Former Part-time Employee Heads Global Empire

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In 1973, Glenn Smith was just a college kid who went to work part-time in the warehouse of what was little more than a mom and pop electronics catalog start-up in San Diego. Smith was one of a dozen employees.

Today, Smith celebrates his 40th anniversary with global distributor Mouser Electronics as the company's president and chief executive officer. Through his vision, the company now has 1,200 employees, more than $600 million in annual revenue, and 19 offices on three continents.

Smith recently took a moment to discuss disruptive technologies, the electronics industry's inevitable slowing, and how some companies still inconceivably refuse to embrace the internet.

PD&D: How did you get your start in the industry?

Glenn Smith: I was really just looking for a job that had the potential of being a career, and electronics sounded like a good thing back in the 70s. I took a part-time job [at Mouser] — I had other part-time jobs that I could've taken — and I decided to stay with Mouser once other positions opened up.

PD&D: Why did electronics "sound good" in the 70s?

Glenn Smith: All of the high-tech stuff was starting to take off back then. The space race; we had just gone to the moon and it was a big thing. It was clear that technology was going to drive things in the future and the two big things on everyone's mind were plastics and electronics — and plastics didn't win in my case.

PD&D: In your 40 years at Mouser, what have been the more intriguing disruptive

technologies that have crossed your desk?

Glenn Smith: Surface mount technology was a disruptor back in the day. All of a sudden manufacturers couldn't stop board stuffing, they had to buy equipment to actually do that and it changed the landscape. It caused a lot of EMS [electronic manufacturing service] businesses to pop up, where you could aggregate that expensive equipment.

PD&D: In the last year, what has been the "it" disruptive technology?

Glenn Smith: There has been so much that it's hard to say — it has all been so fragmented. There has not been a single big thing.

PD&D: How much faster is new product coming out than it has in the past?

Glenn Smith: It's hard to judge, but at Mouser we're adding 35 new product families a week from our suppliers. That can be hundreds, even thousands, of part numbers a week – more part numbers than we had [in total] when I first started. It's clear that's what is really happening is the continual refinement of product. There have been architecture and core changes, but beyond that it has been a lot of refining products, adding features on features, and connecting features together. Most of the new products are recombining to make slight steps ahead, not giant leaps.

PD&D: How has electronic distribution evolved during that time?

Glenn Smith: Not too long ago, there were over 2,000 franchise distributors. If you look now at the ECIA [Electronic Components Industry Association], there are less than 200 companies that qualify to be an association member in all of North America. It has been a big change, and a lot of that has been because of UPS, FedEx and the internet. You don't have warehouses everywhere to support the customer.

In fact, there are distributors that have one warehouse to support the entire world; it has been a big change. The fact that distributors have become more global has been very disruptive and caused us to refocus on our business. We need to put engineers in every part of the world, not just in North America.

PD&D: How did companies evolve to break away from the pack?

Glenn Smith: It all comes back to the basics. What does a customer need? We were a $10 million company when I became president and we're $600 million today. I don't think it was because we were smart, it was because we were doing what the customers wanted. Even if they couldn't say what they wanted, we were able to provide what customers needed.

PD&D: What missteps set companies back?

Glenn Smith: The catalog distributors were early adopters of the internet and I think that some people still don't want their inventory or prices on the internet –

even on their own websites. I think that there are still people that aren't embracing the internet correctly. It's surprising.

PD&D: What is their hesitation or fear?

Glenn Smith: It depends on who your customer is. Our customer is the engineer, and the information for engineers needs to be open. If your customer is a buyer, and you have a contract with that buyer, I guess you really don't want your prices and inventory out there.

PD&D: What are your plans for Mouser for the next 12 months?

Glenn Smith: We don't see a need to change our business model. We're going to keep focusing on the engineer, but we're going to keep opening locations to support the engineer. It's not just the internet, but we need to have people in the right geographies to help the customer with the product design. Because we're so focused on new products, there will always be questions. We'll keep adding new products and new product lines, but I don't see a change of strategy.

PD&D: Is that the same for your five-year vision?

Glenn Smith: Our vision for five years is that we need to work more closely with the engineer. I think what we do today is going to change, because we have to help the engineers get products designed more smoothly, with less effort and less missteps.

PD&D: At EDS 2013, Mouser announced the new worldwide distribution agreement with Analog Devices. How does that deal, and others like it, stand to benefit design engineers?

Glenn Smith: By adding Analog Devices, and also Altera, we're giving the engineer more choices. Our objective is to make it easy to design a product and get all of the prototyping components from one place, in one box, in one shipment. We want to make it easier for the engineer by broadening our portfolio.

PD&D: What are some of your greatest challenges when it comes to working with design engineers?

Glenn Smith: There are so many [engineers] and they all want different things. You have engineers doing power, you have engineers doing wireless, and you have engineers doing different modules. How do we find what each engineer needs? How do we determine what they do and what they're building when we don't have someone talking to them over the table? If we were standing there talking to them over the table, we couldn't reach the number we do now. The challenge is to continue to understand what each particular customer needs.

PD&D: What has been your proudest achievement in your 40 years?

Glenn Smith: I feel proud every day. We went from a small company to a global

player, from being one of the top 100 distributors nationally to being one of the top 10 globally. It's hard to find one thing; I feel like it happens every day.

PD&D: From a state of the industry perspective, what keeps you up at night?

Glenn Smith: I'm more worried about the general environment for business rather than electronics. Electronic content is everywhere and that is clearly not going to change anytime soon. Electronics grows faster than the rest of the economy. It has historically, by as much as six times. It may slower now, because it is so pervasive, but it is still faster than GDP growth.

What worries me is the general state of the economy: regulation of business, government imposed costs, all of the things that seem to slow the general environment. I think electronics is really going to be a player if it stays ahead of the game. The biggest thing that disrupts distribution, or even manufacturing of components, is inventory in the channel, at the customer, and in the factory. The growth is still there, but there are the cycles of inventory that are disruptive.

PD&D: Is there any perceivable slowing of the growth that electronics has been experiencing?

Glenn Smith: I think so, because electronic content has increased in every product and despite price erosion, it has still grown faster than the growth of those products. At some point there is going to be equilibrium where you just can't stuff anymore electronics in every product. Someday that will happen. With the cost of everything going down in the electronics environment it has to happen someday, but it still seems a long ways away.

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