

Alliance for Gray Market and Counterfeit Abatement



The Alliance for Gray Market and Counterfeit Abatement (<http://www.agmaglobal.org/>) is a strategic initiative composed of leading high technology companies committed to addressing the global impact of the gray market and counterfeiting of goods on the technology industry.

In their research study published in 2003 and entitled "The Grey Market", KPMG stated that the grey market sales of IT products could exceed \$40 billion annually. This is a net loss of over \$5 billion in profits.

What is the Grey Market? The KPMG Grey Market Updated White Paper published in July 2008 defines the Grey Market as

"The unauthorized alternative channel where branded products have been intentionally diverted from authorized sales channels into the hands of unauthorized dealers, brokers, or the open market for gain. Unlike products sold through authorized channels, gray market products may pose serious issues for both OEMs and customers alike. Gray market resellers may advertise products as new, authentic, and branded goods, but customers may wind up receiving goods ranging from used or remarketed products to those that have been wholly or partially counterfeited or mislabeled."

Greenlight Technologies is working with AGMA members to build automated custom solutions for many of the areas impacting technology companies today.

- ❖ **Channel Distribution:** Companies taking advantage of the grey market create unauthorized distribution channels. These channels will compete in the legitimate marketplace and may illegally deliver products into companies and countries.
- ❖ **Counterfeit Market:** unauthorized manufactured products and copies of proprietary components do not meet quality standards. This will create unanticipated issues for both the customer and the original equipment manufacturer.
- ❖ **Manufacturing:** Manufacturers' supply chain processes and data will not be accurate therefore creating conflicts in standard procedures, such as product inventories, warranty supplies and location, and cost structures.
- ❖ **Brand Integrity:** When customers have problems they immediately turn to the original manufacturer. They may not know they have received inferior product from the grey market channels. This increase in defective product will challenge the integrity of the brand name.

- ❖ **Warranty and Service:** Original manufacturers provide service and parts to support all customers. Grey market sales create disproportionate number of defects which “confuse” legitimate supply and demand for service and parts.
- ❖ **Research and Development:** Original manufacturers track returns for defective parts. Returns due to counterfeit parts or reused parts sold as new inflate the statistics which may cause the original manufacturer to invest in redesign and reengineering efforts.

Use of Greenlight tools is simple and very cost effective. Greenlight Technologies has excellent experience in successfully completing Return on Investment analysis with many of our customers. Let us show you some of the areas where other companies have experienced significant financial savings.

Or, if you prefer you may contact us for discussion of typical scenarios you will encounter as you automate management of your control environment, and examples of the controls that come with the Greenlight Technologies Solutions which will help you proactively improve control management and abuse detection.

We can also work with you to set up a free Feasibility Assessment Study where we create a test run of the Greenlight solutions with your controls and your data.

For more information on Greenlight solutions, or to build an ROI, or to set up your Feasibility Assessment Study contact Greenlight Technologies at:
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