

MILWAUKEE ELECTRONICS NEWS

Q3 2021

About Milwaukee Electronics

Milwaukee Electronics designs and manufactures custom circuit board assemblies for the medical, transportation, military, logistics and a variety of other industries. The company has ISO-13485 medical manufacturing capability in its Portland plant.

The Company operates over 135,000 square feet of manufacturing in Portland, Oregon; Milwaukee, Wisconsin; and Tecate, Mexico. In addition to EMS and product design and engineering services, it offers PCB layout and DFM services through its San Diego PCB Design business unit and quick-turn prototyping and on-demand assembly through its Screaming Circuits business unit.

Milwaukee Facility Names New GM

Igor Zelenovskiy has joined Milwaukee Electronics as General Manager of its Milwaukee facility. Previously, he was President and CEO of Fisher Barton.



Igor Zelenovskiy

“Igor has over 20 years of experience in engineering, product development, sales and executive level positions within manufacturing companies serving a broad

range of industries. His experience and knowledge in industrial, agricultural and large motive applications aligns strongly with our Milwaukee facility’s customer base,” said Rick McClain, President and COO.

Zelenovskiy earlier served as President of Fisher Barton’s Technology Center, which he helped established to showcase the company’s innovative machining, finishing and coating technologies. He was also associated with Rexnord Corporation as Global Director, New Product Development, as well as Komatsu Mining and Rockwell Automation in a variety of sales and engineering positions.

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Message from Rick

Making Responsiveness a Priority

There is no question that 2021 has become a test of resilience and flexibility for all organizations. Every company is encountering challenges in materials and logistics that no worst case



Rick McClain

scenario has planned for. Within the supply chain, previously unacceptable behaviors in terms of lead-times, reschedules and price increases are the norm. Even gray market

brokers are running out of inventory.

That said, the team at Milwaukee Electronics continues to try our best to responsively adapt to this chaotic environment. We are committed to transparency. You may not like what we are telling you, but we are committed to sharing information on negative impacts as quickly as we receive it. We’ll also share advice on best strategies to mitigate those impacts. While engineering solutions are limited in this environment, our engineering-centric business model gives us more tools to apply when considering mitigation options.

We have added resources to our materials department, continue to enhance our

investment in IT tools that help increase our response speed and are increasing the levels of inventory we maintain for each program. Those activities increase our cost, which drives a greater need for cost sharing with each customer. Supply chain costs and concomitantly, pricing, are also continuing to increase.

The word partnership gets used a lot in contract manufacturing. These are times that underscore the need for this level of close collaboration. The current environment is likely to last into 2022, but it won’t last forever. Internally, we are continually looking for ways to improve outcomes. The relationships we forge work-

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Engineering in Action

Engineering Solutions Help Fill Resource Gaps

This year's chaotic materials market and shifts in customer demand have forced many OEM teams to deploy engineering resources in new ways, essentially reacting to constraints rather than working on scheduled projects. Milwaukee Electronics' family of engineering-centric services can put flexible support where it is needed most.

Milwaukee Electronics' **design engineering team** offers a range of gap-filling services from specialized engineering support to product design or redesign. The team can also support DFX analysis, component engineering, and test or test set development.



Milwaukee Electronics' broad range of services provide companies with a wide range of options for supporting internal engineering resources.

San Diego PCB Design has the ability to quickly identify layout issues and optimize designs to reduce cost, in addition to providing on demand PCB layout services.

Screaming Circuits offers quick-turn prototypes, short runs and Choice-Production services for production runs that fall below the requirements of the higher volume services offered through Milwaukee Electronics' EMS facilities.

Services can be purchased transactionally or set up as an approved "go to" resource for engineering teams to contact on an as needed basis. This latter solution reduces the time engineering teams spend identifying suppliers plus eliminates the learning curve associated with working with different transactional suppliers.

Contact your program manager or our sales department to learn more about ways Milwaukee Electronics' family of engineering-centric solutions can be put to work for you.

Best Practices to Address Material Constraints

The team at Milwaukee Electronics is doing everything possible to keep material flowing on time. However, the materials environment remains chaotic. At a time like this, a coordinated effort can help. Here are a few best practices to consider:

- Provide an 18-24 month forecast on products whose design is stable. Your program manager can work with you to develop a strategy that increases in house inventory of "at risk" parts.
- Let our team know at least six months ahead of any new product introductions. Consider using our internal resources for bill of material (BOM) and approved material list (AML) selections.



Material constraints are an electronics industry-wide problem. Collaboration helps improve outcomes.

- Alternate parts are critical in this environment. Avoid sole sourcing.
- Consider a re-spin of your printed circuit board (PCB) layout if availability issues impact

the original chip package. Our supply chain and PCB layout teams can help you determine if that is an option.

- Be willing to support our supply chain management team with calls to suppliers. If you've designed in a part on a supplier recommendation, you may have the best leverage with that supplier.

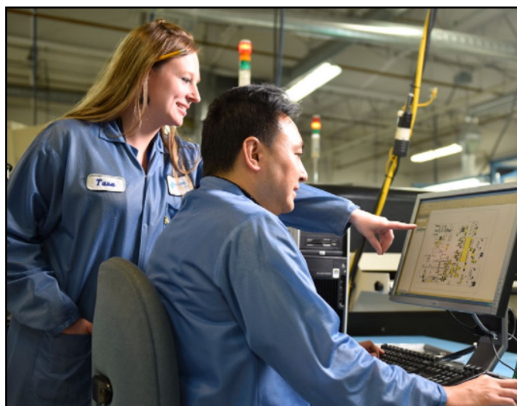
Our team is committed to providing the best visibility and options available in the current constrained environment. Your program manager serves as a central resource for forecasting, inventory stocking level options and visibility into current materials constraints. While the current environment increases the likelihood that there will unanticipated changes in schedule, collaboration helps improve all outcomes.

Message from Rick

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ing together in the current chaos will likely improve the way we work together as things normalize.

Our annual customer survey has just been emailed out. We use this tool at a management level to better understand where we should focus resources to better align with customer needs. If you receive a survey, we encourage you to provide honest feedback. While the responses are cloaked in anonymity, the data helps us prioritize our improvement focus. We see this annual feedback as



Our team is committed to looking at all viable options to address material constraints.

another element of the partnership equation—as Peter Drucker said, “if you can’t measure it, you can’t improve it.”

Our goal continues to be to deliver Perfect Product on Time. We recognize in the current environment that may not always happen. However, you can be assured that our team is continuing to look for ways to change that dynamic.

Rick McClain

President & COO

Milwaukee GM

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He holds a Master of Science degree in manufacturing engineering and manage-

ment from the University of Wisconsin-Milwaukee and a Bachelor of Science degree in electromechanical engineering and mining

engineering from Donetsk National Technical University.

Newsletter Contact

Paul Forker, Corporate Director of Sales

Email: pforker@milwaukeeelectronics.com

www.milwaukeeelectronics.com

Sales inquiries: sales@milwaukeeelectronics.com

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5855 N. Glen Park Road
Milwaukee, WI 53209
Tel: 877.960.2134