

9 Key Considerations When Shopping for Electronic Components Online



A comprehensive white paper exploring the key considerations that all procurement professionals should keep in mind when shopping for electronic components online.



For electronics buyers, having a stable, reliable source of supply is a vital asset that keeps the procurement engine running. Without this critical link, everything from the plant floor to the distributor network to the end user can be negatively impacted. With supplier chain disruption, tariffs, geopolitical events, and product shortages standing in their way at any given point, more buyers are leveraging e-commerce marketplaces to research, source, and procure electronic components.

By filling the digital gap left open by traditional suppliers, e-commerce marketplaces like Sourcengine can effectively cross geographical borders, eliminate regional barriers, increase procurement efficiency, and streamline the end-to-end electronics supply chain. And while the benefits and rewards associated with business-to-consumer (B2C) online marketplaces are well documented and recognized, the inner workings of business-to-business (B2B) are more complex and involved.

To help, we've assembled a comprehensive list of considerations that all procurement professionals should be thinking about when shopping for electronic components online. In this white paper, we explore those factors, tell why they're important, and show you how to address them in a way that helps to make your company's supply chain more efficient, streamlined, and cost-effective.

BEFORE YOU SHOP ONLINE, KEEP THESE POINTS IN MIND

Here are the nine key considerations that all buyers should keep in mind when shopping online for electronic components:

1 The e-marketplace supply route can be shorter than traditional procurement strategies.

In most cases, electronic component manufacturers design, manufacture, and brand their own products. Then, they either sell direct to the end users or via a network of authorized distributors. An e-commerce marketplace like Sourcengine enables the shortest supply route possible while also ensuring that buyers get only genuine, authentic parts and have access to both technical support and after-sales service. Buyers can find the right components and quickest lead times; search for up to 25 items at a time; filter a search by lifecycle status, manufacturer, and RoHS compliancy. "Sourcengine gives us a great overview of global offers and lead times for components," says Connect Group's Sabine Vogel. "We are using it daily for ordering, verifying prices and availability, and for updating our technical data."

2 Not all e-marketplaces are the same.

When you procure online, you need a one-stop-shop where you can research the available components; compare different products and offers; check ordering lead times; and buy from a single, trusted source with a single click. The platform should also let you schedule deliveries, stay up to date on orders, and get immediate order confirmation. From this one-stop-shop environment, you'll get a streamlined, efficient experience that doesn't require rework or endless hours poring over specifications and documentation.

3 E-marketplaces can help buyers cross geographical boundaries.

Placing overseas orders in a rapidly-shifting supply chain can often be a stressful, complex process. Many complications can arise, including customs bottlenecks, import/export regulation changes, paperwork errors, and lost or misdirected shipments. When buyers order electronic components from a reputable, reliable e-commerce marketplace, they can literally break down all of the geographical boundaries that have historically stood in the way of a streamlined procurement process. Find a platform that features products that are sourced globally from traceable sources; that uses an automated vendor ranking system to ensure quality parts and timely shipments; and where you can buy from multiple vendors in a single transaction.



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global offers and lead times for components.

- SABINE VOGEL | COMMODITY DIRECTOR
EMS AT CONNECT GROUP

4 Make sure the e-marketplace offers traceable sources.

Traceable sources allow you to define, track, and identify the building blocks of your finished product (electronic components, parts, etc.) from raw material to deliverable project. This information allows accurate tracking from order to delivery. Traceable sources promote exceptional quality control practices, reduce the chance of errors, and meet regulatory requirements—all of which are vital for buyers of electronics components. Look for marketplaces that provide full product traceability back to the source, and avoid those that don't. Sourcingengine goes the extra mile with electronic parts traceable sources. Thanks to a powerful bill of materials (BOM) management system (e.g., vendor dashboard, application programming interface [API], and intuitive search tools, sourcing and buying from 1,900 distributors in one place) and associated data to verify electronic components across the entire global supply continuum, your supply chain software will meet and exceed expectations each time, all the time.

5 Factor in cost, but don't make it a sole decision point.

All buyers want to get the best possible components at the least possible cost, but sometimes it pays to dig a little deeper and find out more about who you're buying from and the supplier's level of quality, reliability, and service. Also known as strategic sourcing, this is the practice of procuring goods at the lowest total cost versus just the lowest purchase price. This is where a good online marketplace can step in and help. By vetting suppliers in advance and only featuring those manufacturers/products that meet their standards, the best e-commerce marketplaces do the work for you. If your online platform isn't living up to these expectations, find another one to work with.

6 You still need to know your sources of supply.

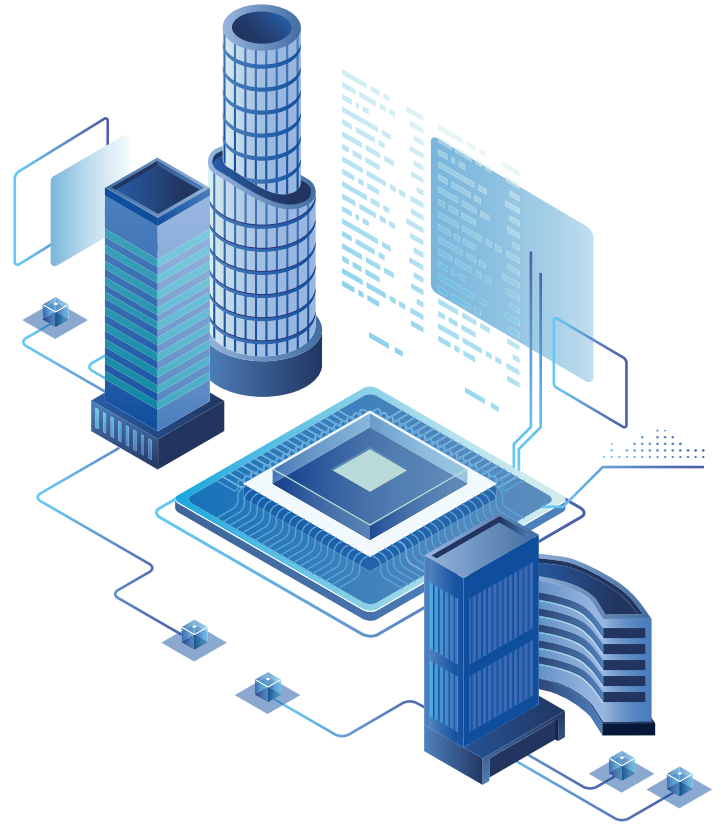
Just because you're buying online doesn't mean you can ignore the tried-and-true rules of electronics procurement. Be sure to analyze and inspect your supply sources with an investigative diligence, Alex Lynn recommends in *Strategies for low risk sourcing of components*. Ask questions like: What path did the parts take to get there? Who is the manufacturer and how is that relevant? Where was it made? How was it shipped and packaged? Is demand of a component strong enough to make its availability viable? "Only thorough examination and assessment of all these factors, in conjunction with traceability, can the risk be truly mitigated," Lynn writes. For example, to verify the chain of custody, ask for traceability documentation that identifies the name and location of all the supply chain intermediaries—from the part manufacturer to the direct source of the product.

7 Your online sources should offer warranty programs and policies.

When they're ordering electronic components on the B2B market, many buyers focus on getting the best deal and the fastest shipping times. It's important not to overlook the warranty programs and policies that not only ensure that the product is of good quality and performance, but that also spell out the repair and placement processes that will ensue if a problem surfaces. Sourcingengine, for example, offers a 3-year warranty on all of the products that it sells—a unique approach in an industry where the average warranty lifespan is one year. Pick an online selling source that will stand behind the products that it sells, and that has the infrastructure in place to be able to offer a repair or replacement in a timely fashion.

8 Find an e-marketplace that provides alternate sources of supply.

If supply is halted due to unforeseen circumstances and causes a delay in shipment—especially for crucial electronic components or other accessories—entire projects could be jeopardized. For most buyers, the solution is to simply cross-reference the part number in question. The problem is that delivery times for suitable replacements may not align with project delivery times and/or the project deliverable scope (and particularly when component shortages are commonplace). Sourcengine helps buyers tackle this issue early in the procurement process by offering alternates to originally-searched parts. This includes only showing alternates that are ready to ship and transactable on the spot. This ensures a reliable source of supply, even when the original components can't be delivered fast enough to meet production deadlines.



9 Look for the right supplier fit.

When you start buying electronic components online, manual tools like phone calls, spreadsheets, and emails will give way to more automated, online means of orchestrating buys. But that doesn't mean you can ignore some of the basic tenets of good supplier-buyer relationships. With hundreds of electronic components suppliers selling millions of parts, not all buyer-seller relationships are a match made in heaven. To refine your purchasing strategy, go the extra mile to find the perfect supplier – or suppliers. Sometimes, it's a matter of scale; smaller companies might not receive the individualized attention they need for crucial projects. If you're not getting the electronic parts or service you need for successful project deliverables, put in the extra legwork to find a reliable, customer-friendly parts source. Sourcengine's supply chain OS, for example, helps match procurement professionals with the best possible authorized distributors for their individual situations.

Go the extra mile to
**find the
perfect
supplier.**



READY, SET, GO!

Not long ago, getting the best value for electronic parts posed many challenges – not the least of which was limited product availability. Thanks to explosive growth of online-based manufacturers and other OEMs (along with e-commerce marketplace resources and supply chain software), demand has “officially” caught up to ever-increasing demand. In some ways, that’s great news for project deliverables. However, finding optimal value for electronic parts with favorable delivery times and discount pricing remains more competitive than ever.

To meet ever-changing requirements in today’s unpredictable electronic components supply chain, buyers must focus on finding the best possible pricing and availability. On the other side of the equation, the need to mitigate the impacts of component shortages on lead times and speed up production schedules are pushing more manufacturers to offer their global components catalogues on e-commerce marketplaces. This is a real win-win for the buyer who wants a more streamlined, reliable, and expedient way to procure goods in today’s competitive business world.



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Sourcengine provides streamlined buying and selling solutions in a single, multi-functional digital ecosystem. Sourcing projects from trusted global vendors and meeting critical deadlines are just a click away when using a combination of Sourcengine’s powerful tools. Visit us today for a free demo and to learn how we can help you meet—and exceed—your modern sourcing requirements in the most efficient, streamlined manner possible.



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Nemanja is a technical sales and marketing engineer for Sourceability. A growth driven marketing professional with a proven track record in revenue growth, marketing strategy, consulting and global business development management. He has been in the electronic components industry since 2012 working with global component distributors, OEMs, and CEMs.