



China Factory Closure: Sporting Goods

TriVista facilitated the closure of a US owned Manufacturing Facility in China.

The Client

An international, Private Equity Owned Sporting Goods Manufacturer

Project Results

- Complete Shutdown of Chinese Operations within 5 months (on time and within budget)
- Continuation of Supply Chain post-operations
- Successful termination of employees according to local labor law



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Case Study

The Business Challenge

A private equity owned sporting goods manufacturer was experiencing declining margins and excess capacity at their China production facility. Smaller production volumes, poor inventory management and shrinking profits necessitated the closure of their full-scale production facility. TriVista was retained to facilitate and manage the shutdown and transfer the remaining inventory, supply chain and production back to the US headquarters. Multiple levels of negotiations were necessary to keep labor unions, government officials, and interested parties all satisfied during the closure.

How TriVista Helped

TriVista's team of operations experts led Chinese negotiations between all parties and coordinated the efforts to ensure that terminated employees were adequately compensated, suppliers were notified of the facility closure, and suitable legal counsel and financial assistance were available. Throughout the process, on-the-ground project management, constant communication and oversight was necessary to keep the project on schedule and on target for the following items:

- Physical relocation of Inventory and Equipment back to the United States

- Complete Severance Package Creation and Employee Termination (done within legal and social compliance)
- Supplier Notification, Coordination and Communication
- Due-Diligence and Selection of Legal Counsel and Dedicated Financial Assistance for WFOE shutdown compliant with local laws and regulations
- Logistics Planning and Implementation during Transition

Our Impact

By utilizing TriVista's operations expertise in Asia, the client successfully shut down operations in China while remaining both legally and socially compliant. Groundwork was laid for a continued relationship with the Chinese supply base and production inventory was streamlined and verified in the process. The client was equipped with the appropriate resources to comfortably exit China without sacrificing relationships for any potential return in the future.



About TriVista

TriVista is a global management consulting firm focused on operations advisory to the middle market through Operational Due Diligence, Performance Improvement and Global Supply Chain Management. The firm has offices throughout the United States and China.

Contact Us

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