

## Procurement: there are no grey areas

Jonathan Smith, field business leader for Power & Control at Gambica\* member Rockwell Automation, examines some issues that you might not consider when buying drives and automation equipment.

**W**e all make purchasing decisions every day. From simple decisions, such as buying a newspaper, to critical ones, such as where to get a prescription drug. With a newspaper, it really doesn't matter about the quality or reliability of the vendor; the worst that can happen is the paper is unreadable and you have wasted a pound or so.

However, it's not quite the same for a prescription drug, which, for many people, is a life-saving medication. You would likely only buy these from a registered pharmacy as you want to be assured that the drugs are in date, prescribed in the right quantity, and, most of all, are not counterfeit. Your source must be a registered pharmacy to know that your supplier is qualified and can be trusted.

Many people might not consider the procurement of automation and drives equipment to be in the same league as a lifesaving drug, but I would venture to disagree. Many automation systems now incorporate safety functionality which, if it fails, can result in a worker being put at risk of injury or even death.

In fact, in the modern production plant, automation is at the centre of machine and equipment controls and should be considered "critical plant", the failure of which could result in an immediate loss of productivity. So even when its function is not directly related to the safe operation of the plant, its importance cannot be underestimated. To this end, and to ensure that safety legislation can be complied with, manufacturers go to great lengths to ensure high levels of quality control and to provide an authorised supply network which is

appropriately trained to support these essential products.

Most automation equipment vendors will uphold warranties only through distributors that have been selected carefully to maintain and enhance the reputation of their products, and employ stock management processes to ensure that products reaching the market are new and up-to-date.

Where relevant, firmware and software are

the risks are not worth taking. Put simply, procurement through the wrong channels can cost reputations, both personal and corporate, and create damaging risks to safety, security and productivity.

The responsibility to tackle the issue reaches throughout the automation sector, from vendors such as Rockwell Automation and other members of Gambica, to specifiers, systems integrators and

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updated so products reach the latest standards of safety and security whenever they are purchased. Even a "factory sealed" product from an unauthorised source might not be the latest series or revision of a product and might be out of warranty – to say nothing of how it may have been stored or handled since manufacture if it has not been in the care of an authorised distributor.

After-sales support through an authorised distributor is usually an important channel for end-users to gain access to factory-provided repair and remanufacturing services. If something goes wrong with a product bought from an unauthorised source, who would you turn to for repairs? And what about the impact on productivity, safety, security or reputation caused by the failure of a product that the buyer cannot be sure hadn't been altered or modified between manufacture and installation?

So the biggest issue of the grey market – the buying and selling of branded products through unauthorised sources – is the huge risk it poses to the buyer. While saving a few pounds might seem like a good idea at the time, the overall cost can be anything from inconvenient, to immeasurable. In real terms,

procurement teams throughout industry. It's our job to be very clear about the risks. It's down to specifiers and users to ensure that the procurement of products is through the correct channels, and it's up to anyone installing products to be wary of fitting pre-used equipment or obviously obsolete or superseded products. After all, we're talking about the safety of your staff and the reputation of your company. ■

\* Gambica is the trade association for the automation, control, instrumentation and laboratory technology sectors in the UK. For more information, please contact 020 7642 8090 or visit [www.gambica.org.uk](http://www.gambica.org.uk)

