SUPPLY CHAIN-AS-A-SERVICE



Trust is the currency of a successful supply chain

When it comes to your supply chain, you need assurance that the products you source are available when and where you need it. You need a trusted partner that can help manage your inventory pipeline with the flexibility and agility to meet your exact needs and respond to changing market conditions. And you need confidence that your logistics programs and managed cost-effectively. In short, the most valuable currency of your supply chain is trust.

A key to instilling trust in your supply chain is having full visibility across the entire product lifecycle--from planning and forecasting to developing risk management strategies. Insights obtained from data and market intelligence help companies assure supply, maintain seamless production, and build in the nimbleness to pivot quickly when needed.

At Avnet, our focus is on helping our customers achieve resilient, data-driven supply chains they can trust is by providing the tools, programs, and services they need to keep operations running smoothly—no matter what comes their way.

Our portfolio of supply chain capabilities consists of a robust set of programs and services. We also offer non-traditional solutions for customers with unique challenges who may need a more customized solution.

Avnet's programs and services

Avnet's comprehensive suite of supply chain programs and services are designed to drive resilience, agility, and profitably through the entire product lifecycle.

SERVICES OFFERED

- Supplier Managed Inventory
- Vendor Managed Inventory
- Full Production & NPI Kitting
- Manufacturing Turnkey
- Tariff Mitigation Solutions
- In-plant Stores
- Supply Chain Central Digital Portal
- Proximity Warehousing
- 3PL Services
- JIT/POURS Replenishment
- Global Fulfillment

Avnet's solutions

Not all business challenges are universal. Some unique challenges may require a more customized approach, which we offer through a suite of non-traditional supply chain solutions designed to drive resilience, agility, and profitability through the entire product lifecycle.

SOLUTIONS OFFERED

- Strategic inventory hubs
- Supply chain trade financing
- Fee-for-Service (FFS)
- Activity-based trading models
- Logistics services
- Financial bailment
- Digital-as-a-Service (DaaS)
- Supply chain analytics
- Price masking
- Brand owner buy/sell
- End-to-end supply chain design/redesign

Keep your flow going with a partner

Leveraging Avnet's global scale and scope, our supply chain experts identify ways to help you optimize the flow of product, data, and finances to drive resilience, agility, and profitability throughout the product lifecycle. Lean on our team to find the right supply chain solutions to maximize ROI and build the trust you need in your supply chain to deliver.

Get Started

Interested in learning how you can achieve a resilient supply chain and drive efficiencies across your product lifecycle with Avnet? Explore more at **avnet.me/supplychain**

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CAPTURE MORE OF YOUR PRODUCT'S VALUE WITH A STRATEGIC, END-TO-END SUPPLY CHAIN STRATEGY

By David Paulson, Global Vice President, Avnet United and Avnet Velocity®

When we consider what makes a new high-tech product or service successful, our first thought is naturally the underlying technologies that differentiate the offering. Are the component choices, board placement, packaging optimized to achieve the target performance goals around processing speed, battery life, size, weight, durability, ease of use, etc.

Let's assume they do. The design team has successfully translated that back-of-the-napkin sketch or middle-of-the-night brainstorm into a viable product. It's a fantastic achievement. Many great ideas don't get that far. But, your product's journey to market has only just begun. At this point it is all potential. Whether it ultimately sets new standards for performance, price, customer experience, market penetration and revenue generation or is beset with cost overruns, missed time-to-market windows and disappointing returns is now largely dependent on the design and execution of your supply chain.

The challenge here is that companies who excel in product development and technology innovation often do not have an equally robust expertise in the process and operational side of the product journey. Even Elon Musk, a man who has literally revolutionized the field of rocket science, acknowledged in a 2016 interview: "this supply chain stuff is tricky."

Tricky is, of course, an understatement. Throughout the end-to-end lifecycle of a product, organizations must rely on tens or even hundreds of trading partners for various parts and services. Not only are these enterprises most often geographically dispersed, but they likely have dramatically different levels of business experience, technological sophistication and financial wherewithal. Throw in risks ranging from simple human error and global economic volatility to natural disasters, increasing demand for active social and environmental stewardship from both consumers and capital markets and the occasional Black Swan event, and the incredible complexity of modern multi-tier, multi-region supply chains should be readily apparent.


David Paulson

Do you see what I see?

Still, many organizations tend to underestimate the value of their supply chains. Most often, that's because they simply don't know what they don't know about strategic supply chain management. One way to understand supply chain complexity is to think of it like an iceberg – there is a lot more to it than meets the eye.

For example, above the water line, you have orders being placed, product pulled from shelves, packed and shipped to a production facility. Pretty straightforward. But below the surface are the innumerable logical, physical, digital and financial elements that that must be considered and addressed to ensure the optimal flow of product, data and capital. These tactical and strategic variables include things like value-add programming and kitting; master data

https://www.sourcetoday.com/thought-leadership/article/21165466/capture-more-of-your-products-value-with-a-strategic-endtoend-supply-chain-strategy
Published May 27, 2021

management; trade compliance; warranty service, working capital management, multi-tier visibility, supply chain finance, production planning, alternate source selection, and physical and cyber security. When these elements are not expertly managed and coordinated, the risk of disruption, and your total cost of ownership, will increase exponentially.

Partners, partners everywhere

If supply chain strategy and execution are not a core competency of your organization, you might be wondering what you don't know - but need to know - about choosing a partner that can help you manage this highly dispersed network of product and service providers as seamlessly and cost effectively as possible.

Many third-party companies offer an array of useful enabling technologies, platforms, consulting services, and more that address various elements of the supply chain process, from BOM assessment and planning to forecasting, risk mapping and logistics services. The challenge here is to not add even more complexity to your supply chain with a piecemeal assortment of providers, each with their own focus, which may or may not ultimately align with your strategic and financial goals.

With time to market pressures, budget constraints and customer expectations on the rise, trial and error is generally not a winning strategy. Here are some considerations as you look to engage with a strategic supply chain partner:

- Your supply chain extends throughout the end-to-end lifecycle of your product, so you need a partner who has a deep understanding of market dynamics that influence supply and demand and expertise that runs from the earliest stages of new product ideation all the way through end of life.
- As digital technologies like IoT, cloud, machine learning and AI permeate not only corporate IT but operational technologies, you need a partner who can skillfully integrate these advanced technologies and complex physical supply networks to ensure you have the visibility you need to sense and respond to changes in market conditions. Fluency and expertise in implementation of intelligent automation technologies like robotic process automation and process mining are a must have.
- Focus on total cost of ownership. Like many brand owners and OEMs, component suppliers are generally all about technology innovation and new product or service development. Supply chain agility and responsiveness are rarely a core competency. So, while you may enjoy preferential pricing buying direct from a component manufacturer, your "total cost" calculation should include possible added expense from expedites, payment term penalties, missed production windows and other fulfilment disruptions.
- Supply chain management is definitely a team sport. You need a partner who can help break down strategic and technological barriers between external trading partners as well as internal silos among key stakeholders like your engineering and sourcing teams. Better collaboration and coordination throughout the design-to-supply chain journey can ensure component choices will satisfy critical brand objectives around time to market, user experience, and factors like environmental sustainability, ethical sourcing and recyclability.
- Your partner should act as an extension of your organization, facilitating the flow of products and information between your organization and your various trading partners. If your partner feels more like a roadblock between you and your supplier network, start looking for a new one.
- There is no one-size-fits-all supply chain model. Look for a partner that will take the time to understand your specific challenges and priorities and has the range of capabilities required to build a model that best meets your needs - from standard fulfilment and inventory management programs to sophisticated supply chain-as-a-service solutions.

Trust: the foundation of supply chain excellence

Finally, you need a partner you can trust. This should go without saying, but trust can be a pretty nebulous concept, so let`s consider what trust can look like in the supply chain.

The ongoing shortage of key technologies in the high-tech sector has generated a lot of buzz around shifting from "just-in-time" to "just-in-case" inventory strategies. As a global distributor, Avnet is obviously capable of buffering inventory for our customers, but inventory for inventory's sake can tie up precious capital resources and may add potential obsolescence risk if buffer stock ultimately goes unused.

In addition, assurance of supply is just one element of an effective supply chain resilience plan. Agility and visibility are also critical. Avnet is working closely with customers and suppliers to facilitate a more open exchange of capabilities and requirements, ensuring resources are best aligned to achieve our common goal of meeting market demand on time and at the right price. With techniques like scenario planning, value at risk calculations, deep tier supply chain mapping and alternate source identification, we can help our supply chain partners more quickly and cost-effectively outmaneuver disruptions that threaten their business continuity.

In a world where the commoditization of technologies makes it increasingly more difficult for companies to stand apart from the competition, supply chain and operations have become the new frontier for differentiation. Companies today cannot rely solely on the technical superiority of their product or a marked price advantage to remain competitive. Sustainable growth and profitability are the result of delivering a differentiated, value-rich customer experience throughout the entire product lifecycle. This requires both leading-edge technical and best-in-class supply chain execution.

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