

ECIA Publication

ECIA Design Registration Best Practices

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Electronic Components Industry Association
Industry Best Practice

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Design Registration Best Practices

Overview

The current demand creation process is one in which a distributor and/or manufacturer rep works with designers to include a suppliers part in a design. During this process a supplier acknowledges the distributors efforts by assigning a design registration number through the use of the ECIA design registration form or supplier website form. The assembly is tracked to its manufacturing location and the purchase of the components through the distributor. The distributor is usually compensated for the design work through advantageous pricing of the components which enhances the distributor's ability to win the production order at an acceptable margin

The demand creation process is valuable for suppliers in that distributors and reps are working on their behalf to introduce new products and to include their parts in new designs. The process works successfully when the supply chain can track the assembly to the manufacturing location and fill the order for the designed in components. The process is completed when a fair return is paid to the distributor and rep and is reflected in the P&L for the designing organization as well as in the compensation for the rep

Purpose

The design registration program is designed to compensate the distributor/rep for the time, resources, and effort required to influence customers to include certain parts in their products. The distributor will normally send Field Application Engineers (FAE) to the customer during the design phase and work with the design engineer to include the appropriate parts. Through the design registration program, manufacturers will compensate the distributor/rep for this effort.

Process

- The manufacturer identifies the parts available for registration
- The distributor works to get these parts designed into the customer's products
- The distributor completes the ECIA design registration form and transmits (EDI, Email, etc.) it to the approving entity by the agreed upon method.
- The manufacturer evaluates the registration and, once approved, assigns a registration number and lets the distributor know the registration is valid.
- The manufacturer protects the pricing for the registered distributor.
- When the Distributor requests a quote, it is tied to the registration
- The assembly is tracked to its manufacturing location and the purchase of the components through the distributor.
- When the distributor sells the components to the customer, the agreed on protection is applied.

Considerations

Products

- Consider which products would be most beneficial for the manufacturer as well as for the distributor: sole-source, multi-source, or all products.

Pricing

- Apply global pricing.
- Price protection
- Global Price protection with traceability
- Non-registered distributors quoting the same opportunity will not receive protection

New Business Models

- Distributor design activity is not always occurring face-to-face. Design activity is increasingly occurring over the web using new tools, such as distributor chat rooms. The industry must decide how to incorporate these design efforts into existing design registration programs.

Best Practices

- A complete list of registerable parts must be provided, preferably in the price book.
- The registration should be for a new opportunity.
- To be eligible for registration, the customer program must have a minimum annual sales potential determined by the supplier.
- All part numbers or place holders must be submitted for registration using the ECIA form or supplier web form.
- All registrations are specific to the registered design-in customer name, program and part number. Any registered business that transfers from the original ship-to customer to a different ship-to customer must be communicated to the supplier as soon as possible.
- Registrations will remain in “approved” status for a period of time defined by the manufacturer. Registrations may be renewed with a request from the distributor and approval from the supplier.
- Existing registrations on a product that is removed from a registration program should be honored for a specified period of time.
- Protection will be honored regardless of the region in which the product is consumed
- A global part tracking process should be in place.