



**Subject: NENS Supply Chain Impact**

*Date: March 17, 2020*

As you are likely aware, supply chains all over the world are being impacted by the novel coronavirus (COVID-19) outbreak. We wanted to take an opportunity to let you know how our parts and licensing supply chains are faring and what we are hearing from our vendors.

Overall, we are seeing some stock issues that will impact how quickly we are able to ship laptops, workstations and some switching and access point products. Our licensing vendors are working with about 75% or so labor capacity and some licensing orders are being processed within 2 to 3 weeks at this point.

Major manufacturers of computer parts are ramping back up and most of our suppliers say that manufacturing is at about 80% of capacity and growing. This is good news, but the sheer number of current backorders will take about 4-6 weeks to fulfill before new orders are shipped. Advice from our suppliers is to get your orders in soon if you want to "get in line."

Here is a brief rundown by major vendor:

**Dell:**

- All "smart selection / fast ship" items are out of stock. Dell will continue to build custom machines (Servers & workstations) for as long as they have parts. According to Dell, custom orders are not affected at this time, but we know this could change.

**Lenovo & HP:**

- Due to the manufacturing halt, both companies are working through a major backlog of workstation orders. Distributors are receiving inventory daily, but they are fulfilling orders on a first come first served basis. This is where we are being told 4-6 week wait times on new orders.

**Meraki / Cisco:**

- Currently, our firewall and wireless access point supply is not significantly impacted. There are some shortages of some models, but we can typically work around those to get parts out to clients if we need to.

**Licensing:**

- As stated before, some vendors are 2-3 weeks out on fulfilling license orders. Microsoft O365 and VMware licensing fulfillment is not impacted currently.

During this difficult time, if you have a need for parts or licensing impacted by shortages, we will do our best to source from third parties for you. Even if that means we can't process the order through NENS. We will find you something that meets our minimum specification and process the order for you (using your payment method) from that third-party vendor to make sure you get what you need as quickly as possible.

If you are shopping for computers and IT equipment on your own, please remember to follow our minimum specifications guidelines (attached) so we can ensure your new equipment is supportable.



This situation is very fluid. Our procurement team is in touch with all our suppliers twice daily to stay up to date on the latest developments. While we are seeing some positive signs out there that the supply chain is easing, things can change quickly one way or another. We will keep you informed the best we can.

Finally, our product team is doing their best to keep order notes up to date. Contacts that are associated with those orders should be receiving email updates as the status of their orders change. However, if you have pending orders or questions about a potential order you should reach out to your Account Manager. As always, thank you for your continued support.

Sincerely,

Josh Oakes

VP, Operations & Finance