

/ STRATEGIC SUPPLY CHAIN

Operationalizing resilience with strategic supply chain solutions

Volatility has always been an inherent characteristic of high-tech supply chains, but in recent years the intensity of this volatility and the widespread economic implications of a severe disruption have grown exponentially. Driven by factors including global geopolitical instability, increasing cost and complexity of IC production and the sheer number of applications and markets in which semiconductors and other high-tech components are now mission critical, the margin for error in today's supply chains is shrinking faster than modern chip cells.

To deliver the differentiated product customers demand, today's enterprises need a supply chain strategy that is as sophisticated and leading edge as the technologies they source and produce. Focusing on assurance of supply, visibility and responsiveness, an expertly designed and executed supply chain strategy puts resilience front and center and drives agility and profitability throughout the product lifecycle.

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GLOBAL CONTEXT

While technological innovations have brought the cost of many components down significantly, the concentration of wafer production among a handful of players continues to challenge the tenuous supply and demand balance across technology supply chains.

~~To put into perspective the enormity of the pressure the component market is under, consider these data points: from 2005–2015, average annual growth rate was 5.5%, according to ECIA, from 2015–2022, growth hit 8.0%. And, while it took about 50 years for the semiconductor market to reach \$500B in annual sales, it is expected to take less than 10 years to double those sales to \$1T.~~

Every year enterprises across technology verticals consume billions of electronic components. They are designed into a vast array of systems by engineers seeking the best performance and differentiation for their ideas, while sourcing and supply chain teams around the globe compete for timely, lowest cost access to these technologies, all the while expecting top quality service and support to feed their production lines—anywhere, any time.

EMBRACING STRATEGIC SUPPLY CHAIN

It's no wonder that technology manufacturers across industry segments and around the world are so eager to elevate their supply chain strategies, optimizing not just the flow of product, but data and finances among multiple strategic trading partners. What these leaders understand is that a supply chain strategy built solely on lowest price isn't going to deliver the resilience and differentiated customer experience today's competitive markets require. Shifting stakeholder mindset from a focus on lowest cost of goods to lowest total cost is essential to achieving the assurance of supply, visibility and responsiveness necessary to most effectively manage global market volatility.

Enterprises most successful at mitigating disruption risk are the ones that approach supply chain services and solutions not as an add-on of the cost-of-goods, but as intentional, value-generating strategies derived from meticulous lifecycle planning methods, data-driven visibility and seamless inventory management that is readily scalable for any size and mix of a production. These best-in-class supply chain strategies begin in the earliest design stages and extend beyond mass production to post-sales support and eventual end-of-life management.

THE AVNET ADVANTAGE

This is where Avnet's experience and expertise in designing and managing supply chains with and for partners up and down the supply chain is a true differentiator. In every engagement, stakeholders have varying priorities and goals. Avnet's portfolio of supply chain services and solutions bridges the gap between downstream suppliers and upstream producers. We work with partners to identify their needs and priorities and then apply the sourcing, finance, and data management models that will best satisfy those needs, thereby maximizing the value we represent to all our partners.

From fulfillment and inventory management programs to sophisticated supply chain-as-a-service (SCaaS) models, Avnet's comprehensive supply chain offerings demonstrate our commitment to both optimizing operations in order to achieve the reliability and cost efficiency customers want, as well as continually innovating and raising the bar for supply chain excellence and customer-focused solutions development.

THE BOTTOM LINE

With time to market pressures, budget constraints and customer expectations on the rise, no one has time for trial and error. If supply chain strategy and execution are not a core competency of your organization, you need a partner you can trust that can help you manage today's highly dispersed network of product and service providers as seamlessly and cost-effectively as possible.

Avnet has the experience, global footprint, infrastructure and both technical and operational resources needed to help our partners navigate the complexity of today's global supply chains. Our substantial investments in state-of-the-art digital tools and processes, ensure our people have the insights and expertise needed to tackle the most complicated supply chain challenges. So, let's connect today to see how Avnet's distinct design through supply chain solutions portfolio to help ensure the value created with each new product innovation is fully captured as it moves to market.

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