

# CASE STUDY

## Defense Subcontractor Finally Able to Fulfill Critical Order for Armed Forces

### Intro

Multiple branches of the US military and its allies rely on an essential mobile ground-based defense system built by a major prime contractor. Recently this prime issued a purchase request to its subcontractor for an electronic module, a critical element of this defense system.

### Challenge

The subcontractor could not fulfill the order to build this essential module for this defense system because an obsolete integrated circuit was no longer available from any traditional mainline authorized sources. Without this one component, they could not build the entire module, putting the defense system at risk. Obsolescence issues frequently plague the military aerospace industry, as semiconductor companies transition to new technologies in their wafer fabrication facilities, and in the process, routinely end the life of mature product families or devices.

### Approach

The subcontractor sought out Flip since they did not want to procure these mission-critical components from the grey market. When they discovered that Flip was an authorized distributor for the maker of this integrated circuit, they were interested. Discovering that Flip is an authorized distributor who focuses on obsolescence, they then engaged in an initial dialog.

The customer outlined their internal process for adding suppliers to their approved vendor list. Flip was very attentive during the approval process and understood all the intricate details necessary to move things forward. There are many stages in the authorization process, and Flip swiftly submitted all the required documentation to expedite their qualified status.

Flip also began to analyze the subcontractor's potential future demand so that the solution would solve the immediate need and proactively ensure they could support the requirements of upcoming projects. Once the Flip analysts completed their demand planning, they recognized that the quantity necessary to fulfill the order was greater than the available inventory.



## Solution

Due to Flip's special relationship with this integrated circuit manufacturer, they were able to influence them to restart production on this particular device, even though it had been discontinued years ago. Flip was able to work with the manufacturer to have them build new components from their residual die bank. Not only was the subcontractor able to complete their customer's order, but they also were able to secure enough components to last them for the next five years of production.

In summary, the subcontractor was able to procure reliable components from an authorized source to support the US military's critical production needs while meeting all of their quality requirements.

## Cost Savings

\$ 3.2M

Avoided the need to re-qualify a new part or redesign the entire project.

## Time Savings

14 months

In the end, Flip enabled its customer to create a product that defends the security of this nation and our allies.

## Results

If Flip had not been able to supply the parts, the subcontractor would not likely have fulfilled their order. In the short term, this subcontractor was able to satisfy the requirements of one of their most important prime contractor customers who, in turn, came through for the United States Armed Forces. In the long term, they strengthened their relationships with their prime supplier and the government entities involved.

Additionally, the subcontractor avoided the grey market and all of the authenticity issues and high testing costs associated with it. Counterfeiters are becoming increasingly sophisticated, making detection even more difficult and risks to our security even greater.

## Authorized Supplier Of

