

Staring at a blank sheet, or more accurately a blank screen, is how I begin to write these articles. Well not really, the real start is the research that goes into gathering material to fuel the content. Looking at periodicals, online blogs, talking to other folks in the industry and reflecting on my own experience are all sources of inspiration.

Looking at all those inputs again this month, the story seems to remain the same. Component lead times, while beginning to show some improvement, are still extended beyond normal. The MLCC market is disrupted by “End-of-Life” scenarios as the manufacturers rationalize their product offerings and selections. The automotive industry, both internal combustion and electric, and the cellular telephony industry continue to drive volumes that impact the rest of the world’s ability to procure components. We are hearing that relief may be in sight; time will tell.

So I am going to take this opportunity to talk about something else. Anyone who attended the ERA National Conference this past February knows exactly what I mean when I say, how about that conference? Kudos to Conference Committee Chair John Hutson, CPMR, of MacInnis Group who led the team that put together this conference. Untold hours of time dedicated by the conference committee members yielded a fantastic tribute to the previous 49 conferences held by our organization. The time spent in Austin was extremely valuable and sent all attendees home with unparalleled content and takeaways; not to mention the networking with fellow players in the electronics industry. Thank you to everyone involved, and thank you to all attendees for your support and for taking the time to come to Austin. We’ll see you all in Austin next year, Feb. 23-25.

I just read an article in the March issue of *Automotive Engineering* titled, “New Co. vs. Old Co.” It discussed the impact that the progression of electrified, connected and autonomous vehicles will have, not only on the auto makers, but the OEMs supplying components for the vehicles. It also discussed the need to maintain the ability to supply the current components for today’s vehicles while funding the research and development for the new components needed moving forward. Essentially keeping the “Old Co.” funded and running smoothly while finding a way to fund and develop the “New Co.” all the while plotting a way to transition and stay profitable. It’s kind of like hitting a moving target.

This dilemma faces not only the automotive industry but most manufacturing industries. Think about the impact that technology is having on the aircraft industry, appliance industry, communications (new cell phone every year), healthcare, and the list goes on.

The “New Co. vs Old Co.” certainly is present in our industry. Having gotten my start in distribution, the progression has been dramatic. In the early years, inventory was pretty simple. The expected life cycle for components, especially in the replacement market, was pretty long, and you could establish and maintain inventory levels with reasonable assurance that the product would move off the shelf in a fairly predictable timeframe. Not so today.

Life cycles are much shorter, especially in the “consumer” world where it’s a throw-away world. The industrial market is better, allowing electrical and industrial distribution to perform in a more conventional distribution model. Electronic OEM distribution performs a strategic function in the supply chain of insuring that needed components get to the OEM in a timely manner to insure an uninterrupted manufacturing process.

This progression in distribution has been both “catastrophic” and rewarding. Catastrophic for those distributors who chose to remain in the “Old Co.” mode and continue in that format until they locked the doors, rewarding for the progressive distributors who embraced the “New Co.” format and explored and found ways to thrive in the environment.

The rep community falls into much the same format. I have fond memories of many good rep friends who continued in the mold of “that’s the way we have always done it” and unfortunately they are “no longer doing it.” Through our years in business we have “reinvented” ourselves many times to fit the ever-changing market we serve. So have many of our other rep friends. It’s necessary if we are to survive and thrive. I implore each one to take a good look at the “New Co. vs. Old Co.” and take steps to ensure that as our industry moves ahead, each of us is constantly in the “New Co.” mode.

COMPONENTS

Bob Evans, CPMR

EK Micro

Rolling Meadows, Ill.

Component lead times remain extended

MATERIALS, ASSEMBLY, PRODUCTION & SUPPLY

Troy Gunnin

Sun Rep Inc.

Tampa, Fla.

Embracing a ‘New Co.’ mode to meet the demands of an ever-changing market