

Sourcing cost-effective components for design enhancements



Industry:
Motorsport Electronics
Performance Technology

Specialisation:
Development and manufacture
Engine Control Units (ECUs)

Location:
Christchurch, New Zealand

Years Working with Active:
2.5 years

BACKGROUND

Link Engine Management was seeking a pro-active, long-term business partner to consult with the company about providing cost-effective, quality assemblies on time and for a fair price that would differentiate them from their competition. They were also looking for a flexible supplier that could offer valuable stock management services to avoid last-minute and costly buying.

Sourcing cost-effective cable assembly components

Link Engine Management needed to source its cable assemblies for a more competitive price. The company was also looking for recommendations about how to more efficiently source and assemble the raw materials used in its cables to reduce the overall cost of its assemblies.

Stock management Services

Link Engine Management was looking for ways to access comprehensive stock management services through local stocking of finished cable assemblies.

Sourcing components and cable assembly shortages

Due to its expansion and the need to be responsive to seasonal peaks in demand, Link Engine Management wanted to find alternative ways of addressing its supply issues and avoiding delays in its cable assemblies being supplied to clients. The company was also looking for solutions to prevent any last-minute sourcing of components to meet the demand.



SOLUTION



Achieve greater brand visibility with customised cable looms

At the start, Active engaged in considerable consultation with Link Engine Management to identify its component sourcing issues. We focused not only on product quality and cost, but also on ways to help Link Engine Management further penetrate its target markets and exceed its business goals.

Active recommended that the Link Engine Management logo be printed on their raw cables and that labels with logos also be added to the overmolds. This was achieved at no additional cost to Link Engine Management.



Faster supply of products by leveraging Active's Hong Kong/New Zealand Local Warehouse

Active has helped Link Engine Management save money in numerous ways. This has included obtaining better pricing for components, as well as providing custom solutions such as taking advantage of our Hong Kong warehouse as a stockholding point which Link Engine Management can draw from as required.

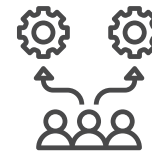
To reduce the unit cost, Active helped Link Engine Management to order higher MOQs aimed at getting better price breaks from raw material manufacturers. These higher MOQs do not have to be uplifted in one shipment by Link Engine Management. The stock can be delivered in staggered shipments over a specified period.



Increase flexibility and reduce risk with stock forecasts

Active provides a buffer stock system to allow flexibility with stock forecasts and reduce the risk of having no stock due to any unexpected larger spikes in demand. Whenever Link Engine Management uses buffer stock, Active then immediately replenishes the stock so that there is always a consistent amount to draw on in the future.

Active also has an efficient forecasting system in place. Link Engine provides 12-month forecasts to Active monthly. Active takes care of arranging all raw materials to be delivered to the cable manufacturer on time. Active is also aware of peaks and lows in sales, and is able to pull in and push out deliveries to compensate for these uncertainties on which the forecast is based.



Alternative Solutions for component shortage

If standard components are unavailable, Active sources components from alternative channels to ensure that Link Engine Management's production can proceed as scheduled. Active also presents a range of freight options and lead times to ensure the product can be shipped in a timely and cost-efficient manner.





RESULT

All of Link Engine Management’s cable looms are manufactured to the highest quality and finish. They are 100% tested to ensure they have met compliance standards and specifications, and are fully labelled and branded.

Link Engine Management draws down on finished cable assembly stock held in Active’s New Zealand warehouse. We also hold stock of raw materials used in Link Engine Management’s assemblies in our Hong Kong warehouse for quick release to the manufacturer in case of unforeseen spikes in demand. Link Engine Management also has the option of shipping their finished assemblies from our HK warehouse to their customers globally to reduce lead times and freight costs further.



Active is pleased with the business relationship we have managed to build with Link Engine Management over the years. We continue to work closely with Link Engine Management on new designs and components and we look forward to an ongoing growing partnership.

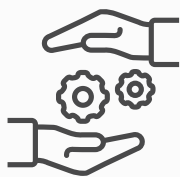


Proactive, rather than reactive

“One of the key differences in Active’s service is that they are proactive, rather than reactive.

If I ask a question, Active staff go out of their way to get the job done. I receive multiple emails providing different options. I get all the information I need to make informed decisions.”

Matt Coleman
Product Manager, Link Engine Management



A business partner with a strong rapport

“I continue to work with Active because of the very good partnership we have built together. Every new project we have worked on has proceeded very smoothly. Active staff is also very friendly and reliable. I don’t need to follow up on anything.”



Responsiveness, reliability and good value

“Active is very responsive. I can pick up the phone and call the team whenever I need advice about the best options. We have two dedicated Active account managers and they are really helpful. They offer the best customer service I have ever encountered. Active provides every option on every quote, whether or not we’ve requested this. We rely on them to give us upfront solutions. They respond quickly to emails. They act very fast and they are always available by phone when needed.”