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The Risks of Buying Components Outside the Authorized Channel

In the not-so-distant past, electronics were a category of products that was separate from most areas of our lives. If your computer broke down, you could still get healthcare from your doctor, drive your car, find your way to the grocery store... even defend your country if called upon.

Not so today. Electronics have permeated nearly every aspect of human activity, both essential activities and entertainment. Automobiles, navigation systems, military and aerospace, healthcare and even food production are increasingly dependent on electronics. The reliability of these tools has never been more critical for human safety and health.

Buyers of electronic components for this ever-expanding universe of products have faced recent shortages and geopolitical supply chain disruptions making their job of keeping production lines running much more difficult. They are tempted to go outside traditional electronic component channels to source parts. Non-authorized sources of components have sprung up to meet this demand. They claim to offer the same assurances as the authorized channel, with better lead-times and availability. But regardless of claims, these companies cannot offer the type of assurance that comes from using authorized electronic component channels.

MAKE SURE YOU ARE USING **AUTHORIZED DISTRIBUTORS**

Unauthorized Channel **RISK**

COUNTERFEIT COMPONENTS

- Shorter lifecycle
- Components may not work at all

NO TRACEABILITY

NO MANUFACTURER WARRANTY

NO CERTIFICATE OF COMPLIANCE

- Component not built to specifications

NO TECHNICAL SUPPORT

QUESTIONABLE PRODUCT HANDLING

PRODUCT LINE SHUTDOWN

PRODUCT FAILURES

MASS PRODUCT RECALLS

LAWSUITS AND LIABILITIES

Authorized Channel **ASSURANCES**

FULL TRACEABILITY TO THE MANUFACTURER

MANUFACTURER'S WARRANTY

CERTIFICATE OF COMPLIANCE

- Component built to specifications

AUDITED/CERTIFIED PRODUCT HANDLING

TECHNICAL SUPPORT

QUALITY

- Component meets the highest manufacturing standards

RANGE OF VALUE-ADD SERVICES

STABLE PRODUCTION LINE

NO FAILURES AT FINAL TESTING



TrustedParts.com

What is the authorized channel? An authorized channel partner has a contractual relationship with the manufacturer of that specific component, in that geography, that ensures the part is genuine, is new, is within the specifications, and has been transported and stored properly to maintain integrity. The processes and documentation - traceability - involved in the part's history can be trusted. These practices are documented in industry standards with which channel partners must comply, e.g. SAE's AS6496.

Companies operating outside the authorized channel include brokers and excess inventory liquidators.

A buyer might decide that it's safe to procure parts from an unauthorized source in an emergency when there are fewer options. He or she might say to themselves, 'it's ok because we have a testing process in place.

Testing can't unravel the exact provenance of a component. Has it been handled properly? Is it a new part or has it been relabeled? Will it perform as indicated in the specs over time? Only certain defects can be revealed by testing. And counterfeiters are getting increasingly sophisticated at imitating the authorized channel, including fake documentation.

Further, unless a buyer has genuine documentation, component manufacturers will not honor their warranty. This means that if something is wrong with a shipment of components, the customer is on their own. That includes liability for injury or catastrophic failure in the final product.

The authorized channel is the only way for a buyer to be assured of authenticity and compliance. As the official inventory aggregation site developed and supported by distributors in the authorized channel, [TrustedParts.com](https://www.TrustedParts.com) is the place to procure electronic components from only sources verified to be authorized.



ECIA thanks the committee members who worked on this initiative:

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