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## How to keep your BOM costs down

From time to time, we have been asked how to get the BOM cost down by using Quick-teck component sourcing services. So we think it's worth drawing up this guide to what you can do to help us to reduce your BOM cost.

Quick-teck always tries to find the most cost-effective solution whilst ensuring reliable quality and acceptable lead times for our customers. But as you may know, component sourcing is not always a simple task. Finding the proper parts/components from both reliable and professional suppliers is not easy. Price is not the only factor that must be considered when sourcing components.

Quick-teck keeps about 4500 electronics components in stock. We are not a wholesale components supplier so we aim to keep our in-stock parts quantity below 5000 components. We have a specialized team to review and update the parts listings every two weeks. These carefully selected parts are the most commonly used in assembly factories in China. If you are considering locating your production in China, then our in-stock parts should definitely be your first choice.

For more details about our in-stock parts list please refer to:

http://www.quick-teck.co.uk/ElectronicElement/eeList.php?typeId=6

To help us to reduce the BOM costs and provide a quotation quickly for you, we work out the price using the following factors:

- 1. Many of the parts in our customer's BOMs can be replaced with our in-stock parts, but the customer just isn't aware that we offer this facility. When they start designing, they immediately go to the big components websites (like Farnell, Digi-Key, RS or Mouser) and select from there. We understand that that is a very fast way to run the prototype orders, but if the project moves to the production phase, it may have serious adverse effects on both lead times and cost, especially when the production run is going to be manufactured in the Far-East. So, why not consider using our in-stock parts right from the outset. We particularly suggest that customers select the following catalog parts from our in-stock list. These generic parts are very common in electronics designs and unless you have special requirements, you should be able to find the proper part in stock.
  - ---Resistors. Most standard value SMD/through holes (TH) resistors are always in stock.
  - ---Capacitors. More than 400 varieties including ceramic, Tantalum, SMD, and THs are listed. Most standard value capacitors can always be found in stock.



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---Connectors. Our in-stock connectors may appear slightly different on the mechanical drawing compared with UK/EU suppliers, but based on our experience, in most cases they can be accommodated by modifying the PCB pads (or holes) to replace UK/EU connectors, all of our connectors have passed the quality check with UK standard. Take micro USB connectors as an example, QCJ-00087 is the one we use most often. Our price is just 25% of the equivalent part on Farnell/Digi-Key. We consume more than 6000 of these every month on average, and our experience makes us confident of their consistent quality. Please be aware that the slight differences in dimensions make it imperative that you select these components during the planning and design stage and ensure that they will conform to pad/hole placement, as it may not be possible to retro-fit them to existing designs.

- ---Switches. As with connectors, from time to time you will see your listed parts could be replaced on your BOM, but you would need to modify your PCB to match the pad/holes positions. So why not check our stock for prices and dimensions information before you start the job.
- ---LEDs. If you need LEDs to indicate the status on the board, why pay triple the price on Farnell/Digi-Key to order standard 0603 green LEDs? We have nearly 100 different LEDs in stock.
- ---Crystals. Almost every electronics design needs timing devices. We know which values are common and we can order them directly from the manufacturers. We know there are a lot of crystals (America or European brands) listed on Farnell/Digi-key, but did you know quite a lot of them were originally made in China anyway OEM or re-branded? So have a look at our list before you start the design.
- ---Diodes. Close to 200 different diodes, like Zener, Schottky, TVS, Switch, and rectifiers are available. Take 1N4148, which is a common 100V rectifier, as an example, our price is just half of the same part on Farnell.
- --- Power supply modules. More than 400 power supply related parts are in stock.
- ---DC/DC regulators. Take a common '7805' as an example; we have 14 different varieties in stock. So if you need a 5V regulator, do search our in-stock parts as a first choice.
- ---In addition to the above, we also have inductors, relays, fuses, different ICs, and sensors in stock. As a rule, if you think your specified part is a common one, please look at our stock list and see if we can save you money on it. Keep us in mind when you start a new design and see how much we can help you.



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Our factory is in China, so our first choice is our in-stock parts and then alternative parts in China and then Farnell/Digi-Key (Hong Kong). Generally, if the parts in the BOM need to be ordered from Farnell/Digi-Key in Hong Kong, the price will be higher than if you order them in the UK (sorry, but this is due to our handling charge and current exchange rate expenses). We prefer not to have to pass these additional costs on to you so if this is the only choice on your BOM, then you could consider ordering these parts in the UK and put our Hong Kong office as the delivery address. We must charge £65 as an admin fee for this option and please, bear the lead time and overall cost in mind as it will probably be greater.

- 3. We very rarely use other branded suppliers like RS/Mouser etc. in our factory, as they demand MOQs, often only stock multi-packs, and require a long lead time for non-stock parts etc. Additionally, the price on RS and Mouser will be usually be higher than other options.
- 4. It would be better to use one supplier for all the parts on your BOM. If this is not possible, please use one supplier as much as possible.
- 5. If you can use non-branded items, using alternative parts that are manufactured in China will reduce much of the cost. You can specify 'accept alternative/similar part' on the BOM. We closely control the quality of all the components we use and work with only the most reliable suppliers. Our BOM template can be found: http://www.quick-teck.co.uk/component/Quick-teck%20BOM%20template 1.1.xls
- 6. As with all things there is an economy of scale in what we can source so if you have a larger order the components will decrease in price accordingly.
- 7. Quick-teck cannot guarantee that the price for every part in your BOM will be lower than an alternative supplier. But in most cases (especially for large quantity orders), our prices should be reasonable and the price for the order as a whole should be lower than you would be able to source in the UK.

We welcome suggestions or comments about our components sourcing service, and always appreciate customer input and constructive feedback.