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An *Unrivalled* Opportunity

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DEVELOPMENT FOR MEXICO

Commercial and manufacturing companies are experiencing changes in global supply chains, and they are positioning themselves thanks to the so called nearshoring[⊕], a new way to do business, the key alternative for the regional economic reactivation and continuity after COVID-19 (Castañares, 2022).

According to the report about regional economies from Banco de México[⊕], from April through June 2022, the relocation of global production, or nearshoring, towards our country has meant higher demand and foreign investment for local companies, although it has been particularly important for the northern

region and for the exporters of the manufacturing sector (Castañares, 2022).

Tesla's investment in Nuevo León was announced at the beginning of 2023, something especially important for our country (Hernández, 2023). The Tesla giga

plant is expected to be in Santa Catarina City (Ballinez, 2023). An investment such as Tesla's will have a favorable effect for Mexico and it will mean growth for the metropolitan area of Monterrey but also for some other entities in the country (Ballinez, 2023).

Image: Rawpixel.com in Freepik, 2023.



A survey carried out by Banxico[⊕] reveals that 16% of domestic companies reported an increase on the demand of their products or on direct foreign investment because of nearshoring in the last twelve months (Castañares, 2022).

INVENTORY PORTFOLIOS

"Insuperable" (unrivalled) is a leading company in Mexico recognized as an innovative corporation in the production of multiple consumables of the outer part of a vehicle by providing everything necessary, going from the development of automotive commodities to the design of components, manufacturing, and assembly.

"Insuperable's" inventory portfolios includes consumables, such as lifting doors, doormodules, fascias, moldings, stirrups, seals, and encapsulated glass. This manufacturer incorporates advanced design knowledge of the outer part of a vehicle and light compound materials in each product line, with the main features of quality and functionality.

Image. Usertrmk in Freepik, 2023.



"Insuperable" supplies and helps Mexican assemblers in the design, development, and production of cars, both in functionality as in cutting-edge trends.



THE CHALLENGE

Nearshoring is a possibility as the CEO of “Insuperable”, engineer Próspero Hernández, wishes to integrate his business model. The company that supplies consumables for automotive corporation is facing the hypothetical situation of being a Tesla supplier. The engineer is talking to the accountant in his Santa Catarina office, and he says, “Gerardo, I am really interested in having ‘Insuperable’ become a Tesla supplier and your opinion is very important for me”.

Image: Usertrmk in Freepik, 2023.



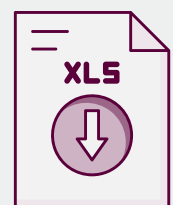
The engineer poses the following questions to the accountant:

- Does our company “Insuperable” have a favorable situation to commit to a company of this level and become Tesla’s supplier?
- Which are the necessary requirements and paperwork to become a Tesla supplier? Can “Insuperable” enter Tesla’s suppliers’ development process?
- Is our expertise as suppliers of other assemblers enough to give service to a mega plant of electric cars such as Tesla? That is, will being suppliers of other industries of the automotive sector help to be Tesla’s suppliers?
- What do we need, additionally, to handle inventories with an international company such as Tesla?
- Is our work capital enough to commit to an international brand of electric cars?
- Which is our current financial situation regarding profitability, liquidity, solvency, and financial position as a company of the automotive sector?
- Which is Tesla’s current financial situation regarding profitability, liquidity, solvency, and financial position?

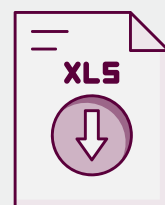
THE DECISION

Próspero is quite interested in the subject, and he also asks Gerardo the next question: "Could you please explain to me the financial statements and the main financial indicators, both from 'Insuperable' and from Tesla to be able to understand both in the automotive industry?"

Próspero admitted, "...I must thoroughly analyze the financial, logistics, and requirements topics, but such relevant information, news, and reports drive us to make true the dream of being a possible supplier of Tesla. We are aware that they will bring their own and there will be competition, but...Let's get to work and reach our goal!"



**Financial
information of
"Insuperable"**



**Tesla's
Financial
information**

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