



Proactive Pulse Check: Aftermarket Supply Chain Concerns

By Iris Keen and Jennifer Zeman

The manufacturing sector continues to feel the impacts of the ongoing global pandemic and the supply chain issues that have followed suit. There are shipping backlogs, product shortages and significant inflation, and as a result, manufacturers are having a tough time sourcing aftermarket parts.

According to a recent Proactive Worldwide survey given to employees in the manufacturing sector, about 70% of manufacturers have found it difficult to source aftermarket parts in the past six months. Most of these respondents work in the industrial space, including the construction, aerospace, petroleum, food and beverage and apparel industries.

When asked if conditions are better or worse than last year, 50% of respondents across industries believe conditions have gotten worse, which has led manufacturers to have higher levels of stress than usual.

Stress is being brought on by delays due to aftermarket parts shortages and longer lead times, which have led to unexpected schedule changes. Moreover, when normal

Top Factors that Manufacturing Companies Consider When Looking for a New Aftermarket Parts Supplier:



operational timelines are disrupted, it adds additional costs on top of already inflated material prices.

These obstacles have many manufacturers looking to improve their current sourcing conditions. About 33% of all respondents are currently looking for new suppliers, while about 42% of respondents are considering working with new suppliers in the next six months.

When considering new suppliers, manufacturers are deprioritizing factors such as quality of parts and service and are prioritizing speed and availability, as well as price. About 92% of respondents report that speed and availability are the most important when considering a new aftermarket parts supplier, while about 33% of respondents also focus on price.

However, regardless of supplier shifts, most manufacturers across all industries are still concerned about the future of the aftermarket supply chain in the next 6 to 12 months. Manufacturers are worried that material shortages will continue to extend lead times, and they are worried that high demand and low inventory will continue to increase price.

How Can Proactive Worldwide Help?

Proactive Worldwide is a leading market intelligence company that can help manufacturing companies better react and understand the disruptions and challenges brought on by the ongoing global supply chain crisis. Proactive Worldwide can help organizations predict market shifts, create strategy development plans and uncover opportunities and threats within the aftermarket parts industry.

Proactive Worldwide leverages their team of researchers and analysts to provide in-depth insights that can help companies understand supply chain issues including the following solutions:

- Competitive Assessments allow businesses to gain a competitive advantage by keeping up to date with the latest supply chain changes, technology and demands in the manufacturing industries, as well as the strengths and weaknesses of their competitors.
- War Games help businesses test existing supply chain strategies or create new supply chain strategies to improve the team's understanding of competitors and their possible actions.
- Voice of Customer assessments help businesses understand what customers want and how they perceive their brand during the supply chain crisis through advanced qualitative and quantitative insights.

To learn more about how Proactive Worldwide's manufacturing market intelligence consulting can help your organization, contact **Nando Scola** (Nandos@proactiveworldwide.com).

Top Concerns about the supply chain in the next year:



Material Shortages: 30%

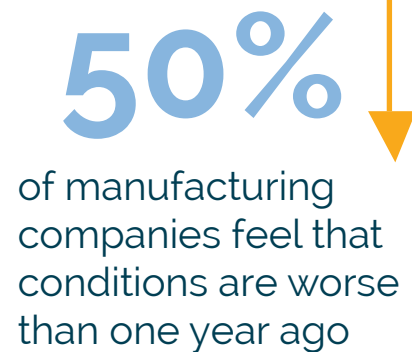
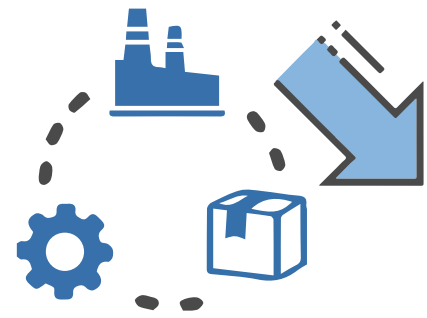
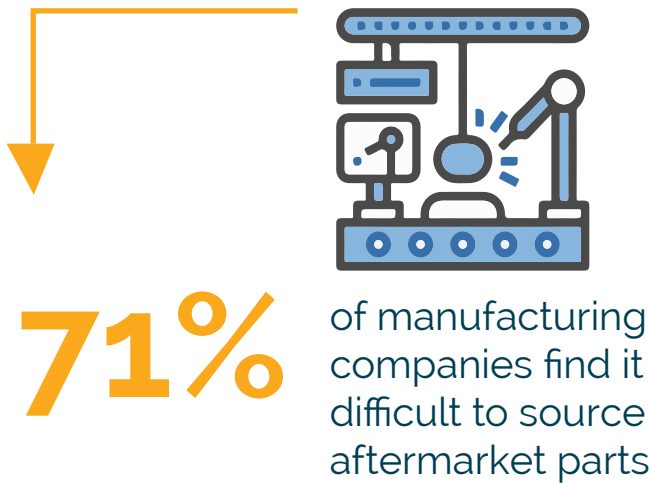


Price Inflation: 28%



Lead Times: 24%

The Changing Landscape of the Aftermarket Supply Chain



TOP FACTORS THAT MANUFACTURING COMPANIES CONSIDER WHEN LOOKING FOR A NEW AFTERMARKET PARTS SUPPLIER

 Availability +  Delivery Time +  Price



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-  Price Inflation: 28%
-  Lead Times: 24%