

Horizon Technology Offers Expert Advice on Supply & Demand Issues during Economic Fluctuations

Market Alert

In what now appears to be a knee jerk reaction to economic contraction; an overly modest demand projection has created a potential supply shortage. Although the effects may not be seen until after April, the word from a Tier One hard drive OEM is “beware shortages and price increases.”

The message being delivered to contract manufacturers and after-market service providers is clear; expect a slow and steady increase in prices from your direct suppliers. In an effort to protect them from having excess inventory on hand during a time when investors view tied up assets as a paramount risk, OEM's of storage products scaled back their production, and assumed the manufacturers further down the chain would adjust. Unfortunately however, consumer and enterprise demand for technology and computing devices stayed relatively strong, and in some instances even increased.

With many manufacturers facing the same outside investor pressure, it is not a stretch to assume the display market may face similar supply issues. The front page of every major business publication talks about the lay offs and scale backs taking place in the display industry, so acting proactively may be the prudent business decision to make, in order to mitigate risk from a potential shortage.

Using the Open Market for Support

It is becoming a more common practice for manufacturers to reach out to what are known as independent distributors, distributors like Horizon Technology (www.HorizonTechnology.com) for instance. Horizon Technology has access to the open-market, and is usually the first to know of changes in market supply and demand. Furthermore, Horizon applies a customer-centric business model, meaning they use their purchasing power and breadth to buy what customers' demand, not what OEM's tell them to supply. In short, Horizon doesn't feel the same pressure as those outlined above.

The advantages are many:

1. **Shorter lead times** ensure production and service requirements are met, and the cascading effects of supply shortages don't harm your bottom line.
2. **Targeted cost savings** are available. Being able to proactively anticipate market pricing allows you to be one step ahead of increases. Meeting production & service deadlines reduces operating costs and helps avoid pains in building business relationships. Horizon is well versed in taking advantage of excess buying opportunities, these opportunities become harder to find during shortages, so an expert independent is your best bet.

3. **Market Liquidity**, a term coined by Horizon Technology, is established by tracking the buying and selling trends of thousands of unique part numbers. With this massive database of information, Horizon can better consult you in making wise purchasing decisions for Last and Life Time Buys and can assist in meeting the reactive purchasing decisions that Material Procurement departments commonly face.

Evaluation of Horizon Technology

Contact your channel partners and address these concerns. Ask if they are already facing inventory issues, and if they expect to face pressures that may adversely affect your requirements. After that, contact Horizon Technology, a reputable independent distributor. Ask Horizon to outline how they can provide you cost savings and remove long term hurdles. Also, inquire about their practices of gathering supply information and their development of market price & demand charting. Some of the benefits you should expect from an independent like Horizon Technology during times like these are as follows:

1. Flexible shipping schedules
2. Innovating payment terms
3. Information! Information! Information! An independent distributor is only as valuable as the market trend and pricing information they can provide you.
4. A superior customer experience built around responsiveness. Once you make contact and agree that Horizon Technology is the right distributor for you, you should expect them to know your requirements before you do, and offer interesting buying opportunities when the time is right.