



Design Registration: It's Time To Shift Into High Gear

Streamlining the design registration process through automation

Electronic component manufacturers (ECMs) should be hopeful about future revenue opportunities expected to arise from increasing automotive electrification, expanding AI/cloud computing applications, continued growth of 5G wireless and industrial applications. This growth means your distributor channels will likely encounter a sizable portion of the increasing workload, resulting in an increase in design registrations (DR), pricing, quoting, inventory management and claims management activity.

Key questions you should be asking are:

In an expanding market, will our current channel management system be able to keep pace with the changes and help maximize revenue and margins? Will our design registration process – a key part of achieving design wins – be agile enough to keep up with growing market demand?

If you don't like your answers to these questions...read on!



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Accelerate your design registration process

Design registration (DR) is a powerful business tool for ECMs who sell to original equipment manufacturers (OEM) through indirect channels. When we talk about revenue growth through the electronic distribution channel, it starts with DR. Without a robust process and the ability to effectively – and quickly – manage your pricing and quoting process, you will likely miss out on valuable growth opportunities and reach a dead end in your entire DR program. Design registration programs are much more than your agreements to incentivize and reward your distributors for their time and effort. They guarantee revenue capture and deliver mindshare for your company.

Managed effectively, design registration can help you remain forward-thinking, optimize operations and achieve revenue goals by:



Identifying and registering partner opportunities for OEM new products



Generating new business lines and revenue



Protecting margins



Increasing customer loyalty



To reap the benefits, your design registration program needs to be efficient. What does efficiency look like? It should be organized, transparent to all teams and accurate. Collecting, reviewing and approving channel partner designs is a complex and sometimes daunting endeavor. If your DR approach involves manual or even partially manual processes, you're spending too much time in a siloed process that may fail you in the future. Streamlining the process from idea to execution is crucial, given the expected growth opportunities for design registration.

The 3 Ps of DR

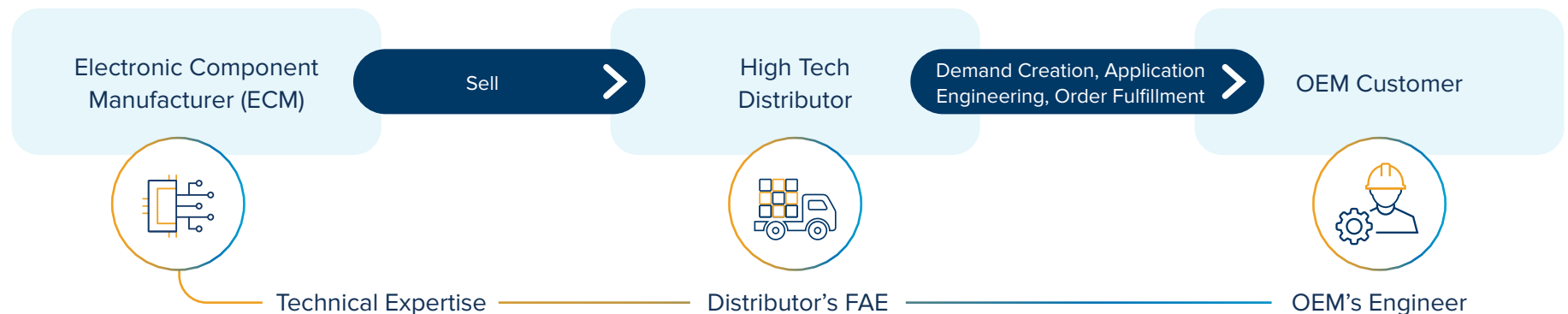
Design registration drives channel sales through your distributors, creating new markets and opportunities.

Given the tangled web of relationships between distributors, original equipment manufacturers (OEMs) and your manufacturing company, you must be sure you're at an advantage when bringing a design to market. A design registration program between an ECM and a distributor embodies clear guidelines around 3 key factors: process, pricing and protection.

Process

Most large distributors employ a team of field application engineers (FAEs) who are experts in your products and should be viewed as an extension of your engineering and sales force. The FAE can provide the technical expertise needed to create demand, application engineering support and product fulfillment. Your distributor

partnership involves technical collaboration over several weeks or months to produce a new product for the OEM. This process is a critical element of the agreement, with specific criteria the distributor must meet to work with the OEM.



Pricing

When a distributor successfully registers a design, they typically receive preferential pricing through your company with an exclusive discount on components, enabling them to offer prices other distributors cannot match. This benefits the distributor in terms of sales and rewards them for the time and effort spent securing the registration. It helps if your forecasts and projections on sales are correct by having exclusivity on the design sales at the right price. Acting as an extension of your team requires that the FAE spend substantial time on the following:



Becoming knowledgeable about your product line



Finding new sales applications for the product line



Creating demand with prospects



Collaborating with OEMs on new product designs



Winning the business with the OEM selecting your product

Protection

Manufacturing a new design always carries volatility in terms of demand and economic uncertainty. DR offers a sense of security for all parties, providing distributors with exclusive rights to collaborate with you and the OEM in designing the component into the product. This deters other distributors from competing for the same business during the design process and helps prevent potential channel conflicts. Additionally, your level of risk is reduced as the engineering support required is reduced.

Don't let design registration protection become a false sense of security. Protecting your company against the things that are in your control is crucial. This includes the risks you take by not having a streamlined and automated process in place across the entire spectrum of design registration.

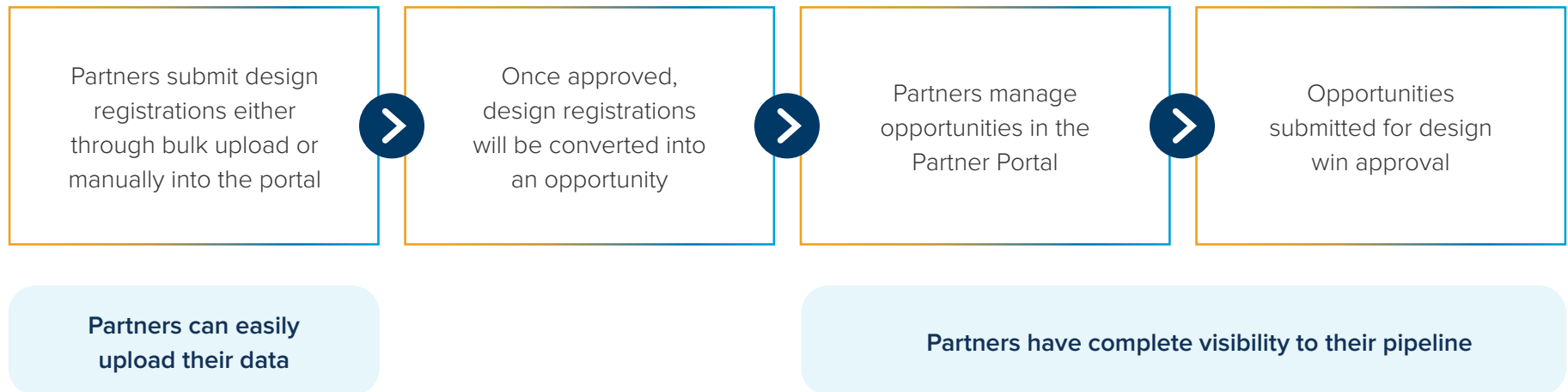


Rev it up: Automation with a single source of truth

Electronic component manufacturing companies like yours will face significant challenges if you don't get ahead of where the industry is moving and embrace a single source of truth automation solution that acts as your main console to revenue management. You need to shift your mindset to capture your share of design registration opportunities ahead of the competition. As mentioned, breaking down silos and complete transparency is essential to collaboration for your DR program to work without risk of revenue leakage.

If done right, your DR program can strengthen your ability to drive every aspect of your program's workflow. As you navigate the highly complex and interconnected world of channel relationships, a seamless and efficient design registration entry, approval and execution process is essential for optimizing the flow of information, minimizing delays, and building stronger partnerships with key players.

Fortunately, integrating automated solutions comes with the added benefit of providing an end-to-end registration, quoting and execution process. This eliminates the tedious manual tasks often associated with DR, freeing up valuable time for you and your distributors to focus on more critical aspects of the business.



By leveraging a single source of truth solution, you can provide distribution partners with a simple yet powerful self-service experience to submit and track designs. As the ECM, you gain real-time visibility and control over what is being sold on your behalf.

4 benefits of the right DR alignment

Your company commits to building complex channel relationships to achieve revenue objectives. A streamlined design registration process can be essential in managing those goals as opportunities increase. We've identified 4 benefits of deploying a single source of truth solution.

1. Project Access and Visibility

Distributors can log into the design registration system to:



Easily upload their data



Get visibility into their pipeline for all ECM projects



Create and submit applications for one or several design registrations



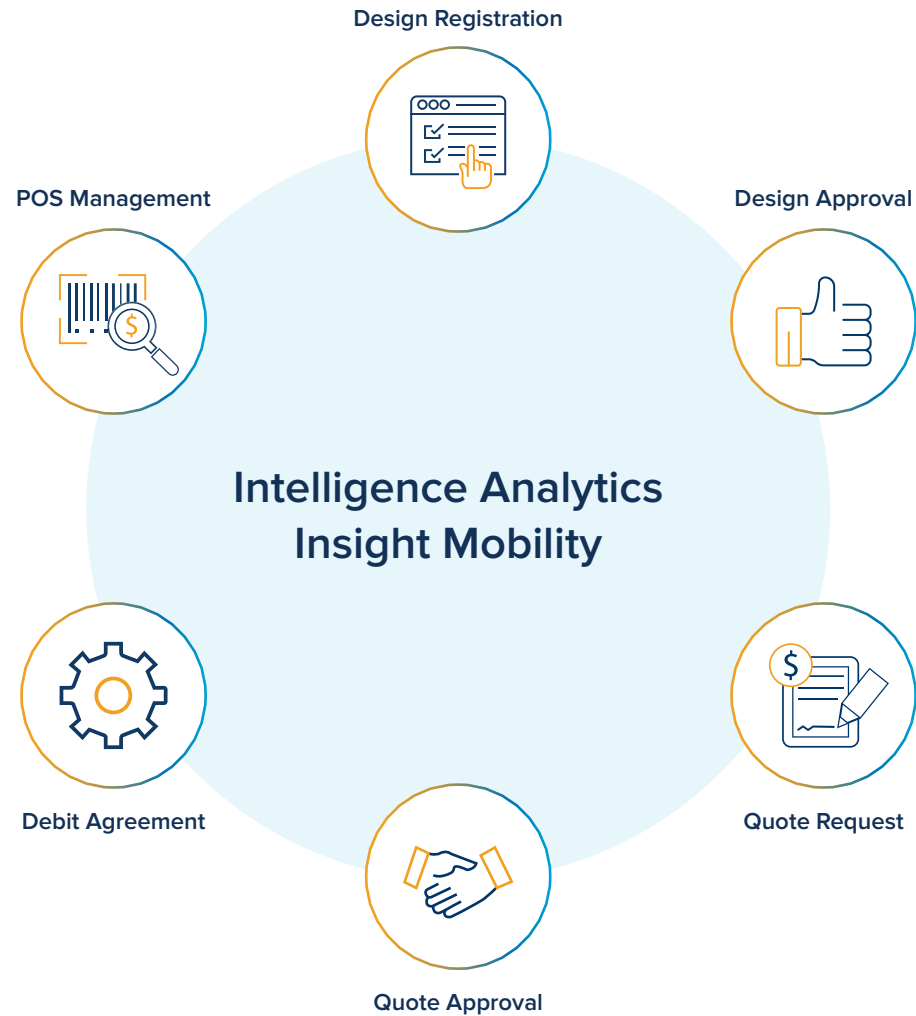
Review approved design registrations and specific details about each one (OEM customer, distribution channel, target resale price)

Design Registration Cycle

Capturing all design opportunities, ECMs use the system to:

Approve and track designs using workflow-based and rule-driven processes

Gain ongoing insights into the market for demand forecasting of newly released products



2. Pricing Engine

Leading design registration systems also provide distributors with a powerful pricing engine that adheres to your guidelines for specific lines of business. This makes it easy for distributors to review open and approved design registrations and request quotes for individual components. The system should also allow distributors to request improved pricing in the face of competition from other ECMs working with the same OEM. You can then review the distributor's request for special pricing and use analytics to make a decision.

If you're an ECM, one of the more critical aspects of your business is speed – the ability to obtain an ideal price and quickly turn around a quote to a customer. You want to land on a price that optimizes both your margin and your distributor's margin and maximizes your chances of securing an eventual design win.

Contract

Quote

Consumption

Customer Classification

Supply

Product Classification

Pricing Science

Product Family

Product Attribute

Design Registration

Region

Target

Currency

3. Data Exchange / Opportunities Management

Once you approve the design registration within the system, complete transparency allows all teams to leverage the collaboration to exchange critical data. This may include:



Requesting quotes
for OEM projects



Analyzing quotes



Providing feedback
on quotes



Establishing debit
agreements for
special pricing claims

4. Analytics

A single source of truth solution provides analytics that can anticipate and recommend new growth opportunities, assisting in cross-selling by suggesting relevant individual components to OEMs. Moreover, whether it's a component previously purchased by the OEM or part of a different product category, these systems can also provide the “why” behind each recommendation. With

this valuable information, distributors can make more informed decisions and add these other products to the design registration system for approval. With this level of efficiency and accuracy, this system helps streamline your relationship, making collaboration easy and transparent while providing an innovative way to drive more revenue and stay competitive.



Conclusion

Every step of the process involves understanding the importance of transparency, collaboration and transactional relationships that are needed and only attainable through automation of your processes. It's important to note that design registration doesn't work in isolation but is part of a bigger system involving pricing, quoting, inventory management, claims management, price protection and other related processes. A rock-solid, streamlined design registration program is the key to improving all the downstream channel management processes.



Now it all
adds up

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Chris Phelan specializes in multiple areas of manufacturing and high tech including advanced R&D, new product development, process and quality engineering, product management, and global sales management. With 25 years of experience, Chris has worked for GE Aircraft Engines, and New Venture Gear, a joint venture between General Motors and Chrysler. He also led global sales teams at Marquardt, a high-tech company specializing in electronic switches, sensors, and controls. Chris holds a BS from Rochester Institute of Technology and an MBA from Syracuse University.

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