

Putting distributor relationships first

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“We’re the breath of fresh air the industry needs,” states Jeff Simon, chief executive manager of America Semiconductor. Although the term “start-up” probably isn’t completely accurate, the four-month company represents a new entry to the semiconductor marketplace.

Simon avoids the term start-up because he and business partner/lifelong friend Bruce Wilpon have been looking to capitalize on Simon’s 25 years of experience in the semiconductor sector for a couple of years. “We looked at buying other semiconductor companies, but we didn’t like what we saw. I’ve been around this industry long enough that I know what works and what doesn’t. With America Semiconductor we’re going to take the best of those practices and put them in place,” says Simon. “The first is avoiding a model that sells direct.”

Simon and Wilpon understand the value of distributors and want to implement sales models that allow both their company and the distributor to grow. “Businesses work best when they treat people right. It’s easy to sacrifice relationships for short-term gain, but that will never be part of our approach. We realize the power of working closely with distribution in order to realize long-term goals,” adds Wilpon.

With nearly \$1 million in inventory waiting at their Linden, NJ, location, America Semiconductor has a number of key pieces already in place. Although their products will be manufactured in China, testing and quality control will be performed at their facility before shipping to distributors. Right now, Simon says product will be in the hands of new distributor partners in two-to-three weeks.

“During my career, I saw how some companies can cut corners in manufacturing to keep costs down. However, they were also sacrificing quality and growth opportunities,” recalls Simon. “We won’t do that. We’re focused on a quality product. We have the financial backing in place so we don’t need to cut corners. We’re focused on quality products and quality relationships.”

Simon points to three key aspects of America Semiconductor’s business model that should aid in establishing new distribution connections:

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- 1.Never SELL direct.
- 2.A price structure that levels the playing field for all distributors. Price breaks for volume will certainly be provided, but they won't differ between customers, regardless of size.
- 3.The lead times that are promised are the lead times that will be realized.

In addition to targeting U.S. distributors with strong track records in industrial and high-power applications sales, the company is in the process of establishing offices in Brazil and Hong Kong to support their distributor partners in these growing geographies.

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