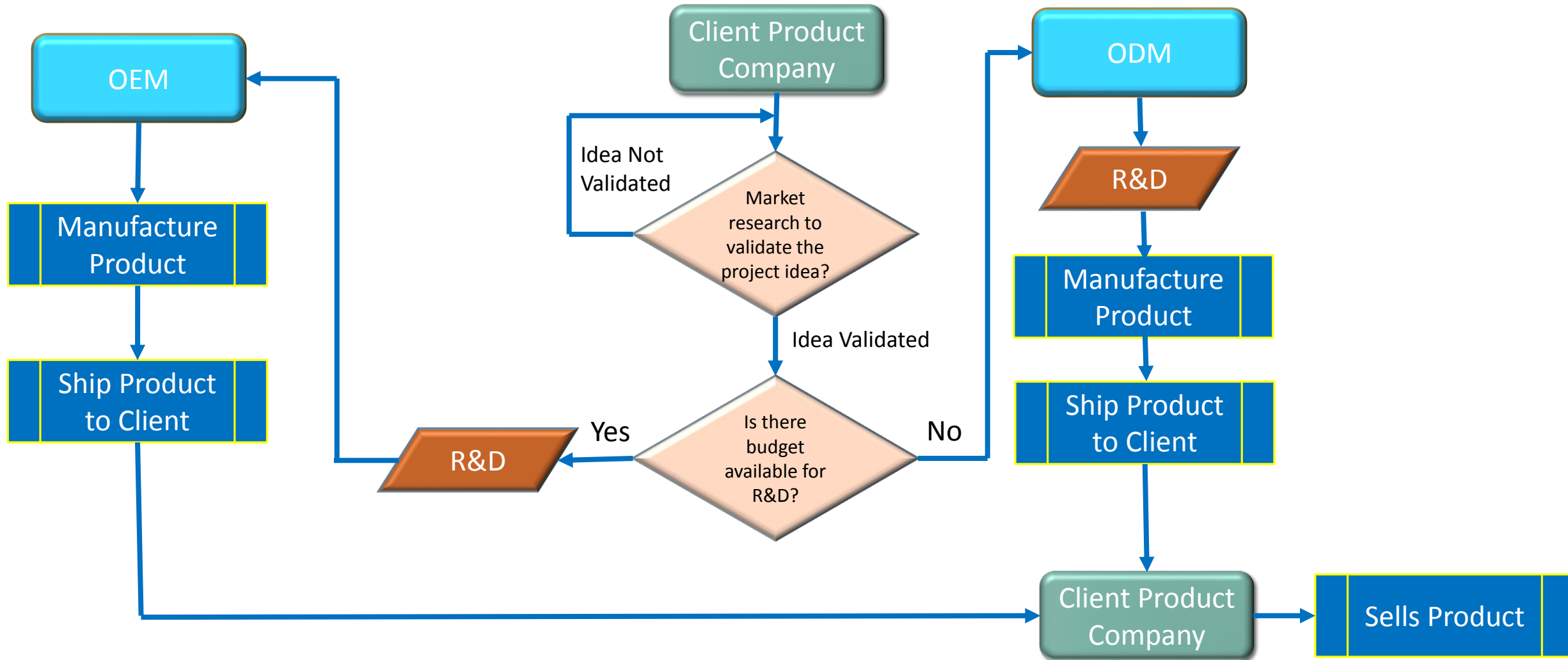


Difference Between ODM & OEM



ODM/OEM and Client company relationship



Definitions and examples



Original Equipment Manufacturer

OEMs are companies which manufacture products based on the product design and specifications provided by their client. The client does all the market research, R&D and develops its own product. But it does not have the manufacturing capability to fulfill the market demand. So it turns to an OEM to do the manufacturing on its behalf.



Definitions and examples



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Original Design Manufacturer which will research and develop product designs and specifications based on the product idea brief provided by the client. In most cases, ODMs also manufacture the product they design and which will then be branded in the client companies name and sold on by them in the market.



360
Qiku Q5



Micromax
Dual 5

Client
←

Risks & advantages of Original Equipment Manufacturing (OEM)



- The company client owns intellectual property of the product/exclusivity to sell that product.
- You can customize the product
- It may be more difficult to copy your product
- Manufacturer's warranty
- A production partner with years of experience
- Quality control
- Expertise
- Less expense
- Delivery of precision product/component



- Expensive research and development costs
- High minimum order quantity requirements
- Conflicts between OEMs and potential business partners may arise.

Risks & advantages of Original Equipment Manufacturing (ODM)



- Lower minimum order quantity requirements
- Save time and money on R&D because it has already been done for you.
- ODM suppliers can design and produce the needed product in bulk and often at a discounted bulk price.
- Usually faster to market than OEM



- No product exclusivity
- Fewer opportunities for customization
- The intellectual property of the product is owned by the supplier or another company
- Other companies may start selling the same product as you

Thank You

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