



2022 was an outstanding year for us on many fronts. One achievement in particular, that we outlined in our Q4 2022 earnings release, was around supply chain execution. We reached a record for Q4 and FY 2022 in Product sales as a result of our strong performance in both Land Mobile Radio (LMR) and Video Security & Access Control. What makes this even more special is the fact that it came in a year when our industry, along with many others, has been navigating supply chain constraints, particularly as it relates to semiconductors.

Semiconductor shortages primarily impacted supply lines for our LMR technology as the architecture of our LMR radios relies on high-nanometer semiconductors commonly found in automotive and industrial applications. While recent developments suggest improvements in the availability of low-nanometer chipsets found in consumer electronics, supply of high-nanometer semiconductors remains challenging.

In this edition, I'd like to turn the spotlight on two teams that have been helping navigate supply shortages—our engineering and supply chain organizations—both of which operate behind the scenes. Their perseverance and ingenuity made our achievements possible.

Engineering redesigns

Our engineering team has demonstrated resounding adaptability, redesigning around semiconductor challenges even while continuing to invest in cutting edge product development such as the highly successful APX NEXT product line.



SVP Engineering Scott Mottonen shares the creative product workarounds his team implements without sacrificing critical product functionalities to ensure our customers have what they need...and shows us how a real semiconductor fits on the tip of his finger!

[WATCH VIDEO](#)

Inventory investment and alternative sourcing

We've also strategically invested in inventory to optimize our availability of parts and maximize our ability to ship products to customers as soon as we secure the missing components. This investment has helped us deliver to customers as quickly as possible, although we do expect inventory levels to trend lower into the back half of 2023.

Another important mitigation measure we've used is to procure available semiconductors through the broker market where necessary. We have implemented processes to help us evaluate the trade-offs between higher costs associated with broker sourcing and our ability to get products into the hands of our customers as early as possible.

Taking our supplier relationships to the next level



Over the past 18 months we have been very focused on elevating and strengthening our supplier relationships. In February 2023, for example, we hosted a Supplier Summit with some of our critical suppliers at our Experience Center in Chicago headquarters. The event included live technology demonstrations and constructive conversations about allocations and lead times.

This important event, which included our Chairman & CEO Greg Brown, enabled us to connect with our supplier partners and demonstrate how their commitments help enable solutions for public safety.

I'm proud of the collaboration between our engineering and supply chain and the work they've been doing. These strategies and supply chain execution, that helped achieve record results in 2022, will continue to be important areas to ensure our customers are equipped with our "need to have" solutions for public safety and enterprise security.

Jason

[View important information about forward-looking statements.](#)

DID YOU KNOW?

Approximately **40%** of our **20,000** employees are engineers; we spend more than **\$750M** in R&D every year and currently have more than **6,500** patents.

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