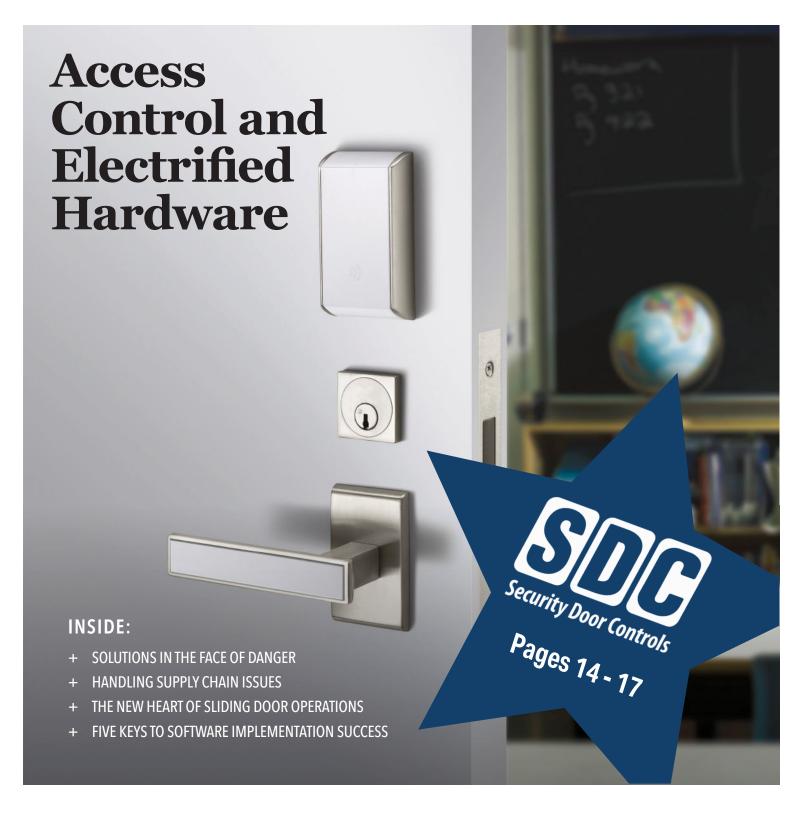
Security Safety

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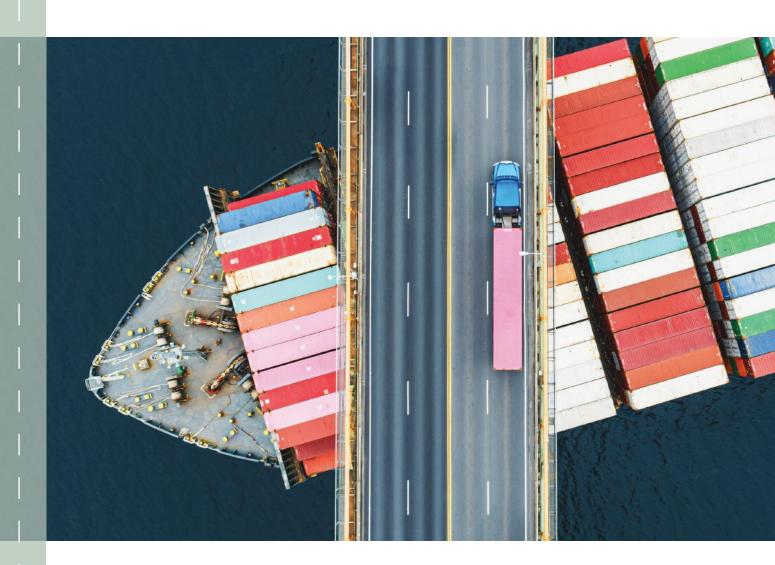
OCTOBER 2022



Handling Supply Chain Issues in the Door and Hardware Industry

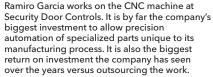
How to go beyond sourcing alternative electrified solutions.

BY KERBY LECKA











These past few years have impacted all of us-whether dealer, installer, integrator, builder, owner, facility manager, distributor or manufacturer. The pandemic and its consequences caused us to rethink and consider new strategies for acquiring the raw materials, components, products and systems we depend upon. We need efficient supply chains to not only run our businesses, but to survive and even thrive in chaotic times.

First was the global shutdown from COVID-19 that stopped virtually all commerce. Exceptions were the continuation of vital manufacturing and services critical to meeting society's essential needs for food, water and energy.

Then, during several stops and starts, it became evident that the supply chain had taken a body blow from the pandemic. We soon realized how dependent we were on having a reliable logistics system that was taken for granted. Soon, market forces of supply and demand drove up prices on products-if still available-due to limited and dwindling supplies.

We learned that ramping up shipping, labor and production after a shutdown was not as easy as turning a switch to "On" again. Supply bottlenecks reared their ugly heads. We watched as our materials and products sat on parked ships in congested harbors. How could we fulfill our orders, make the sale and finish our projects?

Many asked how we got to this point and what we could do about it. The solutions are as varied as the types of businesses in the door and hardware industry. The answers depend on who you are.

What follows are some recommendations based on Security Door Control's decades of experience as a U.S. manufacturer of electrified access control hardware and controllers. Some may be applicable to any door hardware business with supply chain issues.

Identify Alternate Sources to Avoid Problems

Always have established relationships with more than just your go-to suppliers. If you wait until there is a problem before ever contacting an alternate source, where do you think your place in line will be? How likely are you to receive any consideration on timing and quantities, regardless of price, if you have never done business with the supplier?

Specifically, can you find a credible source from an alternate region of the globe (i.e., not China)? For instance, we use local and regional aluminum extrusion companies as well as other raw materials partners to ensure all of our supply eggs are not in the same basket. Sometimes we have to trade profit margins for being able to meet customer demand—provided the item's reliability and performance meets certain quality standards.

It's about staying in business.

Rethink Just-in-Time

For several decades, manufacturers have adopted just-in-time, lean manufacturing systems to keep inventory costs in check versus cashflow. This approach worked very well to bolster quarterly profits until it didn't, due to the global shutdown. Suddenly companies lacked the necessary inventory to complete the last stage of production on products sitting on the factory floor. We all heard about the fully assembled cars and trucks that could not be shipped, waiting for ships that had not arrived.

The same situation has affected our industry and caused companies to reconsider their lean manufacturing process. Now, many are willing to invest in keeping more materials and components critical to production on the facility floor, even if it means sacrificing a few points in profit margin to avoid delays in meeting delivery deadlines. No one likes to sit on inventory. However, because of the continuing inflation costs of these materials and components, it behooves companies to buy and stock now instead of waiting until costs will be even higher.

Here's a great example: A large printer in our region started buying paper once the lockdown was lifted simply because its business would fold without paper to print on. The company continued to buy and warehouse paper as it saw monthly and sometimes weekly cost increases, resulting in an astounding annual price growth of 92%!

Currently, this printer is delivering very competitively priced jobs using paper purchased at last quarter's price while other printers are forced to deliver jobs based on today's paper price. The company has virtually guaranteed a reasonable profit margin on every print job and has greater pricing flexibility to ensure a more consistent cashflow.

Re-evaluate How You Operate

Consider strategic, structural changes to your operations that will make you less dependent on supply chain challenges.

As a manufacturer, years ago our company committed to expanding factory production capabilities to reduce our need for finished components from outside vendors.

Instead of relying on coil windings from our suppliers to go into finished products, we resurrected mothballed equipment and capabilities to wind our own coils from "raw" wire still available in bulk quantities. Now, we have two sources of supply for a critical component with added flexibility to meet production deadlines.

Of even greater importance is the capital investment we made in more sophisticated machinery. It permits the use of raw materials to produce many finished components in-house to meet our unique specifications. Previously, we relied on others to produce these components. That meant we were more vulnerable to delays and quality issues that impacted our production processes.

This expanded factory capability requires a commensurate investment in skilled labor and training. However, our company has been able to refine our processes to reduce waste, discover new ways to reduce steps in manufacturing of our products, and more than recoup our investment through efficiency over time.

These and other operational changes have increased our self-reliance and made us a more sustainable enterprise. We are less at risk from supply chain issues out of our control. Fortunately, we were operating our factory in this manner before the pandemic hit.

Admittedly, there were still difficulties regardless of our efforts. But we truly believe we were able to weather the supply chain storm better than many due to our earlier decisions. The point is that organizations can contribute to their longevity by consistently reviewing elements of their business model for improvement, regardless of the current state of the supply chain.

Establish Your "Value Add"

Separate from, but relevant to, your company's long-term health, consider your "value add." What are the unique reason or reasons that your customers buy from you? Is your company providing some exclusive technical expertise, a specialized product or system, or providing uncompromising service and support? What will bring your customers back despite any current or future supply chain issue? +



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Bernard Barayoga works on a machine that does aluminum channel customization.

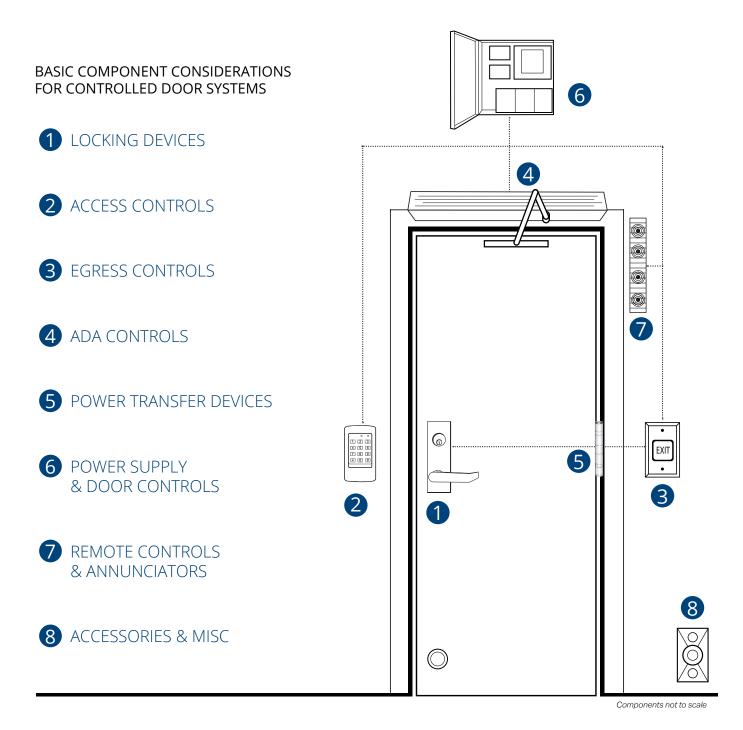


Gaspar Suarez works on component preparation.

COMPLETE COMPONENT CONSIDERATIONS

With a robust toolbox of over 35,000 SDC access & egress control components at your fingertips, you can assemble turnkey solutions to address both market-specific and application-specific requirements for almost any door opening imagined – while addressing a variety of factors, including:

- · Level of Security
- Budget Restrictions
- · Life Safety Codes
- Aesthetics
- Type of Door or Frame
- Retrofit or New Construction





1 LOCKING DEVICES















Electromagnetic Locks

Electromagnetic Shear Locks

Delayed Egress Locks

Electric Strikes

Electrified Locksets

Exit Devices & Retrofit ELR Kits

Electric **Bolt Locks**

2 ACCESS CONTROLS











IP-Based Controllers

Keypads & Readers

Standalone Locksets

Key Switches

3 EGRESS CONTROLS











Egress Devices

Exit Switches & Sensors

Emergency Door Releases

4 ADA CONTROLS









Low Energy Operators

Push Plates & Panels

Bollards

POWER TRANSFER DEVICES







Loops



Mortise Transfer



Wireless Transfer

6 POWER SUPPLY & DOOR CONTROLS





Power Controllers

Door Controllers

7 REMOTE CONTROLS & ANNUNCIATORS





Remote Control Consoles

Door Prop Alarms & Annunciators

8 ACCESSORIES & MISC



Electromagnetic Door Holders



Door Position Monitoring



Latch & Deadbolt **Monitoring Strikes**



Wireless Transmitters & Receivers



Communicating Bathroom Controls

