

Distributors add value and improve efficiencies in procurement

Farnell's regional sales director of UK, Ireland and Benelux, Mathew Thorpe, explains how buyers can streamline their purchasing process and control expenses

Buyers of electronic components want more than just products from distributors. They are facing increasing pressure from board-level stakeholders to show how they are reducing costs when purchasing new products. This means purchasing professionals are challenged with finding and sourcing electronic components in the fastest and most efficient way, as well as consistently identifying new ways of maximising savings.

A good distributor—certainly one that has longevity and customer satisfaction at its core—can help buyers identify cost-saving techniques through a comprehensive product portfolio and transparent value-added service, supported by innovative online tools and resources, on-time delivery and a strong global distribution network. In addition, distributors can also provide alternative design-in options that can speed a product's time-to-market.

Navigating a changing market

Since mid-2018, the European electronics market has encountered some major challenges—uncertainty has crept in and buying habits have changed. Yet, the expectations of purchasing professionals remain. Buyers must have the confidence to reduce costs and maximise production efficiencies.

For many, establishing a partnership with the right distributor is an effective way to fast-track results.

Indeed, a distributor's role in helping buyers streamline the purchase process and control expenses is crucial, especially as the cost of procuring a product can be much higher than the order's actual value. This figure can be even higher for some companies whose buyers devote hours to finding products for the best price and in-stock availability. Beyond the product itself, purchasing professionals need a distribution partner that operates e-procurement and e-invoicing systems capable of cutting costs associated with acquisition, administration and order processing.

For the distributor, it's important to consider how its products and services can play a part in saving a customer money and, in particular, how costs can be cut for small to medium enterprises, through to blue-chip organisations, whose needs are often not fully met by the 'average' distributor.

Farnell has chosen to tackle these issues through the creation and personalisation of its services and an extensive distribution network. Farnell's acquisition by Avnet in 2016 created a new breed of distributor designed to offer better support at

all stages of the product development process—from design through to volume manufacturing and product lifecycle management. Also,



Multicomp Pro non-branded product are available on same-day despatch

Farnell's regional account managers take an integrated, multi-channel approach to helping buyers.

Farnell operates as a trusted advisor and strategic partner to purchasing professionals, providing access to a suite of integrated online tools to help simplify product searches, save time and give buyers greater control over spend. In some cases, Farnell has been able to reduce customers' purchasing costs by as much as 50 per cent.

A strong investment in the future

This has involved investing



Farnell's regional sales director of UK, Ireland and Benelux, **Mathew Thorpe**



Since mid-2018, the European electronics market has encountered some major challenges

\$60 million in its Leeds-based warehouse which supports logistics operations across mainland Europe. More than a quarter of a million new products have been added as well as \$150 million of stock. In the past 12-months, the company has increased its inventory by 25 per cent and added 40 new supplier lines, stocking more than 950,000 products via its global online catalogue with more than half a million in-stock products available to customers in mainland Europe.

Another differentiating service is the option for buyers to purchase from Multicomp Pro, a non-branded substitute product that offers the same quality and reliability as its branded alternative but at a more competitive price. All of this is complemented by a same-day despatch option and 24/5 technical support.

Access to innovative software and online tools

The iBuy online purchasing tool is a scalable add-on to a buyer's account on the Farnell website. This free tool is customised for each customer, helping to minimise administration times and speed up the procurement process. Buyers can cut the time they spend sourcing low-value products, while warehouse staff can slash processing times since goods arrive in one package with every order matching the invoice. Whether an engineer is buying a product direct, a buyer is sourcing the product, or an invoice clerk is paying the bill, iBuy offers visibility across the whole purchasing process.

Another online system, called ePass API, is an application programming interface that reduces the time and cost of searching for products by allowing customers to access condensed data for every product that Farnell supplies. Some customers have built their own software around the ePass API link to source

products more effectively. This provides customers with a clear understanding of what's available in the marketplace, the price of an item and when it can be delivered.

Reducing burden of invoice processing

The Farnell integrated e-procurement options include a Purchase to Pay system that facilitates catalogue, purchase order and invoice integration with a customer's Enterprise Resource Planning (ERP) system. Time and cost savings are ensured by customers not having to input an order onto the Farnell website then re-enter it into their own ERP system and manually

identified as a headache for many finance departments. According to the Chartered Institute of Procurement and Supply, more than 80 per cent of UK managers claim that processing supplier invoicing has a detrimental effect on departmental productivity.

It's clear buyers expect and demand more from their distributors than good products at a good price. The only way for distributors to stay ahead in the competitive electronics market is to offer innovative services and support tools that are not available elsewhere. Buyers looking to streamline their purchasing processes and control their spend should



The iBuy online purchasing tool is a scalable add-on to a buyer's account on the Farnell website



Over \$60 million has been invested in Farnell's Leeds-based warehouse

reconcile invoices. By example, the new addition of 2D barcoding offered by Farnell ensures products can be scanned straight into a customer's ERP system, improving accuracy and speeding up the process of receiving goods.

The e-Invoicing secure online portal provides rapid access to invoices and related documents in a customer's preferred browser. This is a benefit to end-users since the processing of supplier invoices has been

work closely with their selected distributor to ensure they have access to the best possible procurement package.

uk.farnell.com