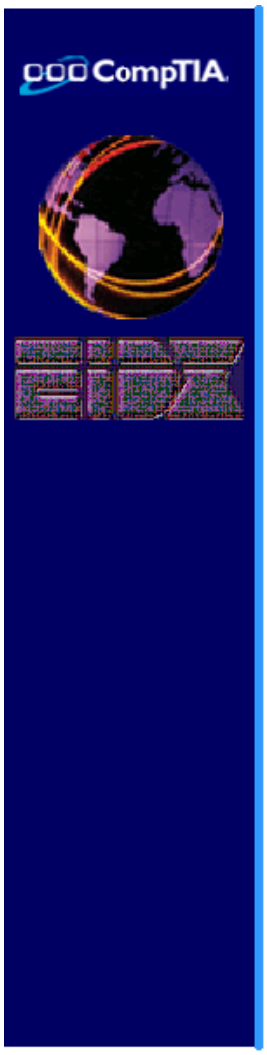

EIDX Business Models

Distributor Scenario 2
Design Win

Version 1.0
December 2002

Revision History

Date	Description
July 2002	Pre-ballot Draft
August 2002	Ballot Draft
December 2002	Final - balloted and ratified by membership; post-ballot cosmetic changes included; some component models renumbered

Contents Page

INTRODUCTION

The purpose of this document is to describe the activities in the Design Win (DW) business process, including the flow of documents and high level data requirements.

Any implementation method should be agreed upon by trading partners. It is the intent of this document to make interpretation of the models used for orders more consistent, so that implementations are based upon common practices.

Hyperlinks in this document

This document contains hyperlinks to pages on the EIDX web site as well as hyperlinks to off-site web pages.

EIDX Site Pages. EIDX makes every effort to keep the structure of the site stable and to keep hyperlinks working. However, content does change, and some hyperlinks to www.eidx.org in this document may not work; hyperlinks may not work in the Portable Document Format (.pdf) representations. Navigation aids are provided on the site that may help you to find what you are looking for, as well as a search form. Go to the **Publications** link on the home page to get started. Use the link on the web site to contact EIDX for further information.

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Methodology and Legend

The EIDX methodology and legends for diagrams may be found at http://www.eidx.org/publications/methods.html.

Abbreviations and Notations

The navigation menu in the EIDX web site **Publications** area includes links to Methodology and Legends for EIDX Models, the EIDX Glossary and the EIDX Acronyms and Abbreviations[1] collection.

General Recommendations and Best Practices

Recommendations and best practices that apply to all business processes, including recommendations for product identification and partner identification, are found in **EIDX Business Models – General Support**

[1] http://www.eidx.org/publications/abbrev/

DEFINITIONS

Component Supplier – Refers to a manufacturer that produces component products, such as resistors that are used in a PC board, PC boards that are used in computers, etc. Component Suppliers often use the services of a **Distributor** to sell their products. See also **Supplier**, **Reseller**, **Manufacturer**.

Design Win – From a broad perspective, a "**design win**" has been achieved whenever a customer, prospective customer or customer's agent (such as a **distributor**) notifies a supplier that its product has been selected for integration into the customer's product. At this broader level, there are usually financial incentives involved beyond the securing of the customer's business. More specifically, "**design win**" refers to a program whereby a supplier offers **financial incentives** in the form of bonuses, rebates, **Ship-from-Stock and Debit** authorizations and/or **off book pricing** when its product is designed into another company's product and agreed upon sales quotas or other conditions are met. If the supplier is working directly with the end-customer, the supplier's sales force achieves the "design win" when the customer designs in the product; the customer gets financial awards in the form of rebates, debit authorizations and/or special pricing once conditions for incentives are met; if a distributor is brokering the design work, the distributor achieves the "design win" when the distributor's customer designs in the supplier's product, and financial awards realized when the conditions for incentives are met. See EIDX Distributor Scenario 2 – Design Win.

Disintermediation – The process that occurs when a business removes intermediaries, such as brokers, distributors, and agents, and replaces the channel with direct selling to customers. See also **Re-intermediation**. This has occurred as manufacturers have discovered why they used intermediaries in the first place: The customer service resources needed multiply with the number of orders handled, and direct sales means not only handling the big orders from the golden goose customers, but also handling many small orders, shipping, returns, complaints, etc.

Distributor – A business that buys, warehouses, ships, invoices and resells; a party that acts as an intermediary in order and inventory management. Distributors in high-tech industries also perform value-add services such as device configuration and/or programming, and systems configuration (postponement). Often Distributors have a franchise relationship with one or more suppliers.

Manufacturer – A business or person that produces one or more products. See also **Component Supplier**, **Supplier**, **Reseller**, **Distributor**.

Meet Competition Quote – Used to designate a meet competitor pricing ("meet comp") or delivery quote. This quote is the more complex of the quote types. A meet comp quote is used by the buyer to inquire to a supplier if he/she is willing to lower his/her price, or make a delivery to make a sale. This is used primarily between a distributor and a supplier. The distributor is asking the supplier to lower its price in-line with another supplier of a comparable product to make the sale. This may be after the product has already been shipped to the distributor. This is more complex because of the transaction interaction that is described in Implementation Recommendations for Quote Processes. It may require information about who is the competition, what is their price, and how can their price be verified. The special authorized price is also called an "**off book price**". See also **Ship-from-Stock and Debit**.

Off Book Pricing – Special prices quoted to a customer that are different than the "book price" published in a pricing catalog. Off Book Pricing may be a reward for a **Design Win**, or may the result of a **Meet-Competition Quote** or a **Ship-from-Stock and Debit** Authorization.

Re-intermediation – The movement away from **disintermediation** and toward partnering with traditional intermediaries, such as distributors and resellers, and with new types of web-based intermediaries, such as B2B exchanges. This has occurred as manufacturers have discovered why they used intermediaries in the first place: The customer service resources needed multiply with the number of orders handled, and direct sales means not only handling the big orders from the golden goose customers, but also handling many small orders, shipping, returns, complaints, etc.

Reseller – 1) A business that buys goods from a manufacturer and resells them to customers unchanged. 2) Value Added Reseller (VAR) – a business that buys a product from a manufacturer and adds value to it before selling it to a retailer or consumer. Value-added features could include adding software, configuring components into a system, etc. See also **Component Supplier**, **Supplier**, **Manufacturer**, **Distributor**.

Ship-from-Stock and Debit – Occurs when a distributor's margin (profit on a resale) for a product drops below an desirable level, due to the fact that the distributor is holding stock for a component supplier, purchased from that supplier at a price that no longer reflects actual market price. In order to resell product at an acceptable profit margin, the Distributor requests a post-sales (supplier selling to distributor) reduction in cost from supplier in order that the resale of the product will meet competitors' pricing. If approved by the supplier, upon reselling the product, the distributor sends a claim to request confirmation that the difference between the distributor's in-to-stock price for the product and the resale price can be debited from what the distributor owes to the supplier for other transactions. See EIDX Distributor Scenario 1 – Ship-from-Stock and Debit. See also **Meet Competition Quote**.

Supplier – Anyone whose business is to supply particular services or goods. Technically, an organization can be a supplier but not a **seller** if the organization supplies services or goods but does not exchange them for money, but for the most part, the terms **supplier** and **seller** are **synonymous**. The difference is not as distinct as the difference between **buyer** and **user (1)**. See also **Component Supplier**, **Distributor**, **Manufacturer**, **Reseller**.

OVERVIEW

Design Win is a process whereby a component supplier offers **financial incentives** to get its products designed into other company's products. Achieving a design win secures a customer's business early in the design process, long before the first volume orders are placed. A supplier only offers Design Win incentives for a given product for a limited period of time. In the distribution channel, the incentives are offered to a **distributor** who brokers a design between its customer and a supplier. The distributor is given a list of eligible products. The distributor's sales engineers work with the distributor's customers who are designing products and look for opportunities to have eligible components designed in to the customers' new products. When an opportunity arises, the distributor submits a Design Win registration request to the component supplier. The component supplier responds, and either awards the Design Win to the distributor or denies the request.

- The first design registration submitted for a specific customer/customer product/supplier component combination wins the design registration; subsequent requests from other distributors for the same customer/customer product/supplier component combination are denied.
- If the distributor's customer designs a component part into more than one product, one design registration may be submitted for each customer product.
- If the distributor's customer designs more than one eligible component product into one of its products, one design registration may be submitted for each eligible component product.

After the design is registered, agreed upon conditions must be met before any **financial incentives** are awarded; incentives may be awarded when various **milestones** are achieved.

Assumptions: The buyer and seller have a pre-established relationship. Product information has been exchanged previously. The following types of information have been exchanged in advance:

- Partner Identification information
  - Sender/Receiver IDs
  - Addresses cross-referenced to address codes
- Product identification information and specifications
- Global Terms and Conditions (between Trading Partners) – terms that apply to all transactions. See Terms and Conditions Agreement in Best Practices.

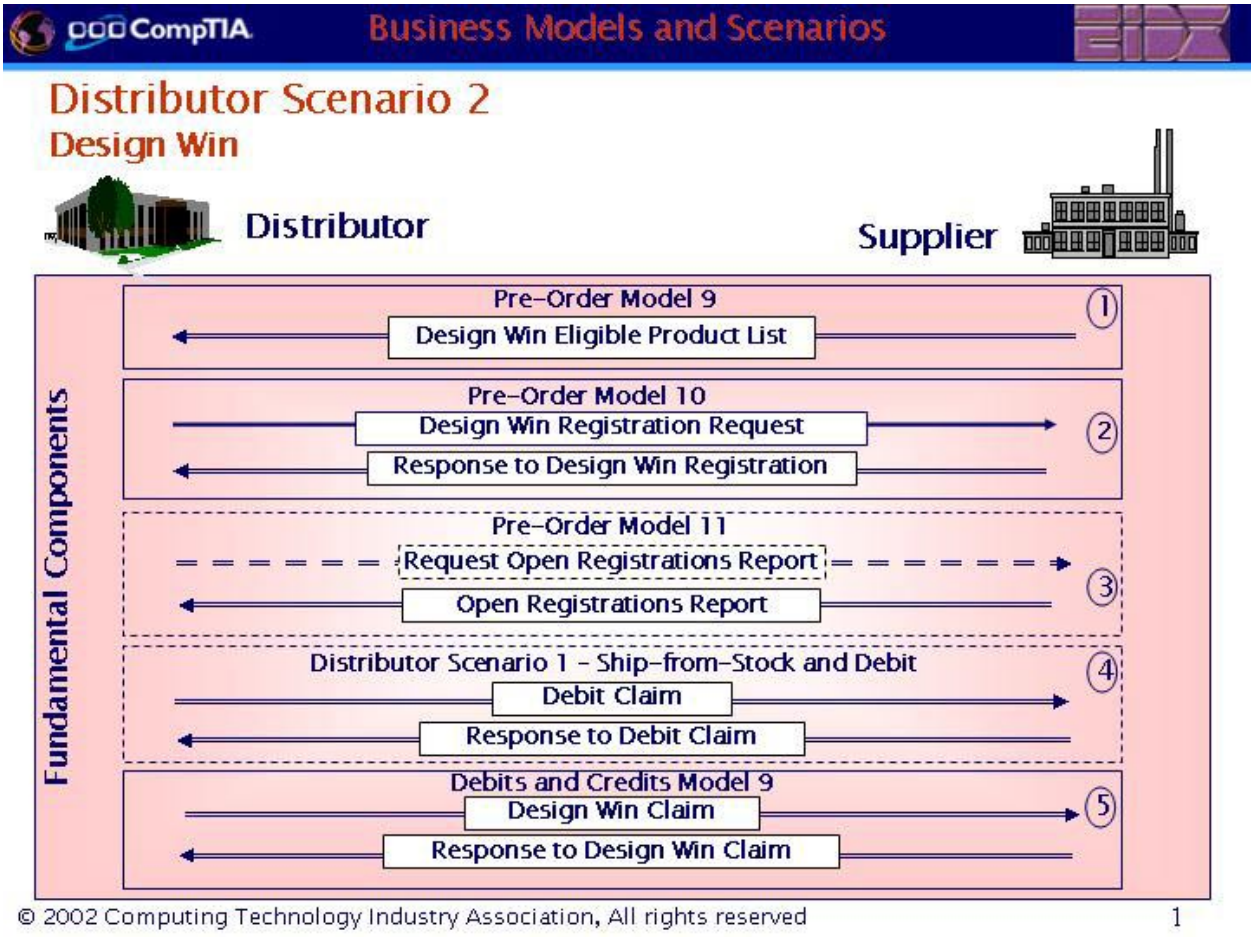
Scope: This scenario includes the "routine public" components of the Design Win scenario. Models are created for **"common" exceptions** that are **good candidates for automation**. Not every possible exception situation is modeled, because there are events that are too rare to justify the cost of automation, or too complex to be automated – they require the intelligence of human beings for resolution.

All business processes touch, or are adjacent to other business processes. Design Win has the potential for connecting to the complex processes involved in product design and financial

adjustments. In order to keep focused on the events that are unique to Design Win, only models dealing with registrations and incentive claims are in scope for modeling this scenario.

The current draft of the Design Win Scenario doesn't cover the details of exchange and/or access to product technical data. Collaborative engineering applications are still in an evolving state and EIDX will monitor developments and add to this documentation as appropriate. Product design data is discussed at a high level as part of the supporting documentation; see Design Win Considerations.

Overview (Use Case) Diagram



Narration

Step	Description
1.	Pre-Order Model 9: The component supplier sends a list of products eligible for Design Win incentives. These are components that the supplier would like to see its customers or its distributor's customers design into their products.
2.	Pre-Order Model 10: When a distributor's customer has agreed to design-in a component eligible for Design Win incentives, the distributor sends a Design Win Registration request to the component supplier. The request may include a request for Ship-from-Stock and Debit Authorization so that the distributor can submit debit claims for stock shipped at a non-discounted price as soon as the distributor has met all the criteria for Design Win incentive awards. The component supplier responds with either an approval or a denial. The component supplier may deny the registration if another registration for the same product and same end-customer has already been approved.
3.	(Optional). Pre-Order Model 11: At any time, the distributor may request the status of some or all open Design Win registrations. The component supplier sends the report back in response. The component supplier may also send the report unsolicited, as agreed with the distributor, when status changes are made or per a pre-agreed schedule.
4.	Distributor Scenario 1 and component Debits and Credits Model 5: When the distributor ships a product that has an approved Design Win registration, and the goods shipped are goods that the distributor purchased at the non-discounted price, then upon satisfying the criteria for Design Win incentive awards, the distributor submits one or more debit claims to the component supplier, and the component supplier sends back a response. The response may approve or deny a debit claim.
5.	Debits and Credits Model 9: When the distributor has satisfied the criteria for Design Win incentive awards, the distributor sends a Design Win claim to the component supplier, and the component supplier sends back a response. The response may approve or deny a claim.

ACTIVITY DIAGRAM

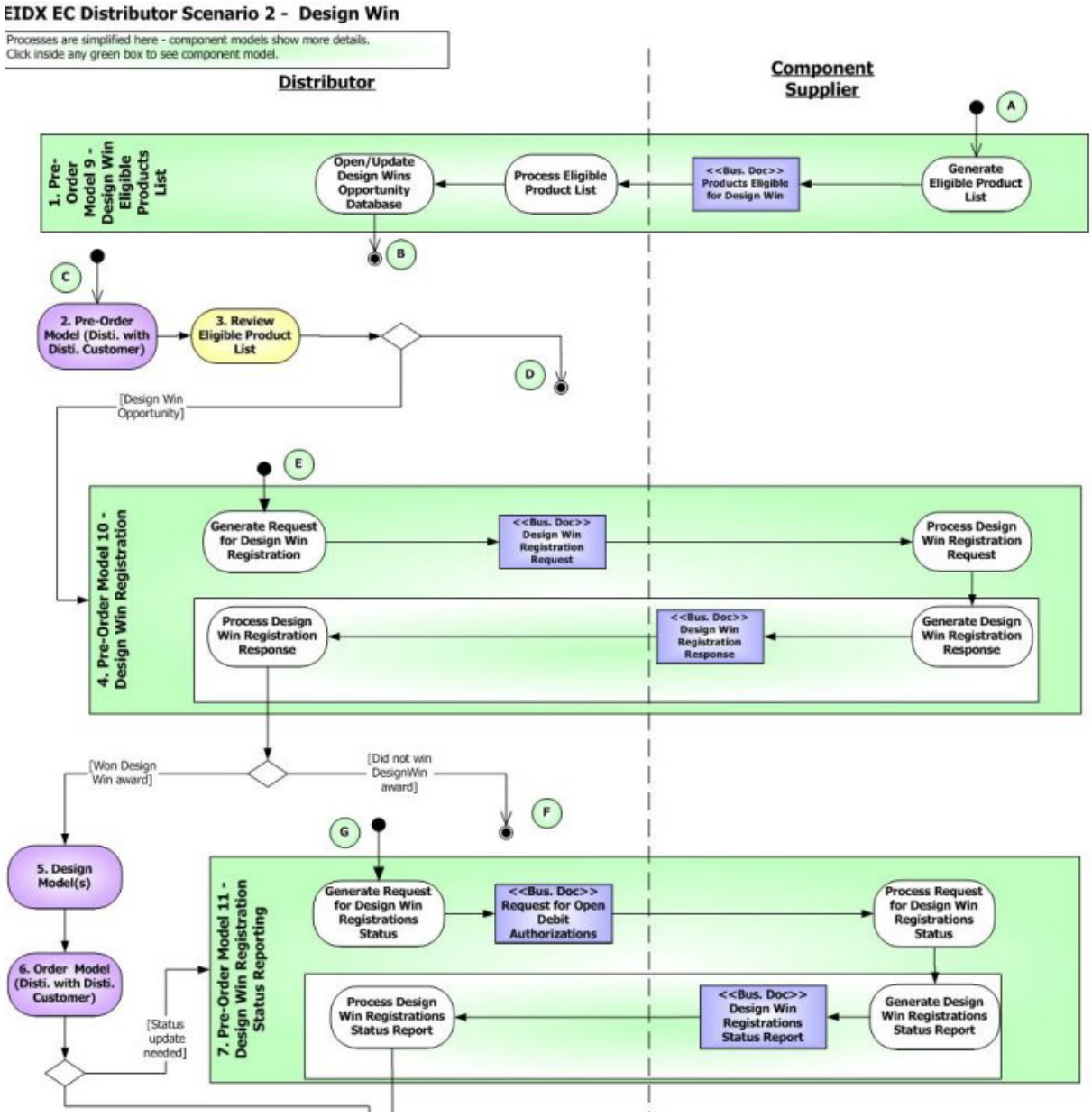
This is a "technology-independent" view of the activities. At this stage, no assumptions are made about which activities occur in the private process and which occur in the public process. For example, an order can be generated by a buyer's private process, and be transmitted to a seller's private process, or an request can be entered on the seller's web site (the request is a "public" process), and the seller could log onto that web site to generate a response, or pull the request into its private process to generate the response.

Few companies automate an entire business process all at once. A Ship-from-Stock and Debit business process may be implemented in multiple steps, as represented by the component business models contained in the scenario. Some companies may decide not to automate some parts of the process if an ROI analysis indicates that automating that part is not cost-effective.

Getting the Complete View - Due to the complexity of the diagram, not all activities in the component models are shown in scenario diagrams. The component models should be viewed to get a more complete picture. The component models on the web also link to detail views of different **technology options** and to detail views of **transmission tracking and error handling**. Those details include the process of tracking the receipt of response documents.

Transmission Tracking and Error Handling - Due to the complexity of the diagrams, transmission tracking, including tracking the receipt of response documents, and error handling activities, such as translation errors, are not shown. Error handling all by itself is a complex set of activities, and these activities are common to most business processes and the business documents exchanged. An implementation is not complete without the transmission tracking and error handling activities. See **Generic Model 1 - Generic Request/Response Transmission Tracking and Error Handling**.

Three-Party Interactions - Many three-party interactions are really serial two-party interactions, e.g. Partner A interacts with Partner B, and Partner B interacts with Partner C. Many business processes involving **agents**, **intermediaries**, or **service providers**, such as **distributors** and **contract manufacturers**, are 3-party models conceptually, but in reality, the interactions are a series of 2-party interactions. Due to the complexity it would add to the model, the crucial two-party interactions are shown. In reality, however, each of the two parties may depend on interactions with other parties in order to complete the two-party interaction shown. See this illustrated in **General Model 2 - Generic Three-Party Request/Response Serial Interactions**.



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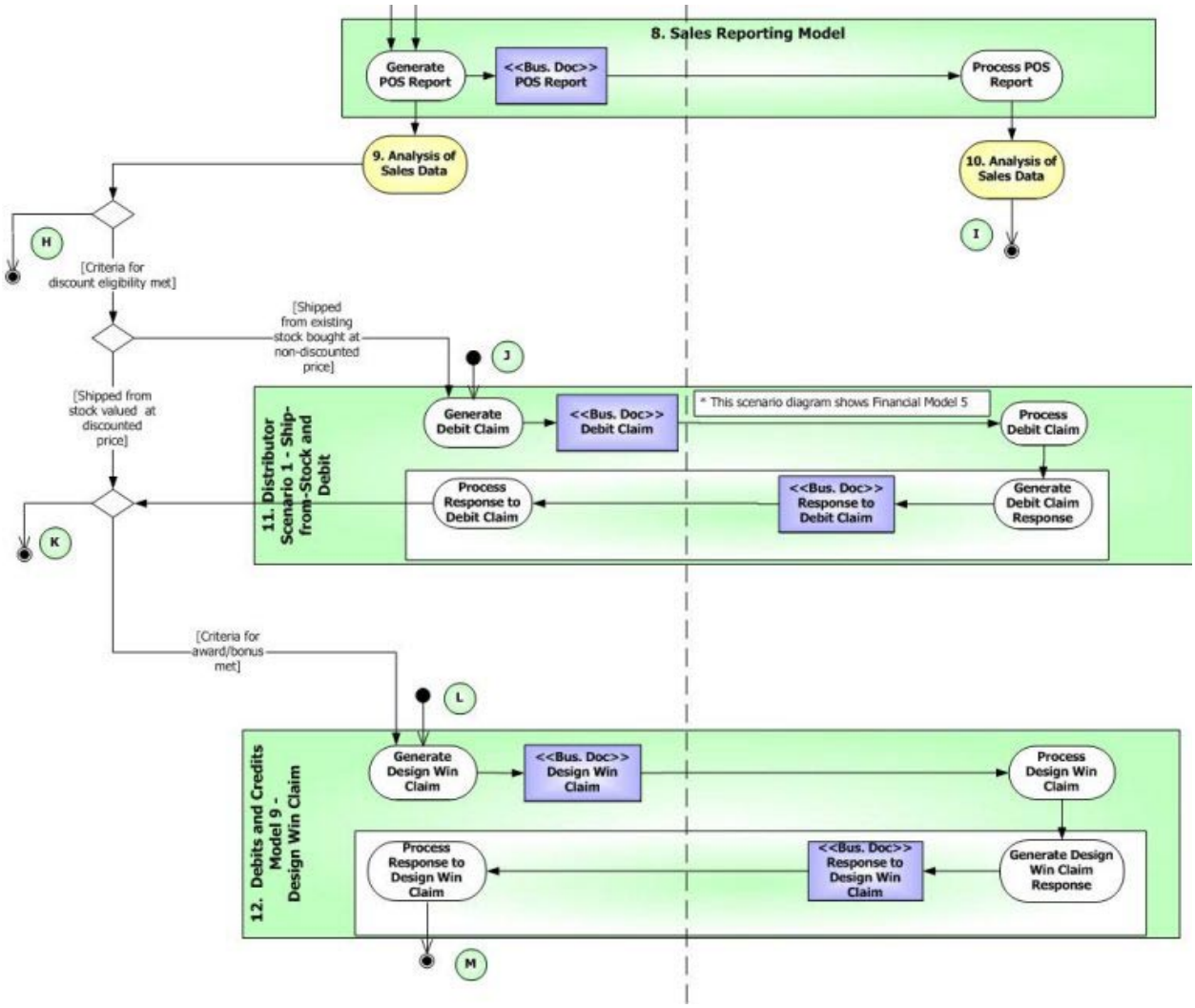

Narrative

Step	Description
A.	Start state A occurs when a supplier of electronic components products wants to send out a new or modified list of products eligible for Design Win incentives. The list may be published to several distributors. The product is eligible for the incentives only for a specified time period, then that product is removed from the eligible products list. Updated lists are published periodically.
1.	Eligible Parts List. This is usually a separate list but could be incorporated into a price catalog.
C.	Start state C occurs when distributor's field engineer starts working with a customer on providing components for a new product design.
2.	The distributor and its customer begin the process of sourcing components needed for the customer's new product design.
3.	As part of the design process, components eligible for Design Win incentives will be reviewed to see if any are suitable candidates for the design of the customer's product.
D	At end state D, it is determined that none of the eligible components are suitable or that suitable components are not eligible for Design Win incentives (no Design Win Opportunity). The distributor may still wish to pursue Ship-from-Stock and Debit authorization for the components designed into the customer's product (Distributor Scenario 1).
E	Start state E occurs when the distributor wants to request a change to a Design Win Registration.
4.	When a distributor's customer has agreed to design-in a component eligible for Design Win incentives, the distributor sends a Design Win Registration request to the component supplier. The request may include a request for Ship-from-Stock and Debit Authorization so that the distributor can submit debit claims for stock shipped at a non-discounted price as soon as the distributor has met all the criteria for Design Win incentive awards. The component supplier responds with either an approval or a denial. The component supplier may deny the registration if another registration for the same product and same end-customer has already been approved.
F	At end-state F, the distributor may not have been awarded a Design Win, but may have received Ship-from-Stock and Debit authorization. Refer to Distributor Scenario 1. The distributor and its customer may still continue to work together on the new design even if no win was obtained; the component product in question may still be the best one for the customer's new product.
5.	When new products are developed, the process is the same whether or not a Design Win opportunity exists. However, when there is a Design Win opportunity, there may be a greater urgency to complete the design rapidly so that a market opportunity is not lost. The design process can take weeks to months, so a significant period of time may elapse between successfully registering a design and the first event that qualifies for an incentive

	award.
6.	The distributor processes purchase orders from its customer. There may be orders for samples, for a prototype run, and eventually, for production orders.
7.	When processing an order from its customer, the distributor may request that the component supplier provide an updated status of Design Win registrations. The component supplier responds with a status report.
G	Start state G indicates that the registration status report may be requested at any time that the distributor wants to do an audit or perform data base synchronization with the supplier.
8.	(Optional) The distributor reports point-of-sales transactions to the component supplier, per the appropriate **Sales Reporting Scenario**. Sales may be matched to Design Win claims. Timing important to reconcile claims with POS data. This step is optional because the timing of claims and POS reporting are often different. For example, claims may be sent weekly and the POS report monthly, or the POS reporting could be daily and the claims done monthly.
9.	In the back-end application, the distributor does extensive, iterative analyses of relevant data to see if the criteria for Design Win incentives have been met. This is complicated by the fact that different component suppliers set different criteria for eligibility. This process is iterative, since there may be more than one level of incentives that the distributor can qualify for.
10.	In the back-end application, the component distributor does extensive, iterative analyses of relevant data to see if criteria for incentives are being met and to see if estimates for market performance are up to expectations.
H.	At end state H, the distributor has determined that it's not yet eligible for Design Win claims. The distributor may not be eligible for a discount and/or a bonus until a sales quota or other condition has been satisfied within a specified time frame. Other conditions include the achievement of various **milestones** in the NPI process, including but not limited to: 1) distributor's customer has designed in the supplier's component, 2) customer has placed initial order for prototype, 3) customer is using the supplier's component in production. The distributor will continue to perform ongoing analyses (step 9) until it is determined that criteria have been met.
I.	At end state I, the supplier has performed an iteration of data analysis for Design Win component products. If sales are meeting expectations, the supplier will wait for the distributor to submit claims for incentives. If sales are not meeting expectations, the supplier may treat this as an exception requiring follow-up action. Such action requires complex human interaction and is handled manually.
J	At start state J the Debit Claim process may be invoked if the distributor's re-evaluation of data indicates that criteria for eligibility have been met.

11.	If eligible, the distributor may submit a debit claim upon reselling the component supplier's product. The component supplier will send a response that confirms or denies the claim. If the debit claim is approved, the distributor debits the appropriate amount from what the distributor owes the component supplier for other transactions. See Distributor Scenario 1and component model Debits and Credits Model 5 for details.
K.	At end state K, the distributor has determined that it's not yet eligible for Design Win bonus awards/rebate claims. The distributor will continue to perform ongoing analyses (step 9) until it is determined that criteria have been met.
L.	At start state L, Design Win Claim process may be invoked if distributor's re-evaluation of data indicates that criteria for eligibility have been met.
12.	If eligible, the distributor may submit a Design claim upon meeting the criteria for Design Win incentives. The component supplier will send a response that confirms or denies the claim. See component model Debits and Credits Model 9 for details.
M.	The process ends when the eligibility period for Design Win incentives has ended. This may be a specified date, or may be when the threshold for maximum amount of incentive awards as been reached.

IMPLEMENTATION (TECHNOLOGY) RECOMMENDATIONS

When technology options for Design Win are discussed, the conversation quickly moves to a discussion about all the design and statistical data that is needed for making important design decisions. The exchanges unique to Design Win, such as Design Win Registrations and Design Win Claims, almost seem trivial by comparison. This probably explains why there are no legacy EDI messages for these activities. There are some legacy EDI messages for design data, but historically, they have been problematic. In particular, the volumes of design data and sizes of CAD/CAM files were very expensive to transfer electronically prior to the proliferation of the internet. In the legacy environment, a single CAD/CAM file took 2 hours to transmit at the then revolutionary rate of 19200 baud, at a cost of $200 or more.

Many of the basic implementation options apply theoretically for the Design Registrations and Design Win Claims, but for design data, practical application has turned out to be difficult because of the amount of information that must be synchronized between distributor and component supplier. Currently, there is no one technology that can be declared as robust.

Assessment of Implementation Options for Design Win				
		Technology Option	**Design Win Registrations/Claims**	**Product Design and Statistical Data**
1.0		"Traditional" EDI via a VAN	Don't exist	Not practical
2.0		Client EDI application with a VAN	Don't exist	Not practical
3.0		EDI over the Internet - Point-to-Point (EDIINT)	Don't exist	Not practical
4.0		Integrated B2B via the Internet, no VAN		
	4.1	Legacy EDI formats - ASC X12 and EDIFACT	Don't exist	Not practical
	4.2	RosettaNet XML	Recommended Option	Recommended Option - see notes
	4.3	OAGIS XML	Don't exist	Recommended Option - see notes
	4.4	Other XML	Don't exist	Unknown
5.0		Integrated B2B via 3rd Party (VANs and ISPs)		
	5.1	Legacy EDI formats - ASC X12 and EDIFACT	Don't exist	Not practical
	5.2	RosettaNet XML	Recommended Option	Recommended Option - see notes
	5.3	OAGIS XML	Don't exist	Recommended Option - see notes
	5.4	Other XML	Don't exist	Unknown

Assessment of Technology Options for Design Win (continued)				
6.0	Buyer's Web Application (using Web Forms), with or without back-end integration			
	6.1	Buyer manages own web application in own extranet	Not a best practice; if web application used, its usually the supplier's.	Recommended Option - see notes
	6.1	Third-party web application used, with buyer-specific forms/templates	Not a best practice	Recommended Option - see notes
7.0	Seller's Web Application (using Web Forms), with or without back-end integration			
	7.1	Seller manages own web application in own extranet	Recommended Option	Recommended Option - see notes
	7.1	Third-party web application used, with seller-specific forms/templates	Recommended Option	Recommended Option - see notes
Emerging Technologies				
8.0	Trading Communities - Exchanges, Hubs, etc.		Not applicable - see notes	Not practical
9.0	Collaborative (shared) web application, with or without back-end integration		Still emerging	Still emerging
10.0	Web services		Still emerging	Still emerging

Tools for Design Win Data Exchange

- **Exchanges** were one touted as a vehicle for allowing designers to source parts, but the exchanges that have survived to date typically do not maintain much more than product number, price, and a limited set of specifications. For less complex commodities, this may be sufficient, but this is not sufficient for complex products. Also, few suppliers list products still in design phase.

- Product engineers, sales engineers, etc. must have *maximum visibility* of new product changes and lifecycle states. Many solutions offered today as "Design Win" solutions are really applicable to all design projects where engineers need to search for suitable components for a product. The solutions needed include good **decision support systems** to enable design engineers and sales resources to make decisions. However, such tools become *critical for those seeking Design Win opportunities* that have a limited time window for achieving the win. Some mechanisms being employed currently include:

    - Integrated B2B Solutions - **robust data exchange mechanisms** that allow trading partners to maintain component specification management data bases.

        - Such mechanisms include RosettaNet PIPs™, OAGI BODs or PDES for the exchange of product and design data. The matureness and robustness of RosettaNet PIPs™ and OAGI BODs is still to be determined, since all the message definitions are relatively new and not yet widely deployed.

- Web Applications
  - **Interactive product catalogs** that allow design engineers "real-time" access to product specifications; may include the ability to download and manipulate CAD/CAM drawings. Typically, supplier's maintain this type of application or use a third-party service provider; some customers may have web applications containing their design data that suppliers can query, but this is not a common practice.
  - **Product Configurators**, run by the supplier or their 3rd party service provider as a web front-end application. A configuration allows a design engineer to enter specifications, and the web service or web application query's the supplier's back-end component management system to see if a matching component exists, or whether is custom configuration is possible. The supplier may offer the customized configuration as a potential design win opportunity. The supplier may also decide that there is additional sales potential for the custom configuration, and may decide to make it a standard configuration offering.
- **Collaborative Workspaces** that allow customers and suppliers to collaborate on designs. The customer's design engineer can view and comment on new products the supplier has in development, and the supplier's design engineer gets maximum opportunity to make improvements to new products that are to be offered for Design Win opportunities.

- Ideally, the mechanism should alert the design engineer to design win opportunities. Although a design win opportunity by itself is not going to persuade a design engineer to choose a component, it may be an important factor, all else being equal. It may be incentive enough to allocate engineering resources to work with the component supplier on improvements to the component design.
- The design engineer should be able to do parametric searches and run statistical analyses on design components.
- In addition for tools that allow a product designer to search for components, component suppliers and distributors with a list of parts eligible for Design Win have components in search of product designs, and would like to have access to information about customers' upcoming new products to look for Design Win opportunities.
  - One inhibitor is that designers and suppliers are often reluctant to give each other access to sensitive design data
  - Many applications don't have capability to let engineer notate what information may be shared with a trading partner and what may not
- Timing issues are the bane of projects involving two or more parties who rely on the same data for decision making. If data in a data base comes from another source, the potential for data lag, a/k/a information latency, exists. The data sources there are, the harder it is to keep data synchronized.
  - Types of information that may be dynamic include pricing info, discontinuances, specification changes

SUPPORTING DOCUMENTATION

Design Win - Considerations

In Design Win, the name of the game is getting a supplier's component products designed into manufactured products in order to capture market share. This secures a customer's business for both the component supplier and the distributor brokering the design. Most sources agree that between 80 and 90 percent of the parts included in an early-stage design end up in a final product that is successfully moved to production. If a customer designs in a component and like the results, the component may become that customer's "standard" for other products, which can result in a substantial and dependable revenue stream. By the time a distributor or customer is ready to place a volume production order for a component supplier's hot new product, the competition for customers' business is already ancient history.

DISTRIBUTORS AND DESIGN WIN

Design Win not limited to distributors - component suppliers and OEMs can work directly with each other. A component supplier may wish to allocate expensive direct sales force resources for very complex designs with big deal customers, but lower-cost sales coverage can be achieved by using distributors as design brokers, especially for commodities with short design-in cycles. Many companies who tried **disintermediation** are now moving to **re-intermediation**. Some component suppliers report that 80% of their Design Wins are achieved through channel partners. This allows the component suppliers to focus on their core competencies in engineering and technology development.

Achieving a Design Win allows a distributor to secure customers' business and in winning off-book pricing that allows the distributor to sell a component with an improved profit margin.

DESIGN WIN CYCLES AND PROCESS MILESTONES

A Design Win Cycle is the period of time for which a component product is eligible for a Design Win, from the time the eligibility list is published, until the time that the incentive awards expire. The length of a Design Win Cycle can vary by commodity from weeks to a year or more. In the Electronic Components supply chain, the typical Design Win Cycle is intended to last for 6 months or less. Several milestones may be set, and the component supplier may specify the time period by which each milestone is to be achieved in order for an incentive to be awarded. The milestones marked with an asterisk (*) are ones where financial incentives are typically awarded.

1. Publication of eligible parts
2. Customer defines their product and designs a component eligible for Design Win incentives
3. Customer or agent (distributor) registers the design
4. Supplier ships component product samples
5. * Customer produces and ships prototype of their product
6. * Customer ships initial production order
7. * Customer's product achieves or exceeds initial shipment targets
8. * Customer's product achieves or exceeds volume shipment targets

ROLES AND RESPONSIBILITIES

It is important to note that the distributor's customer's product engineer is the key decision maker in product design, not folks in purchasing or sales. Components do not get designed into products simply based on pricing; choosing a component for a design can be a very complex process, and pricing is only one factor.

Very often, the supplier's component product is still in its design phase, and the component supplier wants to achieve the design wins as early as possible in order to maximize the sales potential. This means that the means for early "discovery" need to be available, while at the same time ensuring that proprietary design information does not get into the wrong hands. The customer's design engineer needs enough details about the component product to be assured that it will work in his/her product.

Besides the suitability of a component part, a variety of other factors need to be considered before a component eligible for a Design Win gets designed into a new product. A variety of data is needed for statistical analyses:

- Marketing analyses to predict potential sales of new product
- Data to assess supplier performance
    - Previous design projects
    - Historical time-to-market

    - Production product quality
    - On-time delivery history
    - etc.
- Data for supplier comparison analyses

These analyses need to be conducted regardless of whether or not Design Win incentives are available, but since Design Wins translate into market share and revenue, tools that support pricing rules, and tools for generating and publishing technical product data, tools for debit management, opportunity tracking and design registration tracking, and tools for parametric searches of design and sales data are vital in competing for Design Wins. See also Implementation Options for Design Win.

BUSINESS DOCUMENTS USED IN DESIGN WIN

Note: Transactions and Messages *in italics* are based on a high-level evaluation transactions and messages available in the standard that are already being used for order processes. The recommendations are subject to revision when the EIDX Guidelines and Standards Subcommittee evaluates the transactions/messages in detail or as the relevant standards bodies make revisions.

Business Documents	Description	X12 – EIDX	EDIFACT – EDIFICE (*)	RosettaNet	OAGIS 8.0
Pre-Order Model 9 (QT9) – Design Win Eligible Products List					
Design Win Eligible Products List	To publish a list of products eligible for a Design Win	832	PRICAT	5C1	ShowElectronicCatalog
Business Documents	**Description**	**X12 – EIDX**	**EDIFACT – EDIFICE (*)**	**RosettaNet**	**OAGIS 8.0**
Pre-Order Model 10 (QT10) – Design Win Registration					
Design Win Registration Request	To request the registration of a design that is a design win opportunity with the component supplier	None	None	5C2	None
Response to Design Win Registration Request	Response to a request to register a design.	None	None	5C2, 5C4 n2	None
	Note 2: Only one response to the original Design Win Registration may be sent using PIP5C2. Subsequent responses must be sent using PIP5C4.				
Business Documents	**Description**	**X12 – EIDX**	**EDIFACT – EDIFICE (*)**	**RosettaNet**	**OAGIS 8.0**
Pre-Order Model 11 (QT11) – Design Win Registration Status					
Request for Design Win Registrations Status	To request status report of Design Win registrations.	None	None	5C5	None
Response to Design Win Registration Request	Response to Request for Design Win Registrations Status	None	None	5C5	None
Business Documents	Description	**X12 – EIDX**	**EDIFACT – EDIFICE (*)**	**RosettaNet**	**OAGIS 8.0**

Debits and Credits Model 9 – Design Win Claim Process					
Design Win Claim	For distributor to tell a supplier that criteria for a Design Win incentive award have been met.	**tbd**	**tbd**	**5C3**	**None**
Response to Design Win Claim	To confirm or deny a Design Win claim.	**812**	**None**	**5C3**, **5C4** nl	**None**
	Note 1: Only one response to the original Design Win Claim may be sent using PIP5C3. Subsequent responses must be sent using PIP5C4.				

