Just like smartphone fabrication, the surveying instrumentation sector relies on deliveries of components in the right quantity at the right time. With supply chain shortages, new thinking is needed to maintain business as usual. Image: ivector / Shutterstock

AFTERSHOCK!

MARK POVEDA TAKES A LOOK AT HOW A WORLDWIDE COVID-RELATED SHORTAGE OF MICROCHIPS IS AFFECTING THE GEOSPATIAL INDUSTRY AND WHAT WE CAN DO ABOUT IT

In our technology-driven world, the microchip is found in just about every manufactured device that requires electricity. From fridges to microwaves and cars to smartphones, no industry is untouched by the current microchip shortage and that, unfortunately, includes geospatial.

While the reasons for the shortage are manifold, they include a surge in demand for computers (due to an increase in home working and home entertaining); a breakdown in supplies from an industry that struggles to find a median between over and understocking and, of course, the challenges of ramping-up production after the temporary shutdown of specialist global manufacturing facilities.

There is no doubt that the demand for these components is outstripping supply and we're experiencing the knock-on effect in the shape of shortages, longer waiting times, and increased prices as more end users bid for less stock. In some cases, components that previously cost 60 cents are now priced at over fifty dollars.

Fortunately, geospatial has not been as badly affected as, for example, the car industry where modern cars can easily contain 3,000 chips and take 6-8 months to deliver. This sector has experienced a global drop in output of four million cars, nearly a 5% downturn this year*.

However, all survey equipment manufacturers are experiencing the frustrations of trying to deliver orders that have been delayed since the pandemic.

What can we do about it?

No distributor or manufacturer can escape the realities of equipment that gets delayed through this shortage, or the disappointment of customers keen to put a new investment to work. This is something that we have discussed with KOREC customers, and their feedback has been particularly useful:

- Communication is key – ask your distributor for realistic time frames for the delivery of specific instruments and items. For a lot of KOREC/Trimble technology deliveries, it's business as usual but it's still important to be fully informed about potential delays.
- Plan ahead – some of the larger infrastructure companies we're working with are already placing orders for projects that will get underway next year.
- Consider all aspects of what you need for a project, not just the instrument, but also any additional laptops required for data handling and processing and don't forget that even important basics like batteries and chargers may be delayed.
- Ensure current instruments are maintained and where possible, recycle older equipment such as chargers and loggers.
- Consider alternatives – here at KOREC, our supply of 3D Laser Scanners remains consistent. Now might be the time to introduce new and efficient ways of working that can open further revenue streams. Software is also being delivered as normal allowing our customers to look at new ways to add value for the client – surveyors do so much more than collect data!

There's no doubt that the pandemic has severely affected an already flawed microchip supply chain and that the challenges of meeting a vastly increased demand after such an event take time to overcome. However, global enterprises are already working hard to make their supply chains more resilient to outside influences, more collaborative and better networked. Things are definitely easing here at KOREC and we expect to see significant steps towards a return to normal in the last quarter of 2021 and the onset of 2022.

In the meantime, don't throw out the road wheel and tape measure just yet!

*Source: The Week

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