS/TS-oriented
 - Interim and output reports quickly available
 - Conference call subsequently held to discuss findings along with report output
 - Daily rate structure

Rescue Missions



1. Low Cost Country Sourcing
2. Sales and Marketing Into China
3. Market Research – Supplier Profiles and/or Market Analysis

4. Independent Quality Audits and Sourcing Rescue Missions

HAS YOUR ORGANIZATION FACED ANY OF THE FOLLOWING WHILE TRYING TO SOURCE IN CHINA?

- Suppliers substituting local materials without your consultation?
- A supplier outsourcing part of the manufacturing process (i.e. machining) when you were told everything was done in-house?
- PPAP data does not match the actual physical part layouts ?
- No provisions in contracts for raw material or foreign exchange movement?
- Lack of lot segregation or work instructions upon plant inspection
- The brochure looked great..the website even better..the plant was a hole in the ground
- Found out you were really dealing with a trading company and not the manufacturer directly - creating unnecessary markups and lack of direct communication with the people making your parts
- Found out the your supplier has changed without any notice or approval by your organization
- Found out that your "Advisor" utilized an online directory without ever visiting the plant and after you have spent countless thousands?

Working Relationship

- We work on YOUR behalf. Period.
- We are not compensated by suppliers and take you to best in class oriented operations, without markups.
- Typical engagements are one year in duration, with a fixed fee monthly retainer, however...
- We are able to provide initial *Proof of Concept* projects to demonstrate capability.



GSGM

Communication and Interaction

- On line web meeting capability
- Project tracking sheets
- Data repositories
- 24 Hour Access to an American – GSGM's President has resided in Asia for over 20+ years
- GSGM project personnel speak and write English, ensuring an understanding of your needs and, importantly, the subsequent ability to communicate them to suppliers



GSGM

Key Addresses & Point People



GSGM - Beijing

Paul Macler – President

Telephone: 86-13511008801

E-mail: paul@GSGM.biz

- 30+ years as a global executive
- 1976 New York State Small Business Person of the Year
- Prior advisor to the New York Federal Reserve and State University of New York System
- Strong technical background
- 20+ years of experience in the Pacific Rim
- Decorated military officer
- Located in Beijing office



Key Addresses & Point People



GSGM - Americas

Mark Macler - Vice President

Telephone: 941-375-8176

Cell: 610-996-0280

Email: Mark@GSGM.biz

- 15+ years experience in the licensing and M&A arena
- Former Director level within an S&P 500 company
- Structured >100 deals totaling over \$1 billion
- Member - Society of Competitive Intelligence Professionals
- Located in the U.S. office and readily accessible

Team Members



Key Team Members

- Sourcing Professionals
- Sales and Marketing Professionals
- Project Management Professionals
- Market Research Professionals
- Metallurgical, Mechanical, Chemical Engineers
- SQDE / QA Professionals
- Legal Counsel



YORK...HONG KONG...TOKYO...LONDON...NEW YORK...HONG KONG...

Global Sourcing and Global Marketing, Inc.

Your Fast Track to Asia TM



THANK YOU

www.GSGM.biz



GSGM