

Update Bulletin

Hard Drive Supply Shortage and Higher Costs

October 26, 2011

The catastrophic flooding in Thailand has caused a world-wide shortage of hard disk drives. StoreNext has been told that this affects all PC manufacturers.

Some disk drive manufacturers are affected more than others, but the sudden gaps in just-in-time supply have created price spikes, canceled orders – and unfortunately the usual hoarding and profiteering.

Click [here](#) and [here](#) for samples of news articles describing the problem.

So far, POS terminals have not been re-priced to StoreNext, likely due to the longer lead times and production change inventory. However, the costs to StoreNext for the hard disk drives shipped with StoreNext PCs and servers have almost doubled in the past two days.

A hard-drive surcharge is in therefore in effect immediately for all PC and server orders. StoreNext is passing through this charge from our vendor, who is also passing the delta through at their cost (or less). Neither StoreNext nor StoreNext's PC/Server vendor is marking up or profiting from these surcharges.

Regarding the HDD surcharge:

- All PC and server orders must include the appropriate surcharge PIN below, with the quantity equal to the number of hard disks required by the order. PCs are provided with a single drive, while servers may have two (2) or four (4) drives.
- Due to the extreme volatility and unpredictability, the surcharge may vary daily. Dealers must order the surcharge at the price published the day the dealer's P.O. is sent to StoreNext.
- The published prices of the PCs are not changing – but the surcharge must be added.
- Note that the surcharge is different for the 500GB PC drive than for the 1TB server drive.
- To get the current surcharge, go to the [Lead Times Page](#) of the StoreNext Dealer Support Web site, where it will be published and dated daily. Use that price for that day's P.O.s.

Order:

PIN	Item	Price
SNPC-HDDSCHG	Hard Disk Drive Surcharge for StoreNext PCs (SNPC-xxx) per Drive	See StoreNext Lead Times Page for Current Surcharge
SNSV-HDDSCHG	Hard Disk Drive Surcharge for StoreNext Servers (SNSV-xxx) per Drive	See StoreNext Lead Times Page for Current Surcharge

StoreNext regrets the additional cost and inconvenience, and looks forward to notifying dealers as soon as possible that the surcharge is no longer necessary.