

LEADERSHIP BRIEF – IT HARDWARE DIVERSIFICATION

Supplier Concentration Analysis & Diversification Strategy

Total Category Spend 2025: USD 5,529,600

CURRENT STATE – SUPPLIER CONCENTRATION RISK

Metric	2025 Original
Supplier	Dell Technologies
Supplier Location	USA
Spend Share	50%
Key Risk	Moderate concentration in Americas with 3 suppliers

OVERALL RISK STATEMENT

Our current it hardware procurement involves 3 suppliers, with Dell Technologies as the dominant supplier at 50% of total category spend (USD 2,754,000 of USD 5,529,600 in 2025). Other suppliers include: HP Inc (27%), Lenovo (23%). All suppliers operate from USA. We currently do not source it hardware from Apple Inc, an already approved IT Hardware supplier in our system with operational presence across USA. This creates a geographic concentration risk. It is recommended to activate it hardware with Apple Inc to offset this dependency, introduce price competition, diversify geographic exposure, and enable alternate logistics routing, while continuing optimization and quarterly rebalancing.

STRATEGIC OUTCOME

- Reduce single-supplier concentration from 50% to 40% in Phase 1
- Activate 10% of spend via incumbent supplier (Apple Inc) with multi-region presence
- Improve pricing leverage through supplier competition
- Reduce americas supply corridor risk by ~25%
- Achieve estimated annual cost advantage of USD 124,416–373,248 while improving supply continuity

NEXT STEPS

1. Activate it hardware with Apple Inc
2. Initiate 8–12 week pilot allocations
3. Benchmark pricing and delivery quarterly
4. Continue phased reduction based on pilot performance