Not enough suppliers = cause, problem or symptom?
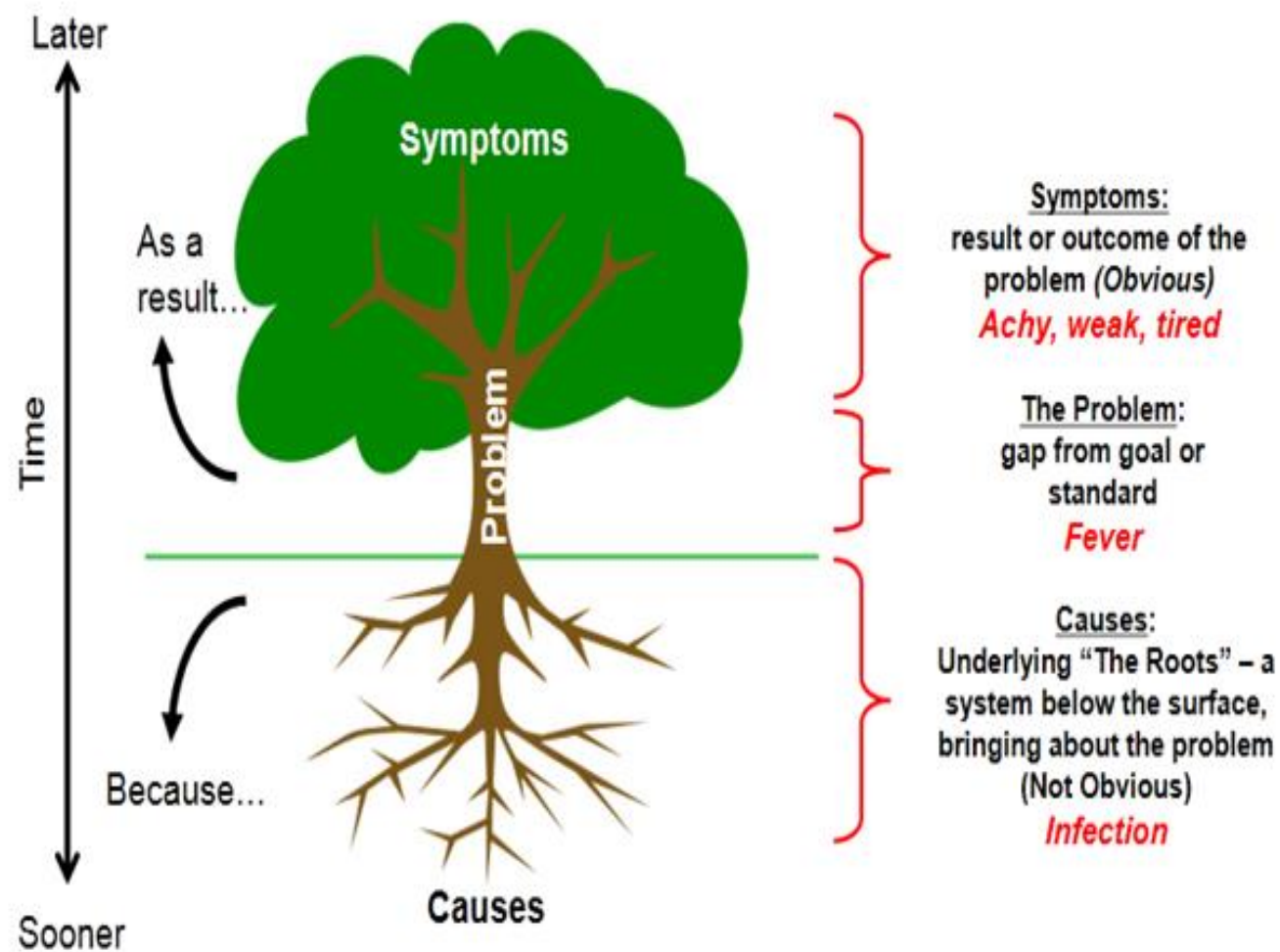
A sole Microcontroller

The Prosecco wine case.

The Prosecco wine case.

How to deal with the oligopol situation?

P   Prosecco = 2 M€

W   No branded Wine = 2,8 M€

How we see Prosecco

Levarage **W**	Strategic **P**
Routine	Bottleneck

How Prosecco sees us

Exploitable	Core **W** **P**
Nuisance	Development

Metal cutting tools

Metal cutting tools

01. Tools prices

unit price / volume
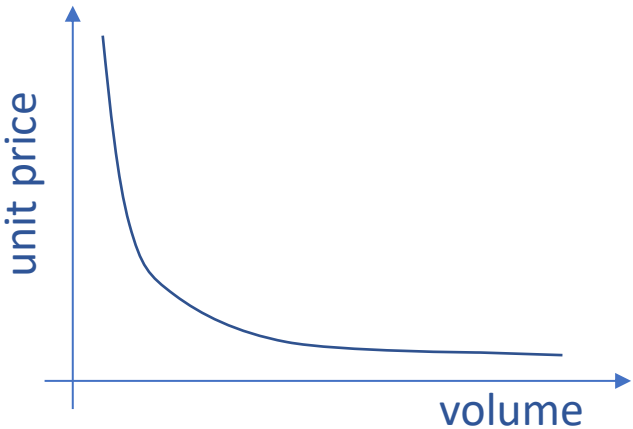
02. Tools cost share in manufacturing process

Cutting Tool	8%
Machine	50%
Labor	11%
Fixed	21%
Depretiation	10%
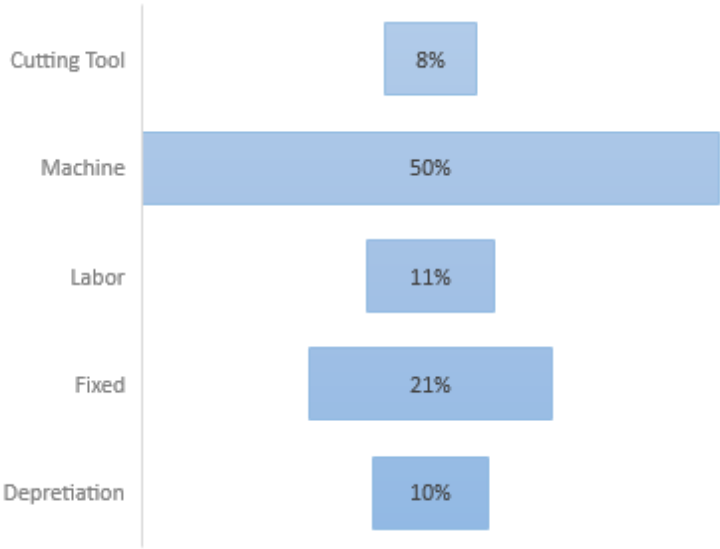
03. Integrator value added
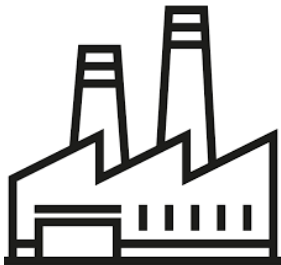
Transactional costs

Warehouse handling

Supply planning

Quality claims management

Regrind management

Consgniment stock

Vending Machines

Commercial terms
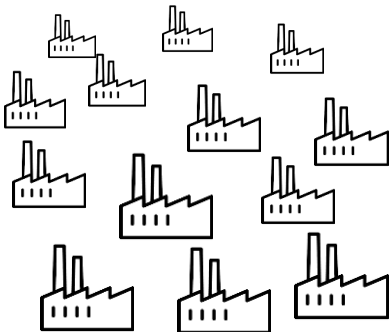
suppliers

integrator

client

Not enough components on the market

Global supply

Global demand

Not enough components on the market

Information	Explanation
Root cause?	Orders were confirmed by **Supplier A** many times / above LT 147 days (orders from 15.02.2018)
Products?	Need for our key products group like: **Product A, Product B, Product C**
Number of Finished Goods	1 800 000 pcs
Sales impact in Euro; cost impact in case of sudden line down factory	14 mio €
Purchasing Price Variance	130k USD
Till when spot buy cover the gap?	• Wk 30. 2018
What actions were taken?	• Escalated to supplier / war room – global allocation • Checked with R&D - no alternative available • Component 1 – also spot buy from Br**oker X** • Component 2 – also spot buy from **Broker X**; cancelled PO from **Broker Y** (probably fake)

Global supply

Global demand
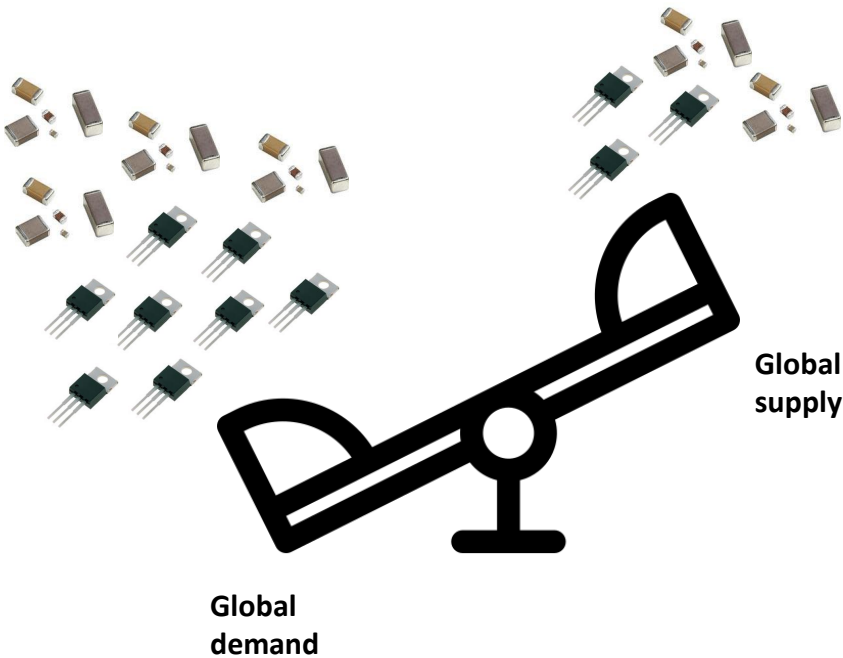
Tungsten relationship
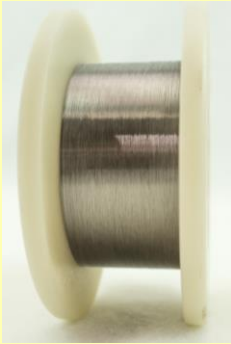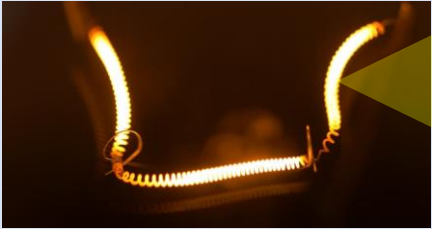
Steel Market

„People will forget what you said,
people will forget what you did,
but people will never forget how you made them feel."

Maya Angelou,
Human Rights Activist

Treat your suppliers with respect,
Not only when you have no other choice.