# COMPUTER RETURNS

The Chinese computer company, Lenovo, which
bought IBM's PC division in 2004, has announced
it will be opening a small production facility
in North Carolina next year.

> The world's No. 2 personal-computer
> maker says the PC production line now
> being built at a facility in Whitsett,
> N.C., will allow the company to become
> more responsive to U.S. corporate
> clients' demand for flexible supplies
> and product customization. Although the
> cost of U.S. production will be higher
> compared with overseas production, an
> added benefit will be to raise Lenovo's
> profile in the U.S., where it ranks
> fourth in market share by shipment.
>
> [snip]
>
> Lenovo executives said the new
> production line isn't a temporary
> publicity stunt. "I believe this is the
> first of many steps to increase our
> production capability," Mr. Schmoock
> said. "I'm very, very bullish about what
> I can get out of this facility."
>
> Gerry Smith, Lenovo's head of global
> supply chain, said the decision to set
> up a production site in the U.S. is in
> line with the company's broader strategy
> of localizing its production in major
> markets as much as possible.

The move is interesting simply as a reflection
of the way that more customized manufacturing—as
Lenovo's higher-end computers can be—is
localizing.

But there's also an irony here, given all the
attention on Apple's production in China, most
recently with the Foxconn riots coinciding with
the release of the iPhone 5.

But what it does is present an alternative

strategy, with products Cook knows well, as a way to compete better against (among others) Cook's current company.

If Cook can only get those Apple maps to work he might even return to the Southeast to see how this works!

Before Tim Cook became VP and ultimately CEO of Apple, he worked at IBM—what would become Lenovo's US headquarters—in North Carolina on manufacturing logistics. And this move is effectively a return of ThinkPad production to IBM's former stomping grounds.

Apple's still not going to bring device assembly to the US anytime soon. They sell generic widgets, not customized machines as this plant will produce. And even as expensive as their products are within segments, most of what they sell is still much cheaper than a loaded laptop.