

Original Equipment Manufacturers

Original Equipment Manufacturers (OEM) are companies that produce parts and equipment which are used as components by other companies or businesses.

The company that uses the products are referred to as value-added resellers (VARs) who sell the finished products to consumers

The information from this article will be useful for candidates appearing for the Civil Services Examination this year.

Definition of Original Equipment Manufacturers

Original Equipment Manufacturers are involved in the creation of sub-assembly plants or in simpler terms, components for the end product, while the VARs uses these components to manufacture the final products. Although some OEM's do make a complete product for value-added resellers to market, they play a limited role in determining the finished product.

This can be better understood with a few examples.

If Renault used Autolite spark plugs, Exide batteries, Bosch fuel injectors, and Renault's own engine blocks and heads when building a car, then car restorers and collectors consider those to be the OEM parts.

Regarding software, Microsoft supplies its Windows software to Lenovo, which incorporates it into its personal computers and sells a complete PC system directly to the public. In the traditional sense of the term, Microsoft is the OEM and Lenovo the VAR.

OEM and Aftermarket

An Originally Equipment Manufacturer is different from that of an aftermarket. OEM makes components for specific products, while aftermarket equipment is made by another company that consumer may use as a replacement.

They may buy the OEM part, which is a duplicate of their original XYZ thermostat that was used in the original manufacturing of the vehicle. Or they may buy an aftermarket part, an alternative made by another company.

Direct OEMs are officially held liable for things such as installation/recovery media, and as such were commonly provided until the late-2000s. These were then phased out in favour of recovery partitions located on the primary storage drive of the PC (and available for order from the manufacturer upon request) for the user to repair or restore their systems to the factory state.

Questions related to Original Equipment Manufacturer

What is the difference between OEM and manufacturer?

An OEM uses its own label to sell its products, although the product may be marketed by a different manufacturer. This means that an original equipment manufacturer produces components that are used in a different company's product. Then, the finished product is marketed to users by the other company.

What is the difference between OEM and genuine parts?

Original equipment manufacturer part is a part made by the manufacture or made for them to their specification but an external company. A genuine part is a part supplied by the vehicle manufacturer in their packaging. Aftermarket parts are parts produced by any other company.