

Cleber's Global Business Model

In our view business exists to facilitate the needs of society. Yet the reality of today is that most exist to bring value to stockholders. The outcome is that the products they produce can only be afforded by about 30% of the world's population.

Our goal is to foster local economic growth in such a way that it can, over the long-term, ensure a broader access to all products and give small businesses the ability to contribute to the global economy. The creation of a value-based business model opens up the market of the 70% that cannot afford most of today's products.

The current stockholder-based business model focuses on selling products to underdeveloped countries, or using them to manufacture products that in turn are sold to them. This has not and will not improve the overall economy, capabilities or future of the developing country. Further, it moves profits outside the country to benefit international stockholders and hurts the local economy when the many of companies inevitably move out.

The essence of our approach is to assist the developing countries in making products rather than selling them products. We can look back at where the developed countries started to understand where the developing countries should start. Then we utilize our knowledge and technology to assist them in taking the steps that they determine are best for themselves. We came to this view by realizing it is impossible to move a developing economy to the level of the leading industrialized nations in one step. Our responsibility is to provide them the tools to take the first steps, enabling a unique progression that they choose.

The Oggún Tractor is an example of how this might work. We used an Open System Manufacturing model to design a state-of-the-art tractor using the latest technology from global component manufacturers. We then encouraged each of them to become part of a virtual corporation where the focus is on value, not price. Each company is encouraged to add value to the product not just in the components they provide, but in how those components fit into the overall product. As a result, Cleber only has three employees, that range from the current generation back to 1943. Having the benefit of being multi-generational

we are able to look back on the first steps that farmers took when the US moved from manual labor and livestock to tractors. Involving the current generation and technology ensures that we have a path to the future

On an international level we license the design to businesses that will manufacture in the country or region where the tractors are sold. Each country will have a different starting point within the assembly and manufacturing process, but the goal for all is to manufacture or source every component locally. Rather than just selling tractors to local farmers, we provide the ability to expand the manufacturing capability of the country. Additionally, this model allows the price of equipment to go down every year instead of up. This is realized by sourcing components and labor locally, and achieving lower component pricing with increased international volume and shared components across products. As the price lowers, the equipment will be in reach of a larger percentage of the market.

The goal of our business model is simply enabling sustainable local economies that function in a global context. As a global society, we have passed the industrial age and entered the information age, where connecting people, sharing knowledge and having a technological foundation is what will allow for growth and progress. Technology will continue to advance; so must the business models that create and enable it. Our focus will always be on disrupting our business model before someone else does.

We are entering an age where the revenue cycle of products is short-lived and money is made through innovation and disruption. It's an age where the most trusted companies will achieve the highest margin.