

MILWAUKEE ELECTRONICS NEWS

Q1 2023

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.

Kratz Named VP of Operations

Dale Kratz joined Milwaukee Electronics as Vice President of Operations on Jan. 3rd. He reports to Rick McClain, Milwaukee Electronics' President and has operational responsibility for the Milwaukee, WI; Portland, Oregon and Tecate, Mexico facilities. In addition to plant management, his direct reports will include supply chain and quality leadership.



Dale Kratz

"COVID created an environment of 'do more with less' in companies throughout

the EMS industry and significantly strained management teams in the process. Milwaukee Electronics was no exception. Strategically, we felt it important to create a distinct operations leadership role to enable Rick to focus more of his time on our overall business strategy and strategic execution. Dale's addition is part of an overall corporate strategy to increase Milwaukee Electronics' management bench strength and better distribute workload among our leadership team," said Jered Stoehr, Milwaukee Electronics' CEO.

"Dale's role is designed to leverage the investments the company has made in systems and manufacturing technology

(Continued on page 2)

Message from Jered

Poised for Operational Excellence in 2023

The last two years have been a stress test for our Company and our industry. We've been operating in an environment where exceptions are the rule and best in class business practices are discarded in favor



Jered Stoehr

of whatever strategy ensures material availability to meet production requirements. Our recent customer satisfaction survey indicates we've done a good job in some cases and have significant room for improvement in others. That said, we've learned from those challenges and have made investments in systems, processes and people to improve the solutions we offer

our customers.

In our Q3 2022 issue, Rick McClain discussed our Executive Development Program, which is designed to strengthen the skills of our internal team. This quarter we are pleased to announce an additional improvement in our leadership bench strength with the addition of Dale Kratz as VP of Operations. He reports to Rick and has extensive experience in virtually all aspects of electronics manufacturing services (EMS) operations. He is both a Six Sigma Black Belt and a Lean Sigma Black Belt, and should help to further instill a metric-driven performance culture in our company.

We are focused on building a resilient organization with the leadership resources to support our growth even in a challenging environment. Dale's nearly

three decades of experience in a global EMS company will be invaluable as we begin the journey to leverage the systems and technology investments we've made into solutions that meet our customers' needs for responsiveness and reliable performance.

I believe that 2023 will see a return to more of the best practices our industry has developed. Global demand on many products driving supply chain imbalances has started to drop which should help improve material availability during the coming year. This, combined with our enhanced focus on operational excellence should enable us to significantly improve our ability to deliver the engineering and manufacturing solutions our customers require.

Jered Stoehr
CEO

Supply Chain Bulletin Tracks Market Trends

Milwaukee Electronics publishes a **Supply Chain Bulletin** monthly to help keep its customers abreast of the latest trends component availability and pricing. The January issue highlights the continuing challenges created by conflicting trends in different market segments. For example, while sluggishness in global demand are helping bring down lead times on components used in consumer electronics products to levels not seen in two years, the market for automotive-grade IGBTs is higher than expected due to EV and green power generation demand.

This level of market uncertainty makes it important for customers watch forecast

accuracy carefully and work with Milwaukee Electronics' program management and supply chain management teams to ensure inventory levels are appropriately sized to meet demand. In this transitional year, some parts still need to be stocked at higher than normal levels, while parts with improving availability may need to have inventories drawn down to better align with market conditions. Pricing is also showing variability both up and down, depending on market demand.

Milwaukee Electronics' team is



Eric Bolnick along with other Portland team members help ensure material flow aligns with production needs.

Your Supply Chain Bulletin
January 2023



Electronic Component Market Review

Global economic uncertainty is driving downward pressure on consumer confidence and on the overall economic environment. Customer demand signals continue to get re-aligned on a global level bringing lead times on most products down to levels unseen in well over 2 years.

Constraint points are still present as allocation continues to be a challenge and average selling prices are expected to rise in some markets due to shipping and material cost increases.

Although consumer electronics is sluggish, the market demand for automotive-grade IGBTs is still higher than expected, driven by the demand for new energy vehicles and new energy power generation, and power devices represented by IGBTs are growing strongly. The lead time of many large foreign manufacturers is also maintained at about 50 weeks, while the orders of related domestic IGBT companies continue to be full, and the production capacity is in short supply. ON Semiconductor stated as early as May that the order for automotive IGBTs is full and will no longer accept orders, and the production capacity in 2022-2023 has been sold out.

Capacity and lead-time issues

now using the QuoteCQ and ShopCQ modules in Cal-Q-Quote to better automate the pricing accuracy and purchasing process. ShopCQ now works seamlessly with the ERP system, automating repetitive buyer tasks and updating the system when PO changes are issued by suppliers, so that buyers can focus on managing demand exception issues.

The Supply Chain Bulletin is available [here](#).

Kratz

(Continued from page 1)

through a metrics-driven continuous improvement strategy across all facilities. His significant experience within the electronics manufacturing services (EMS) industry enhances his ability to identify key areas for operational improvement and create a sustainable operational vision for Milwaukee Electronics' continued growth. I'm very pleased with the expertise he brings to our business," said Rick McClain, Milwaukee Electronics' President.

Previously, Dale was Senior Director – Engineering at Plexus Corporation. During his nearly 30 years with Plexus, he has held a variety of executive and management roles in operations, quality, global commodity management, costing and engineering.

"I'm excited about the opportunity to help lead Milwaukee Electronics' evolution in operational excellence. We've got a good team and technology framework and I look forward to helping our team implement

the metric-driven processes necessary to provide the manufacturing solutions our customers require," said Dale.

Dale received his Bachelor of Science degree in manufacturing engineering from Silver Lake College. He is Lean Sigma Black Belt certified through Motorola and Six Sigma Black Belt certified through General Electric Healthcare.

Translating Designs from Concept to the Shop Floor

Duane Benson, Milwaukee Electronic's Director of Marketing highlights the challenge of turning designs into products in the latest issue **Designing Electronics North America**.

What this boils down to is that I have something in my head that will someday be a brilliantly working printed circuit board assembly (PCBA). In between the thoughts in my head and that finished PCBA are a website, a dozen people, software systems, pick-and-place (PNP) robots, and inspection tools."

Duane's comment highlights the challenge of conveying all the necessary information



needed to translate the concept in a designer's mind to the manufacturing team in the right format needed to build the product.

The article discusses common mistakes in this communication process and the best way to ensure all the relevant information is documented and transferred. Providing complete documentation cuts time out of the prototyping process and reduces the potential for errors driven by missing information.


Click the image to read the full article on page 38 of the Jan/Feb issue of **Designing Electronics North America**.

Viewpoint: Returning to Normal in 2023

Milwaukee Electronics President & COO Rick McClain recently shared his opinion on current business trends in **Circuitnet**.

His viewpoint article highlighted cautious optimism for 2023 and the need to carefully evaluate customer demand against component availability trends.

While some positive trends are present, challenges related to retaining and recruiting good employees remain. That said,



2023 represents a welcome return to normal in workplace interactions, business travel and general quality of life.

Rick's complete column is viewable by clicking the article image to the left.

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