



Think Globally,  
Act Locally

Be Flexible

Navigate Challenges  
With Data, Communication  
and Patience



# Supply Chain Issues Force the Security Industry to Get Creative



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When you hear the words, “supply chain,” what comes to mind? Most likely, a headache. Consumers and businesses alike have all felt the global supply chain stress. Congestion, widespread shortages and price spikes are common across sectors and verticals. In fact, Reuters recently reported that the topic of supply chain dominated earnings reports from some of the largest U.S. manufacturers, including General Motors, General Electric, 3M and Boeing,<sup>1</sup> and the White House noted globally significant disruptions.

The security industry has not been immune to supply chain problems. Specifically, the shortage of semiconductors, also known as integrated circuit chips or IC chips. Semiconductors power nearly everything in our digitally driven world and have become the backbone of security and identity components, including readers, control panels, sensors, detectors, credentials, passports and peripheral devices such as printers.

Analysts identified several factors contributing to the semiconductor shortage and nearly all are linked to the COVID-19 pandemic<sup>2</sup>. The rollout of 5G phone technology

and trade sanctions on China prior to the pandemic caused Chinese makers to place large orders for chips before the sanctions went into effect. Pent up demand for vehicles and other goods means manufacturing in several sectors has officially come back from early shutdowns in the pandemic. At the same time, the globalization of supply chains and vulnerable, human-driven processes added to existing labor and materials challenges. Predictions vary on how long the shortage will last.

What can security leaders and professionals do to address the inherent problems caused by this supply chain strain? You’ll need to get creative to ensure resilience.

*“ Supply chain has always been vulnerable to sudden changes and crises. Whether due to illness or workforce reductions, the reality of a smaller staff has required organizations to do more with less. The pandemic has laid bare that technology is critical not only to a company’s survival but also to the survival of our global community. ”*

– Richard Aufreiter,  
VP of Product Marketing, HID Global

## KEY CONSIDERATIONS

- **Think Globally, Act Locally** — Look for suppliers who have a global strength but local presence. These organizations have more reach and can help you in regionally specific ways thanks to their proximity to those markets. You want someone with an outstanding reputation and the longevity to weather the storm with you.
- **Be Flexible** — If what you're initially looking for isn't available, there may be a competent alternative that meets your needs, even if you haven't heard of it. That means working with suppliers who have a broad portfolio and a variety of solutions. Labor and materials shortages have meant price increases are already here, making it important to start budgeting and planning for higher pricing.
- **Navigate Challenges Through Data, Communication and Patience** — Data and analytics can be used to better predict buying patterns and support forecasting, as well as help you to identify underlying drivers that provide better visibility into needs and lead times. Keep an open dialog with your partners and suppliers. They can help you understand your options and make sure you are the first to know as the environment changes. Most of all, be patient. The last two years have been challenging. It's frustrating, but it's also important to remember that from a supply chain perspective, we are all in the same situation and Operations and Customer Service teams are working tirelessly to address the shortages and minimize customer impact.

### NOTES

1. [US Companies Keep Prices High as Supply Chain Headaches Persist](#)

2. [When the Chips Are Down, Step Up](#)



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