



Why did BendPak® start manufacturing offshore?

In today's global marketplace, BendPak® is forced to continually search for best possible manufacturing options and locations. Options and locations that give our customers the best value. If BendPak® is to survive, we must acknowledge and respect global pricing for similar products.

Consumers will pay more for name brands, high quality, elevated service, and proven designs, but few are willing to do so if priced 40% - 60% higher. Our approach to overseas manufacturing is based on the needs and demands of our customers. We're giving them what they want. We focus on doing everything we can to deliver a product that exceeds every quality expectation at a price they demand.

Why is my new lift now labeled with Made in China?

Ever since 9-11, the U.S. Federal Trade Commission and Department of Homeland Security continues to impose stricter country of origin marking laws. According to current country of origin laws, a product claimed to be Made in USA must use raw materials and assembly parts that are "all or virtually all" produced in the U.S. "All or virtually all" means the product should contain no — or negligible — foreign content.

In our industry, steel and other assembly components may represent 60% of the product value. In today's global environment it is impossible for BendPak® to entirely source domestic raw materials and parts.

Are BendPak® consumers getting less quality?

BendPak®'s considerable investment in offshore manufacturing facilities was a means to provide our customers with a better-made product for equal or better value - not to make our products cheaper.

Can I trust that BendPak® overseas factories are safe?

Some believe that manufacturing quality is not reliable overseas, or the quality will suffer but that is simply not the case. By outsourcing raw materials and certain fabrication overseas, we are able to produce a product that is identical and many times better than what could be produced for the same amount in the U.S.

We must remain competitive in this market. We simply could not devote the resources required to make the best product possible if our choice was to remain 100% U.S. based. A lift sold today, comparing inflation and accounting for the rise in fuel and raw materials is being sold for 200% less than the same product sold in 1985.

Other U.S. manufacturers hoping to retain their "Made in USA" heritage quickly find they must reduce manufacturing costs to stay in business. They're forced to reduce the amount of raw materials used in production; they're forced to look at alternative methods of design, and they're forced to cut corners in the manufacturing process; all at the expense of the consumer.

At BendPak®, we ensure that our offshore manufacturing is no different in approach, standards, quality, inspection, and packaging than our domestic manufacturing. BendPak® factory engineers visit our overseas factories year-round verifying that our quality conformity and high standards are being met. BendPak® engineers at our factory headquarters in Santa Paula, CA retain all responsibility for product designs and for performing strength and structural reviews to ensure structural integrity of our entire line of products.

As a longstanding member of the Automotive Institute we are required to be audited by ETL (Intertek Testing Laboratories) an independent, third-party global organization to determine that all of our production facilities continually and systematically produce products that comply with specific standards. Our overseas factories undergo periodic evaluation and are required to maintain all quality and standards requirements of a documented quality program. The program is audited quarterly, regardless of the facility location, to ensure continued compliance with all applicable standards.

What about all the product recalls coming out of China?

The news of bad products coming from China is causing an overreaction from people lacking a basic knowledge of mathematics.

The toy making industry, scrutinized by the Consumer Product Safety Commission for increased recalls, imported \$7.5 billion worth of toys from China last year. That accounts for roughly 90 percent of the toys imported into the U.S. Compare that to just \$5.2 billion five years ago (a 45% increase) and you quickly understand why the increased number of recalls and why China is the target.

The infant car seat and baby-stroller industry, also scrutinized heavily by the Consumer Product Safety Commission, imported \$4.3 billion worth of products from China last year, roughly 83 percent of the infant car seats and baby-strollers being imported into the U.S.

While that obviously shouldn't detract from the very real safety issues concerning products, it is important for providing some perspective: it's not always China's fault. Millions of China products are safe, and make our lives easier and cheaper to an incredible degree. It's important to tackle the problems of product-safety regulation in China, but it's equally important that we don't throw the proverbial baby out with the bathwater. A great percentage of the recalls were actually the fault of U.S. engineers who designed the products - products that would have been a hazard even had they been manufactured in the U.S.

Many reported "defects" from China are not isolated Chinese faults. The companies who placed the orders for these products had to deliberately ignore or intentionally request these inferior designs or materials used and received. They did not perform thorough inspection of their China supplier's capacity or perhaps they simply said "skip the QC, and deliver the product in time to meet my marketing deadline" or they simply didn't care enough to pay attention to details. At BendPak®, we make the decisions as to what, when, and how we receive our finished products, and that they are exactly what we ordered.

Blame irresponsible U.S. manufacturers, not the China supply chain for increased recalls being reported. At BendPak®, our offshore factories deliver EXACTLY the quality WE approve. We get what WE want.

Why did BendPak® "sell-out" and build offshore factories?

BendPak® has not "sold-out" - we are a global manufacturer and a global supplier competing for the world's business.

BendPak® is not the only company with overseas factories. Every other domestic and European lift supplier in the United States has moved offshore in some degree.

It must be a good approach as other world-class leaders outside our industry are doing the same. Chrysler, Mercedes, Toyota and General Motors share chassis and other component factories in Asia.

Isn't BendPak® doing this just to make a lot more money?

No, BendPak® operates foreign factories because we are forced to. BendPak® must explore offshore manufacturing as a means to compete, just as the rest of the world has done. American consumers have grown dependant on foreign-made products – dependence as a result of our over-priced domestic labor pool. Perhaps decades ago when countries and international economies could remain independent of each other, overpriced labor bubbles could exist - but in today's global environment, borders are down and communication is easier. Dollars, rupees, yen and pounds are exchanged easier than a drive-thru ATM.

Can BendPak® trust the quality of foreign-made steel?

In recent years there has been a significant turnaround in the global steel industry, especially relating to China. Steel now supplied from Asian steel mills will in many ways exceed domestic quality when comparing similar grades.

At BendPak® we have over 40-years of learning about applied force, bending moment, concentrated load, deformation, ductility, strain and stress, and so on. We know steel very well and are experts at structural design. At our headquarters in Santa Paula CA, we constantly perform Normal, Superficial and Micro-hardness testing as well as Brinell testing. Additional metallurgy testing is performed outside utilizing the services of Metals Technology, an A2LA certified laboratory specializing in aerospace metallurgy and material analysis. Our fully equipped metallurgy laboratory and trained technicians enables us to determine carbon content of steels and perform complete inspection of microstructures, accurate analysis of case depths and surface hardness to assure conformance to our strict requirements and specifications.

The events that have lead up to the re-industrialization of the steel industry are a simple fact in economics. A large percentage of U.S. based steel companies are currently in Chapter 11 status – not just small mini-mills, but the nations largest. Without funds to modernize old equipment, many U.S. steel mills have lagged in technology and have fallen behind. With other burdens such as high labor costs and legacy costs, most of these companies cannot compete in the growing international market. The wages of U.S. steelworkers are high as most of the workers are unionized; add the discouraging fact that benefits for retirees and their dependents are more than these companies can afford. Roughly one hundred fifty thousand steelworkers have to take care of seven hundred fifty thousand people. The math simply does not work, especially in a global environment.

China is now the number one steel producing country in the world with an output of 500-million tons in 2007 versus 128-million tons in 2000. U.S. production for 2007 was estimated at 95-million tons. In just the last seven years, China has increased steel production almost 300%. It would be literally impossible to increase output that significantly without modernizing plant capabilities, systems, technology and testing, not to mention by producing an inferior product

All steel companies on earth except those in China complain about the difficulties in raising capital. Chinese steel companies have raised billions of capital from the Chinese stock market explosion, a dramatic increase in sales and government backed subsidies. In the last seven years Chinese steel companies have modernized plants, purchased new equipment and have made several overseas acquisitions. Chinese steel companies are taking over foreign steel companies at an accelerated pace - companies which were lacking the proper financing to upgrade technology.

Closing

At BendPak® we understand and respect consumers trying to remain patriotic to the American labor force, but we caution you to not make the assumption that American Made means Better Made.

- If any of you on this board were blindfolded and dropped in the middle of OUR factories – after removing the blindfold, the first thing you would hear after the sound of your jaw hitting the floor would be the sound of automation. Our factories are truly remarkable in every way. No sweatshops, no dirt floors and surely no lack of technology. Our factory processes are literally what ISO uses as a benchmark.
- No we don't use "contract" factories. We maintain control by having majority ownership. Walk around any of our 300,000+ sq. ft. factories and you'd see nothing but BendPak® parts and BendPak® processes.
- Our lifts are the most copied lifts on the planet. Amusing is the fact that not only do they copy our designs; they use our photos, copy our manuals, and copy our decals. We have lawyers working year long on intellectual property matters and have been successful in shutting some factories and distributors down both in the US and abroad - but the proliferation continues. Any lift that looks like BendPak® on Global Source or Alibaba does not come from our factories. We do not private brand our lifts for others. We did not simply go overseas and find a factory that could supply us with lifts. We designed and built the lifts here then went overseas and built the factories. Any non-BendPak® lift that Harbor Freight sells does not come from our factories and I would strongly caution buyers to investigate further. Caveat Emptor.
- I would probably bore you with discussion that echo's through our offices about applied force, axial force, bending moment, body force, center of gravity, centroid, concentrated force, concentrated load, deflection, deformation, distributed load, ductility, elastic limit, moment, moment of inertia, normal strain and stress, plastic, potential energy, shear stress and sheer strain, shear modulus, strength, stress resultant, yield stress, yield strain and so, and so on.

Some Asian brands look OK but judging a lift solely on cosmetic appearance can be perilous. Mechanical properties of steel vary considerably and although a lift component may "look like steel", what kind of steel is it? GB/T 699 15Mn steel - 59,000 lbs. tensile / GB/T 700 Q235A steel - 54,000 lbs. tensile / IS 10748 Grade 1 steel - 24,650 lbs. tensile / A512 Grade 1018 steel - 68,005 lbs. tensile / A311 Grade 1035 steel - 85,550 lbs. tensile. Standards for steel vary country to country and choosing the wrong one for the application is risky. Are these other manufacturers simply copying lifts and choosing available "steel" that best suits their supply needs or choosing the correct steel for the load path application?

Although it may seem like we could simply "copy" designs it is not that easy. All of our lift designs are computer modeled then we perform design analysis and simulation of applied forces, axial force, bending moment, etc. using engineering calcs and FEA like Solid Works Cosmos and others.

We can tell you exactly what stress or strain each part sees when loaded to 100%, 150% and 300% proof loads. After we feel comfortable that the design is sound, we perform actual destructive (physical) testing.

Respectfully,

Jeff Kritzer
Senior VP.
BendPak® Inc.

(weblink: <http://www.e-autolifts.com/Factory/ForumDialogue.html>)