

Survey: 33% of Suppliers Anticipate Shortage of Parts in 2013

Written by Chelsey Drysdale
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MILWAUKEE, WI – While more than 75% of suppliers are confident in their ability to meet their customers' needs in 2013, one-third of respondents to a recent survey say they anticipate a problem with a supplier next year, resulting in a shortage of parts or services.

According to **ASQ's** 2013 Manufacturing Outlook Survey, of the respondents who anticipate a problem with a supplier, 42.1% say they are working with partners on process improvements to mitigate volume capacity, while more than 26% are working with their suppliers' competitors. Other manufacturers say they are stockpiling parts in advance of the issue and expanding facilities to make necessary parts themselves.

The survey asked respondents about their financial outlook for 2013, with nearly identical results as last year's responses, says ASQ. Nearly 65% of respondents say they anticipate an increase in revenue next year, and 70% said they experienced revenue increases in 2012.

In comparison, 66% of respondents expected revenue growth in 2012 in last year's survey, and 70% said they experienced revenue growth in 2011.

This year, 33% of respondents say they anticipate a shortage of parts due to a problem with a supplier in 2013, while 37% say they don't expect an issue; just less than 30% aren't sure.

When asked about the past, 80% say they have been adversely affected by a supplier's inability to meet their needs. Of those negatively affected in the past, 25% went to their suppliers' competitors to get the needed parts. Just more than 30% worked with their suppliers on process improvement to mitigate volume capacity constraints. Other manufacturers worldwide used up available inventory, manufactured the parts in-house, shut down production, or refocused efforts on other production areas.

To ensure continuous operations and to alleviate supply chain disruptions, respondents say manufacturers should keep all options open and make sure to have a backup plan for catastrophic events. Other respondents say working hard to keep suppliers informed is key, while others advised manufacturers to work closely with suppliers to mitigate disruptions, says ASQ.

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Of the survey respondents, more than 60% say their organization has a formal process in place to address supply chain risk. Nearly 28% say they don't have a process in place.

Survey results show the quality of materials trumps availability, price, and customer service when manufacturers consider suppliers. And according to the results, most manufacturers are satisfied with the quality of materials they receive from their suppliers.

Eighty-one percent have a favorable view of the quality of the parts they receive from suppliers. Similarly, 80% say they are content with the availability of parts, whereas 67% say they are satisfied with the price of the parts and services provided by a supplier.

More than 1,250 manufacturing professionals globally responded to the survey, which was conducted online in November.