



Commentary

Distribution and 'Mittelstand' – together strong and present

Berlin, 16 June 2021 - The 'German Mittelstand' is Germany's engine for innovation, technology and business, with a diversity that is unique in the world: The majority consists of around 3.5 million small and medium-sized enterprises (SMEs), which create almost 60 percent of the jobs in Germany. Over 90% of SMEs serve the European market. Customer proximity, short decision-making paths, and an innovative spirit make the 'German Mittelstand' an important partner when it comes to new products and services.

Strong are those who maintain strong partnerships. One such partner for the SME sector is Distribution, with its experts in procurement and logistics, product know-how and design-in projects, who are always at the cutting edge of technology. And, who are always ahead of the game, despite the ever-increasing amount of data available online. Their specialist knowledge in the interaction of components makes them an indispensable ally, providing the hidden champions of SMEs with valuable approaches for their application and system solutions - free of charge. After all, almost half of the world's 2700 hidden champions are to be found in the German Mittelstand. Thanks to their innovative products and solutions they form an important link in the value chain. It wouldn't be the first time that small-scale innovations have led to big trends of tomorrow.

In the SME sector, it is a matter of quickly getting products and solutions to market in order to amortize the effort and quickly become profitable. The search for the right components in terms of performance, energy consumption, lifecycle, chemical composition (& general EU conformity), suitable batch sizes, consideration of availability and avoidance of single source as far as possible ties up valuable manpower and pushes many an SME to the limits. This is where support for customer-specific implementation as well as procurement and delivery of the components involved comes in handy. A basic knowledge of the regulations that must be fulfilled for the respective markets is also helpful here - not every component can be used at will. However, one developer in an SME cannot cover all topics, so here, too, powerful communities come into focus so that everyone can contribute their expertise and focus on their strengths - to the benefit of the network.

The benefit from the partnership must be higher than a company achieves on its own. In the same way as in distribution, the best fit is important in the Mittelstand, where the partners react flexibly to every need and coordinate the business model individually - provided there is mutual trust. Around the world, people associate 'German Mittelstand' with innovation, strength and entrepreneurial spirit. And yet the SME lobby is lacking - so it's high time to create a weightier voice in dealings with official bodies, as FBDi is pursuing as a partner platform for distributors.

Research companies predict that the European market for electronic components will be worth around 40.7 billion US dollars or 33.4 billion euros by 2025. If you consider that distribution - the majority of whose members are SMEs - occupies a third of this, strong partnerships should really gain more weight. Don't you agree?

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About FBDi e. V. (www.fbdi.de):

The FBDi e.V. – Fachverband der Bauelemente Distribution e.V. (Professional Association of Component Distribution), founded in 2003, is well-established in the German association community and represents a large portion of distributors of electronic components with operations in Germany. In addition to the preparation and advancement of numerical data and statistics concerning the German distribution market for electronic components, competence teams engagement and reporting on important industry themes (amongst others, education, liability and rights, traceability, and environmental themes) form essential pillars of the association's work. The FBDi is a member of the International Distribution of Electronics Association (IDEA).

Member companies (as per April 2021):

Regular members: Acal BFi Germany; AL-Elektronik Distribution; Arrow Europe; Avnet EMG EMEA; Beck Elektronische Bauelemente; Blume Elektronik Distribution; Bürklin Elektronik; CODICO; Conrad Electronic; Distrelec; Ecomal Europe; Endrich Bauelemente; EVE; Future Electronics Deutschland; Glyn; Gudeco Elektronik; Haug Components Holding; Hy-Line Holding; JIT electronic; Kruse Electronic Components; MB Electronic; MEDI Kabel; Memphis Electronic; Menges Electronic; MEV Elektronik Service; mewa electronic; Mouser Electronics; Neumüller Elektronik; pk components; Pülplichuisen; RS Components; Rutronik Elektronische Bauelemente; Ryosan Europe; Schukat electronic; TTI Europe.

Supporting members: TDK Europe, Recom.

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