

Obsolescence Management Service



Benefits

- Minimize the impact of obsolescence to maximize your return on investment
- Avoid costly re-designs due to component obsolescence
- Minimize your obsolescence management overhead costs using Spectrum's Obsolescence Management Service
- Reduce the effect that Moore's Law has on your product life cycle
- Receive long-term professional Technical Support from Spectrum extending throughout the Obsolescence Management Plan period

Features

- Spectrum's Obsolescence Management Plans are based on the unique needs of each customer
- Spectrum maintains a bonded inventory of customer-owned parts for future builds
- Customers receive quarterly reports showing status of bonded inventory
- Spectrum continuously monitors product bill-of-materials (BOMs) to identify additional component obsolescence that may require Obsolescence Management Plan updates
- Technical Support service and repair facilities continue throughout the Obsolescence Management Plan period

Obsolescence Management – The Market Need

Defense industry electronic equipment suppliers providing commercial off-the-shelf (COTS) solutions require Obsolescence Management to support the extended product life cycles typical of the industry. Moore's Law states that the transistor density on integrated circuits doubles every couple of years. This exponential growth and ever-shrinking transistor size results in increased performance and decreased cost. As a result, the direct impact for COTS vendors is near-term component obsolescence, leading to product end-of-life (EOL) or product re-design much earlier than desired in view of the product life cycle needs of the defense industry.

Service Overview

Spectrum's Obsolescence Management Service is offered under our Product Life Cycle Management program. It provides customer options beyond EOL notification and a single last-time buy (LTB) opportunity for products going EOL.

Upon product EOL, we work with our customer to prepare a unique Obsolescence Management Plan that specifies the quantity of product required over a duration of time. LTB quantities of the component(s) going obsolete is placed into bonded inventory. The components placed into bonded inventory is customer-owned material.

Spectrum monitors the product bill-of-materials (BOM) for further component obsolescence. Upon such occurrence, Spectrum notifies the customer of the additional component(s) EOL and works with the customer to update the Obsolescence Management Plan.

The chart below graphically displays the difference in component life cycle needs based on demand of the commercial and defense market segments. Longer component life cycles required by the defense market drives the need for Obsolescence Management for many COTS-based solutions.

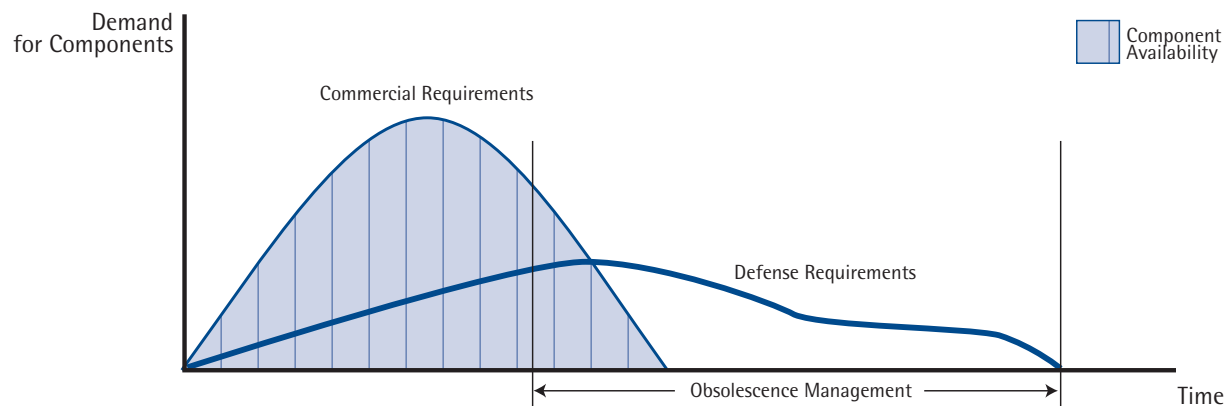


Figure 1. Component Life Cycle

[Component Management System]

Spectrum product BOMs are continuously monitored for component obsolescence and/or other component changes using a state-of-the-art component database monitoring facility. Upon receiving component change/obsolescence notification, we work with our customers to update their existing Obsolescence Management Plans to effectively reset the EOL clock. Proactive BOM monitoring provides Spectrum and our customers the ability to react quickly to critical information maximizing product life cycle and associated revenue.

[Bonded Inventory]

Based on the needs of the customer specific Obsolescence Management Plan, a LTB for components going obsolete will be purchased as customer-owned inventory and bonded. Customers are given credit for the components used from the bonded inventory upon shipment of the product.

[Quarterly Reports]

Spectrum reviews status of the customer-owned bonded inventory quarterly and sends a report to the customer with the following information about each component:

- Spectrum internal part number
- Manufacturer component part number
- Component description
- Quantity of each component

[Technical Support]

Five hours of Technical Support service is included with each Obsolescence Management Plan.

[Ordering information]

OBSOLMGT-010

Annual Obsolescence Management Plan Subscription

Please contact Spectrum Sales at 1-800-663-8986 for further information.