



Inventory Trouble

The Double Whammy of Today's Supply Chain Disaster

The year 2021 might be remembered as the year of the great COVID-19 pandemic, but it could equally be remembered as the year of the great Supply Chain Collapse. It turned out to be the perfect storm of chain-reaction problems that turned worldwide distribution channels on their ear. Factories that were closed for months due to the pandemic were re-opened only to be met with huge pent-up demands for product. Getting them cranked up and producing meant overcoming labor and inventory shortages. What little product that began to trickle out was met with bottlenecks as cargo ships clogged U.S. ports, most waiting



days even weeks for their turn to dock and offload their precious cargo. Even then the product sat because there simply weren't enough truck drivers to get from the ports to their destinations. All this is compounded by the fact that demand for virtually everything, especially electronics, just continues to increase. The shortages and delays we are experiencing are unprecedented.

Many warehouse operations and distribution centers are under pressure to become more efficient. Do more of what they do, but faster. They are tasked with using the latest and greatest technology to get in and out faster

than ever, with no mistakes, and minimal labor. However, what's a manager to do when the very technology they need to improve their warehouse operations is caught up in the same supply chain debacle that's affecting the products they're trying to move? The technology they need to count, scan, weigh, sort, move, pick, pack, and ship is either sitting at a port, on a ship or worse, hasn't even been built yet because those vendors can't get the components they need to build the devices. Many technology suppliers have seen their lead times grow from days to months, with some product availability completely uncertain.

While there is no "magic wand" solution to this problem, there are some things you can do to at least make sure you're doing everything you can, leaving no stone unturned.

Look everywhere for the technology you need.

Don't just rely on your traditional sources or vendors you've trusted in the past. It's highly unlikely that they'll do anything to help you find their competitor. Trust Google. Search for what you need and scroll past the ads and keep looking all the way to page 8 of the search results. That company you've never heard of? Give them a call. General Motors and Ford aren't the only two car companies in the USA.

Look back onshore. Sadly, the vast majority of technological equipment and devices are made offshore, which is also where the vast majority of the parts shortages are occurring. Seek out a US-based manufacturer of the technology you need, and you might just find what you're looking for. That's not to say that US-based manufacturers are immune from supply chain problems, but it's a good bet

they have fewer of them. You might also just save some money buying equipment that originates in the U.S. because the cost to freight product from overseas has more than doubled and that cost will just get passed on to you.

Lower the bar just a bit. Do you already have that RFQ written up looking for the latest and greatest widget with the turbo-charged flux capacitor? Is that really what you need? Or just want? Would lowering the specification requirements open things up to more potential options? Options that might get the job done just as well?



Do nothing. Maybe these supply chain issues will unravel in 2022 and product will start flowing again. Maybe spending money on a short-term basis for additional upkeep to maintain the technology you have is a better option. Take a 3-month wait-and-see attitude to see if conditions improve. Granted, that will delay any improvements you need to make and won't solve any of the problems you're faced with today.

In addition to intolerable delays, prices are going up. Demand is exceeding supply and companies with product to sell, can name their price. Unfortunately, there is absolutely no crystal ball to tell us when this madness will end. Ask ten "experts" and you'll get ten different opinions. If the demands on distribution are

exceeding the capabilities of the technology at hand, it might be time to take a look far and wide for solutions. You might find they're just around the corner.



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