

2018: challenge accepted

Lead times are lengthening and the market is becoming more challenging for buyers, but Charcroft is ready to take on the challenge to help customers avoid a line-stop

Although 2017 will be remembered as a good year for the electronics industry, it will also be remembered as the year in which life started to get a lot tougher for buyers. As actual growth significantly out-stripped predicted growth, we enter 2018 with component manufacturers' orderbooks full and their production lines struggling to keep up with demand.

Comfortable four- to six-week lead-times on passives and other types of components have not just drifted out, but sprinted to 12, then 28 weeks or more. There is even one manufacturer quoting an 85-week lead-time on one of its ceramic capacitors. Of course, the industry has been here before. Senior buyers will remember the tantalum shortages of the 1990s which tested original equipment manufacturers, contract electronics manufacturers and distributors.

Learning from the past

As one of the few specialist distributors to have remained independent, Charcroft has worked with customers through every crisis to hit industry since the 1970s. Its senior managers know what it takes to prevent a line-stop. Furthermore, all senior managers are based in the UK, in the same building as the sales, customer service and warehouse teams, which means they are immediately available to share their knowledge with the new generation of staff.

Focus is important within the customer-base too. Rather

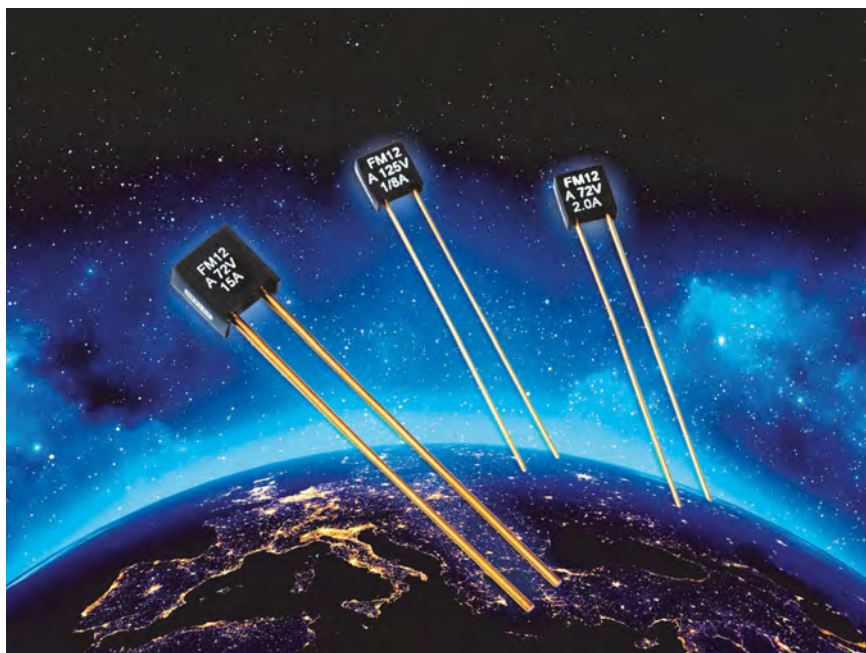
than trying to sell millions of components to a mass of customers, Charcroft remains focused on its core customers. These are typically OEMs and CEMs in high-reliability sectors such as mil-aero, rail, oil and gas, industrial and NewSpace, the burgeoning market related to smaller, commercial satellites.

Close, long-term relationships with suppliers mean that Charcroft not only knows its front-line contacts, but also their production managers. These relationships have helped to prepare contingency plans such as using flexible logistics to cut vital days or weeks from a lead-time to avert a line-stop.

A problem lead-time can also be reduced by using a drop-in alternative to a capacitor or resistor. Analysing system and component specifications can often help identify an alternative part that has a slightly tighter tolerance or a different voltage or temperature rating. Less well-known specialist manufacturers, who are not often found on the linecards of global distributors, can also sometimes provide an acceptable alternative on shorter lead-times.

Looking to the future

Far from going into lockdown over potential shortages, Charcroft enters 2018 full of optimism. Customer buffer stocks have already been increased and the company has recently signed a new and exclusive UK franchise with AEM. As



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a manufacturer of high-reliability ferrite chips and what are claimed to be the industry's only QPL solid-body, current-limiting fuses, AEM's products are supported by a tin-whisker mitigation process for RoHS-exempt applications. This will be particularly useful for customers in the avionics, defence and NewSpace markets.

So, while buyers may look forward to the new year with some concern, Charcroft is, as always, ready to take on the challenge of helping customers to keep their production lines rolling.

www.charcroft.com

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