The European Institute for the PCB Community

EIPC SPEeDNEWS

The Weekly On-Line Newsletter
Issue 3– January 2023

ELECTRONICS INDUSTRY NEWS

Can the Electronics Industry Unlock 'True Demand'?

By Barb Jorgensen

"The next time I get an accurate forecast from a customer will be the first time I get an accurate forecast from a customer." – Common supply chain gripe.

Customers are the supply chain's *raison d'etre*, but they are also its biggest challenge. Customer forecasts are notoriously inaccurate. In the past 20 years, that's twice had a devastating effect on the electronics component ecosystem.

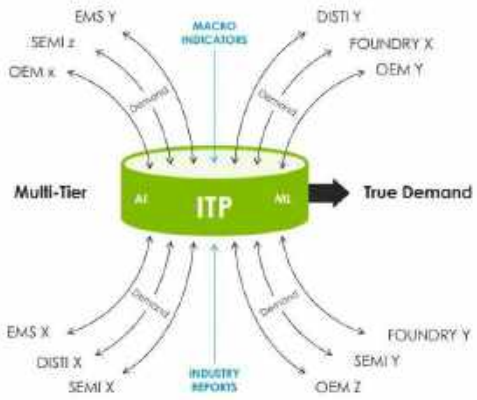
In 1999, unbridled optimism about the dotcom revolution fuelled excessive component demand that was followed by a costly — $13 billion — inventory glut. In 2020, chip demand from carmakers unexpectedly surged, triggering a global IC shortage that's entering its third year. The auto industry has lost $210 billion worth of production.

True Demand vision

An **Independent third party (ITP)** receives and analyzes data from various stakeholders and utilize AI/ML to **compare the forecasted demand against industry growth rates and other macro indicators** and **provide recommendations.**

Each partner in the True Demand model would only gain **access to a view of their data and global trends.**

The standard data flow which is used today would remain in place and the **ITP recommendation would be used as an additional data point to assist in capacity planning and investments.**



Source: Flex

Efforts to capture a global demand picture have been elusive because forecast data still resides in silos within OEMs, EMS providers, distributors and component suppliers. Items such as customer identity, contract pricing and order volumes are considered proprietary information within the electronics supply chain. But an industry-wide single version of the truth, according to one top electronics executive, would contribute toward better decision-making within this complex and interdependent ecosystem.

A project called True Demand was outlined by Flex's Chief Procurement and Supply Chain Officer Lynn Torrel at the ECIA's October Executive Conference. The Covid-19 pandemic and an unprecedented scarcity of chips over the past two years is prompting a re-examination of how the supply chain historically has worked. Shortages are usually followed by a buildup in capacity, excess inventory and price erosion.

"Our vision statement is rethinking the ways we forecast demand and communicate information and how we can collaboratively develop solutions that mitigate supply chain disruptions and temper future bullwhip effects," Torrel said. "This isn't a silver bullet. It's not the only thing that needs to be done, but it's a step in the right direction."

True Demand would use an independent third-party (ITP) to collect forecast data from industry stakeholders and compare it with industry growth rates and other macro indicators. Company information would only be used for aggregating data and participants' identities would remain private. The ITP would then make recommendations to aid in decisions such as capacity planning and investment. Industry-wide participation is critical to the effort.

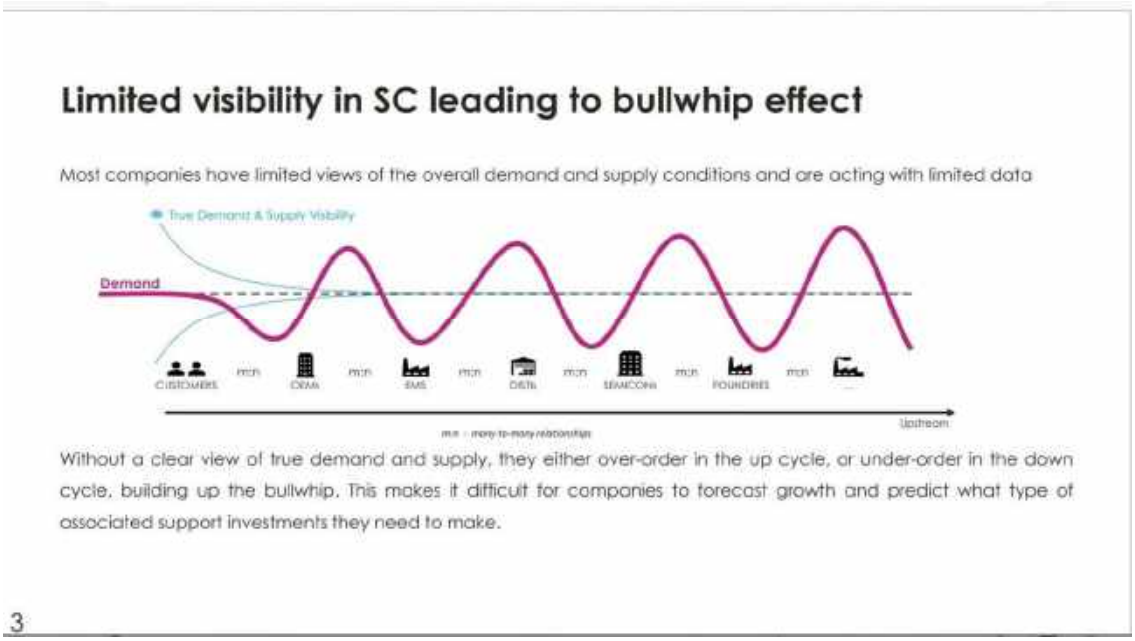
The bullwhip effect

Most chip makers directly manage only a select group of their largest or most strategic customers. The remainder of their forecasts come from distributors,

EMS providers and other partners. During component shortages customers have been known to place the same order with multiple suppliers, falsely inflating demand signals. Following the inventory glut in the early 2000s, multiple chip foundries shut their doors. Since 2020, plans to build more than 30 fabs have been announced.

“I love my customers, but forecasting is not good in our industry,” explained Torrel. When component lead times extended, Flex’s customers front-loaded their demand anticipating they’d get half of what they needed. “The messaging I heard from customers and our business units was ‘we’ll take whatever we can as soon as you can manufacture.’ So just get that product and we’ll take it,” said Torrel. “I could just see that we were creating the same situation we had in the past. Right? Demand outstrips supply which leads to supply chain challenges and significant investments are made to increase supply.”

Chip orders began accelerating early in 2020 and by Q3 of 2022 fabs were seeing orders pushed out or cancelled. Inventory is building and consumption is weakening, according to research firm TrendForce.



Source: Flex

Torrel, who also worked at global distributor Avnet Inc., consulted peers, academics, market research firms, industry trade associations, component makers, distributors and other stakeholders in the electronics supply chain. Unsurprisingly, many companies asked: “How does [True Demand] benefit me?” Electronics distributors, in part, exist to manage customers’ upside and downside forecasts. One ECIA attendee expressed concern regarding the future of the distribution industry; other companies have declined to comment citing their business relationships with Flex.

Augmenting supply chain data

"True Demand's model is to augment, rather than replace, the supply chain ecosystem," Torrel explained. During the shortage companies were focused on their own supplies and operations. But double ordering, the open market and other practices to secure supply impact the entire industry.

"Over the past year, if think about the broker base, exorbitant prices are being charged by brokers and the reality is that they're still getting their hands on the parts," she said. "We need that inventory to keep our lines running." Orders have constantly been expedited, which adds to costs.

Through True Demand, companies would input data that's protected by the ITP. Macro information – such as industries that are growing or contracting, would also be analyzed. Torrel used the example of smart meters, an industry that's forecast to grow by 20 percent. The four biggest players in that market use that 20 percent to estimate growth for their companies. Their demand is based on that forecast.

"Historically that's been acceptable," Torrel noted. "We know those demand signals are reverberating in the system. The vision of True Demand is it would normalize that. It would be able to identify the type of industry and consolidated industry growth."

The True Demand project reached out to Microsoft and found its Azure platform could manage the process and keep data secure. "We'd all continue to forecast demand like we do today, the OEM to the EMS, the EMS to the distributors or to suppliers, and suppliers would do their modelling," said Torrel. "But in addition, we'd send those signals into the independent third party, and again, you have each part number; an OEM part number tied to a manufacturer; or a part number by product — however [companies] do the analysis." The system would incorporate AI and machine learning.

Plans include forming a 501(c) (6) – a non-profit coalition – prior to moving to proof-of-concept. Torrel emphasized the importance of industry-wide collaboration.

"I think it's important to remember as supply chain professionals living and working through this incredibly disruptive environment, we have an obligation to learn from each other and to look for ways in which we can work together collaboratively to drive a better future," she concluded.

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NEWS FROM NORWAY

New PCB Company launched

17th January 2023

"We are thrilled to have launched CONFIDEE as a new player in the PCB industry and are delighted by the overwhelmingly positive response we have received from customers and suppliers. Our commitment to compliance, transparency and having a great team working together has been met with enthusiasm, and we are excited to see what the future holds", says Communication Manager, Guro Krossen.

CONFIDEE recently announced their entrance to the printed circuit industry. The company, known under "Watch us launch" since mid-November, has already gathered a highly experienced team of 11 colleagues, Vidar Olsen is appointed Chief Executive Officer (CEO), Raymond Goh is Chief Operations Officer (COO) and Robert Kurti is Chief Information Officer (CIO).

"Our entrance to the market will be a game changer in the industry, specifically in relation to handling compliance data", says CEO Vidar Olsen.

After decades in the industry of printed circuits, the team behind CONFIDEE realized there was a niche and void in the printed circuit market, namely developing, documenting and proving Compliance in the supply chain.

"We have found our niche in the market; compliance and we have gathered some of the best and most experienced people in the industry. To be able to handle compliance data correctly, you practically need to begin from scratch to understand the demand and requirements of institutions, governments, manufacturers, and customers in order to build an IT system, literally code by code. "This is what we have done, are doing, and will continue to do, as compliance is constantly evolving", says Vidar Olsen.

Finally launching the “baby”
“It is with great pleasure and excitement we finally announce the name, the team and the strategy. It has been some exciting weeks launching our new “baby”, doing all from talking to customers, ordering pens and performing in various “undercover launch videos”, says Olsen.

CONFIDEE is a printed circuit partner delivering PCB to the world's most advanced technologies, creating a compliant supply chain, which will be accessible online for all partners. The company's headquarter is located in Oslo, with local sales offices, and is, as of January 2023, consisting of 11 extremely motivated colleagues, with an average of more than 20 years' experience in the printed circuit industry.

Asle Høibybråten is appointed Operations Manager, **Anders Evensen** is Compliance Manager, **Torger Edland** is Sales Manager Norway, **Michel Buia** is Sales Manager France, **Janne Persson** is Sales Manager Sweden, **Torben Hajslund** is Sales Manager Denmark, **Guro Krossen** is Communications Manager and **Feti Jashari** is Senior Software Engineer.

A game changer in the industry
“A company's value is not its size, but its knowledge and experience. We are a dedicated team, ready to challenge the industry with our perspectives and methodology, always with transparency and a personal way of doing business. We are honored to already have many customers and partners reaching out to us. Our entrance to the market will be a game changer in the industry”, says Olsen.

CONFIDEE´s unparalleled knowledge of compliance requirements, experience with printed circuits (dating decades back), paired with their commitment to simplify and automate compliance processes, with a proprietary developed IT system, is unique to the industry.

“Changing the industry can only be done by those who understand what the industry really lacks. Valuable solutions can only be provided when you care about the entire supply chain and understand that a digital system is more than efficiency and cost cutting. By designing the most complex and advanced proprietary IT platform in the industry, able to handle and document the most complex compliance regulations, securing the supply chain, and protecting our customers' data, we will take PCB compliance to the next level. We might not heal the world, but we will make the handling of compliance related PCB data better”, says COO Raymond Goh.

About CONFIDEE

CONFIDEE is a printed circuit partner, delivering PCBs to the world's most advanced technologies. We are a Regulatory Technology company, securing the customers and manufacturing partners PCB data by monitoring and reporting on compliance in the supply chains, through our proprietary IT platform. Our headquarters are located in Oslo with local offices globally.

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NEWS FROM THE UK

Join us for the UK's top annual industrial technology show

Southern Manufacturing & Electronics 2023 unites under one roof a rich combination of engineering SMEs from across the UK, continental Europe and beyond. Hosting so many exhibitors operating at the forefront of technology and innovating across a multitude of sectors, the show is an ideal venue for addressing multiple sourcing issues quickly and efficiently, especially in times when supply chains are under pressure.

Celebrating 25 years as the UK's longest running annual industrial technology show, the event brings you thousands of ways to improve performance and productivity, helping industrial companies to maintain momentum and profitability throughout 2023.

Free Technical Seminars - giving you the tools you need to face tomorrow's challenges

With UK businesses now operating in an extremely challenging world, keeping abreast of the latest legislation and management strategies has never been more

important. Presented by leading speakers in their fields, the free programme offers a blend of technical and business topics covering a wide range of issues facing manufacturing businesses today.

Experience on YouTube
Take a look around what Southern Manufacturing & Electronics has to offer in our short video.
Meet over 150 of our exhibitors in the free Official Show Preview magazine.

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IFS2023 Annual Semiconductor Industry Update Webinar ... Registration Now Open

How long will the current industry downturn last? How broad and how deep will it be? How can I gain a strategic advantage over my peers? What fate now awaits the industry in 2023-24? Find out the answer to these and other key questions at Future Horizons' IFS2023 Annual Semiconductor Industry Update Webinar, Jan 17, 2023 - 3pm UK GMT
Why? Founded in 1989, Future Horizons' track record and industry experience makes this a must-attend event for key decision makers in the semiconductor, electronics and all related industries. We always present accurate and insightful analysis at these events backed up by sound data

What You Will Learn
This one-hour broadcast will focus on the chip industry outlook, including:
• How long and how deep will the market bust be
• What is the market outlook for 2023-24
• What are the exposures, vulnerabilities, opportunities, losers and gainers
• What will be the likely downturn repercussions
• How to build resilient strategies and business models

Who Should Attend?
• All companies, small and large, from startups to established market leaders
• Key decision-makers engaged in the design, manufacture, or supply of semiconductors
• Government organisations involved in trade and investment
• Those involved in investing or banking within the electronics industry
• Senior marketing executives planning future marketing strategy

Why Future Horizons?
We have been in the business of forecasting and analysing the semiconductor market for over 56 years and have been a trusted advisor to governments, investors and most of the top global semiconductor firms. Time and time again we have delivered sound advice and saved our clients time and money with our forensic and accurate analysis of the industry.
For a small investment of £150 plus £30 UK VAT you will gain accurate industry insight to make good strategic decisions in these uncertain times
• Discount available for 3 or more attendees from the same company/organisation

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• Order the webinar material only
• Please pass to a colleague if already attended or not suitable for you
• This event can also be held in-house for your added convenience and flexibility

12-14 September 2023 at the Genome Centre, nr Cambridge, UK
CALL FOR ABSTRACTS SUBMIT BY TUESDAY 31ST JANUARY 2023
EMPC 2023 - 24TH EUROPEAN MICROELECTRONICS AND PACKAGING CONFERENCE

Abstracts are invited covering the following themes:
- Semiconductor Industry Trends
- Markets and Developments
- Packaging Technologies
- Integration
- Performance and Reliability
- Materials
- Design and Process Optimisation
- Design and Test

THOSE WISHING TO PRESENT THEIR WORK AT EMPC 2023 SHOULD SUBMIT AN ABSTRACT OF UP TO 500 WORDS BY TUESDAY 31ST JANUARY 2023, ELECTRONICALLY TO: OFFICE@EMPC2023.ORG

For Any other details or information Please contact:
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NEWS FROM THE USA

MacDermid Alpha, will showcase its extensive portfolio of integrated circuit, assembly, and semiconductor technologies at IPC APEX EXPO, January 24 - 26, in San Diego, CA

Jan 18, 2023

As one of the world's largest hi-tech supply chains for the electronics industry, MacDermid Alpha, will showcase its extensive portfolio of integrated circuit, assembly, and semiconductor technologies at IPC APEX EXPO, January 24 – 26, in San Diego, CA. Reaching every aspect of the electronics supply chain from design to post-production, and beyond, MacDermid Alpha will highlight how they support manufacturers across the entire spectrum with solutions that transform ideas into next-generation technologies. Visitors are welcome to discover the latest assembly, circuitry, and semiconductor technologies at booth 1933 and see how they increase efficiency and reliability.

MacDermid Alpha's technology supply chain is fully optimised with over 3,000 employees worldwide, servicing customers in over 50 countries with local and regional services, a rapid delivery time, lower manufacturing costs, and a seamless 'start to finish' experience. Combining strength in critical markets such as 5G, automotive and EV, military, aerospace, medical devices, and consumer goods, with world-class technologies and unrivalled, 24/7 technical support, MacDermid Alpha's family of brands includes Alpha, Compugraphics, Electrolube, Kester, and MacDermid Enthone.

Julia Murray, Senior Vice President of Marketing at MacDermid Alpha, comments, "We are in a unique position to offer the electronics

community a complete ‘start to finish’ technology roadmap with some of the most advanced circuitry, assembly, and semiconductor technologies on the market. We are helping our customers redefine what’s possible and leverage capabilities to the next level. This is something we’re very excited about and we will be showcasing solutions from our 3 cornerstone divisions during the show.”

MacDermid Alpha will also present 4 separate technical papers on lightweight materials, solder alloy performance in automotives following vibration tests, surface finish performance for next-generation technology and assess the performance of assemblies coated with state-of-the-art materials as opposed to standard conformal coatings used by manufacturers. Each technical paper will provide audiences with groundbreaking findings that unlock, explore and unveil new test data.

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SEMICONDUCTOR INDUSTRY NEWS

The latest news from Future Horizons may be seen via the link shown below.

Semiconductor News, Semiconductor trends, semiconductor industry (futurehorizons.com)

News from
WECC members

WECC
World Electronic Circuits Council

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NEWS FROM THE IPC

IPC Welcomes New Director of North American Government Relations

IPC has announced the addition of **Jeffrey Goldberg** as director of North American government relations to its staff at IPC's offices in Washington, D.C. In this role, Goldberg will help lead IPC's federal advocacy work in collaboration with IPC's Government Relations Committee and IPC's Vice President of Global Government Relations Chris Mitchell. He will be charged with implementing an ambitiousNorth American policy agenda at a time of increased interest among policymakers in the electronics supply chain.

"With a background in national defense, aerospace and trade policy, andregulatory compliance, Jeff brings the talent and expertise needed to foster and maintain relationships with our elected officials, educating them on important policy issues in the electronics manufacturing industry," said Mitchell. "Jeff has developed an outstanding portfolio of policy initiatives in diverse areas andhis expertise bridges the gap between solid high-tech industry experience and high-level policy knowledge. He is an impressive addition to IPC's government relations team, and we're excited to have him as part of IPC's advocacy team."

During his career, Goldberg has provided strategic

legislative, political and business advice and solutions to corporations, associations and government entities,including the National Defense Industrial Association, Rolls-Royce,Raytheon, Aerospace Industries Association, and U.S. Departments of Commerce and Defense. “IPC is an important voice for the electronics manufacturing industry, and I’m thrilled to be part of the team,” said Goldberg. “My goal is to further enhance IPC’s outreach initiatives in Washington and raise awareness about the industry and its priority policy issues. I look forward to working with Chris, members of IPC’s Government Relations Committee and others on the IPC team in support of sound manufacturing policies that spur economic growth for the electronics industry.” Goldberg has a Bachelor of Arts degree from the University of Virginia, a Master of International Affairs degree from Penn State University and completed the Global Business and Politics Executive Education Program at the Yale School of Management. Goldberg can be reached at JeffGolderberg@ipc.org or +1 202-661-8094.

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The Countdown Is On. Register Today!

Discover the newest innovations and hear from the best minds in the electronics manufacturing industry. **IPC APEX EXPO 2023** is our industry's largest event in North America, featuring a world-class trade show, cutting-edge technical conference, professional development courses taught by industry experts, non-stop networking and more. Join us in San Diego, California, January 21-26 to:

- Experience the largest **show floor** in North America for the electronics manufacturing industry
- Advance your skills with the latest **professional development courses** and **technical conference presentations**
- Enjoy new **keynote luncheons** led by popular thought leaders
- Attend **IPC E-TEXTILES 2023** co-located at IPC APEX EXPO for the first time
- Expand your network at the new Career Connections Networking event and during a multitude of other **networking opportunities**

Register Now

Advance Your Knowledge and Gain a Competitive Edge

IPC APEX EXPO 2023 prepares you for an ever-changing industry with courses and technical presentations that keep you current and positioned for efficiencies and growth.

Here's a sneak peak of what to expect from subject matter experts:

S-30 | Advanced Packaging and e-Mobility Infrastructure, Two-Part Special Session

Brian O'Leary, Global Head of e-Mobility & Infrastructure at Indium Corporation

For the first time, key stakeholders in the e-Mobility Industry are coming together—OEMs, supply chain, regulators, policy and technology experts—to discuss collaborative-based solutions to the many industry challenges.

PD27 | Introduction to Machine Data Analytics in the EMS Industry

Tim Burke, Ph.D., Co-Founder and CTO, Arch Systems

Mr. Burke teaches all engineers and others working on the shop floor how to analyze and leverage factory equipment data to solve factory problems and work more efficiently.

PD20 | Electronic Textile Evaluation, Methods for Product Engineers

and Designers

Madison Maxey, Founder and CEO of LOOMIA

Designers and engineers will gain an understanding of how new electronic textiles compare with more traditional tools and the advantages of incorporating this new technology in their product manufacturing.

PD02 | Customer Contract & Legal Boot Camp for Engineering Professionals

Allen Anderson, Attorney, F&B Law Firm, P.C.

This course helps professionals without legal or contract administration backgrounds understand the most important attributes of customer contracts, why they are important and how to achieve the appropriate allocations of risk.

Watch Now

IPC APEX EXPO 2023 is Almost Here.

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IPC Offers Free Training Courses to Members

New member benefit provides ESD and safety training

As a member benefit, IPC now provides two online, self-paced training courses, “Electrostatic Discharge (ESD) Control for Electronics Manufacturing” and “Safety for Electronics Manufacturing” free of charge in English, Spanish, French and German. Developed with member companies and subject matter experts, IPC’s ESD control and safety training courses provide fundamental training common to all electronics manufacturing facilities.

“ESD and Safety impact productivity and reliability in almost every aspect of the global electronics environment,” said David Hernandez, IPC vice president of education. “By offering IPC and WHMA members complimentary and unlimited access to these two training courses, we’re doubling our commitment to workforce development and helping companies reduce training costs and standardize training across their organizations.”

IPC member companies can access the new courses through IPC EDGE, IPC's online learning platform. IPC EDGE provides streamlined interactive courses covering the required topics and features three modules with a total running length of 40-45 minutes per course. ESD participants receive a unique traceable, serialized certificate by scoring more than 80% on the final exam.

Course details and instructions on how to access the courses are available on education.ipc.org.

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International Diary

2023

EIPC Winter Conference
Visit Bugey Nuclear Power Plant
9 & 10 February
Lyon, France

21st EIPC Technical Snapshot Webinar
Registrations via www.eipc.org
April

EIPC @ SMTconnect
9-11 May
Nuremberg, Germany

EIPC Summer Conference
15 & 16 June

22nd EIPC Technical Snapshot Webinar
Registrations via www.eipc.org
September

23rd EIPC Technical Snapshot Webinar
Registrations via www.eipc.org
October

EIPC @ Productronica 2023
14-17 November
München, Germany

24th EIPC Technical Snapshot Webinar
Registrations via www.eipc.org
December