

February 25, 2021

Supply Chain Update

As we speak with our vendor partners, it has become clear that global supply chain delays are a real concern during these unprecedented times. From the pandemic to weather events to labor planning, industry is facing challenges meeting the needs of the marketplace, and it's essential that we all proactively plan for this issue.

Current Situation:

Labor Issues: Many factories are facing labor issues due to illness and quarantine requirements. Demand fluctuation has put a strain on scheduling to meet the market needs. Additionally, raw material suppliers and component manufacturers are also faced with similar challenges.

Weather Events: The recent winter freeze affected many of the manufacturers in the southern US. Their forced closures added delays to their already-tight schedules. Weather events across the country have also increased the demand for some products.

Transportation: Air capacity is down 20% compared to last year. Ocean shipment lead times have extended due to container availability as well as port backlogs due to the labor shortages mentioned above. There is also a shortage of both trailers and drivers for truck transport.

Raw Material Costs: Raw material costs have had wild fluctuations over the last several months. Some of the most volatile are PVC resin, Steel and Copper.

What we're seeing:

Price Increases: Many suppliers have levied price increases since January 2021. Some announced multiple price changes even within the same week. Year-to-date copper has increased approximately 22% while steel has increased roughly 30%. PVC resin has been greatly affected by weather forcing several of the main suppliers to declare force majeure.

Lead Times: Based on this information, we are seeing extended lead times across multiple categories including, but not limited to, fittings, steel boxes, power distribution and commodities.

The most important thing we can do as a supplier partner is listen. **We're in constant communication with our suppliers** to understand lead times and issues. Based on the information we receive, we're adjusting inventory levels, considering alternatives, and looking ahead at orders that may be affected. Let us know what projects you have coming up so we can help you plan. We can also discuss Stage & Store services that allow you to pre-order items that are expected to have availability issues. Planning early can help avoid problems when the project is in full swing.

You'll be hearing from your Schaedler Yesco Sales Rep shortly. In the meantime, if you have any needs that may be affected, please reach out. Our goal is to help ensure availability of product when you need it.



Matt Brnik, Executive Vice President



Mike Ofak, Purchasing Manager