The computer industry is a highly competitive industry and has a history of competition. In this study, I’ve approached to this competition from supply chain point of view.

The first computer “ENIAC” was released in 1946 in United States and this is when the computer industry started. At this era, the computers were produced one off and no clear leader was identified. In 1950s, second generation computers were introduced which enabled the mass production. IBM produced more than 100,000 units of 1400 series and become the leader of the industry. Then IBM released the first modularized 360 series. Computers were developed and manufactured in single manufacture at this point.

Since IBM introduced the modularization, components of computers become outsourced. Such as memories, CPU and storage devices started manufacturing by component suppliers. In 1980s, IBM PC was released and used Microsoft PC-DOS and Intel CPU. This become de facto standard in the personal computer industry. This de facto standard lowered the entry barrier to the computer industry. Since then, the computer industry became very competitive and many companies for the leading position.

In this paper, I would like to explain the mechanism of why the computer industry is so competitive from the supply chain point of view. The computer industry become competitive especially after modularization was introduced. And from the supply chain view, modularization enabled manufactures to outsource the key components which made the supply chain globalize. Also, EMS is playing the important role of manufacturing process in the chain. They started as outsourcer of manufacturing but they gained the technical and the market knowledge which brought them to join the competition. This paper will explain about the history of supply chain transition and how it is related to the competitive advantage of manufactures.