

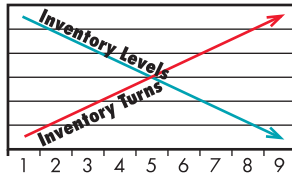


Würth VMI Program

Würth specializes in the supply of fasteners and related assembly items to OEM's through single source inventory management programs. The programs are designed to reduce all costs in the procurement/supply process. This is accomplished by conducting a detailed analysis of fastener expenditures and then designing and implementing a program which will provide total cost reductions through more effective management, physical storage, distribution, and ordering of the fastener and class-c inventory.

VMI Program Advantages

- Reduction of inventory
- Increase inventory turns
- High service levels
- Consistently high quality
- Product standardization
- Engineering services
- Better utilization of manufacturing space
- Reduction of obsolescence
- Reduction of suppliers
- Total cost of reduction



VMI Program Overview

Würth will design a customized program that will include:

Bin Options

Reusable/returnable containers, packaged, boxed, bagged, or kitted material.

Ordering Options

Full management utilizing bar-coding, scanning, replenishment, and in-plant store.

Delivery and Restocking

Point of use, EDI, Kanban, customer issued PO, dock-to-dock delivery, in-plant store, or any combination.

Business Management Reports

Usage, ABC analysis, and Inventory rationalization.

Würth Implementation Experience



- Würth has over 400 VMI programs currently in place.
- A structured approach is taken to manage the transition from the current source to the new program.
- A precise timeline and project schedule are established.
- Progress is reviewed and reported to the customer regularly throughout the transition.
- The primary objective is to provide a seamless transition that assures continuity of product flow.

Continuous Improvement Reviews

After a VMI program has been implemented, a customer continuous improvement review is conducted to examine any additional product/process cost savings alterations.

Benefits

- Management control reporting to identify:
 - Inventory turns
 - Individual item activity
 - Standardization of parts
- Active program adjustments
- Monitor service and delivery performance
- Review of engineering and quality activity
 - Recommend new products
 - Identify inactive parts
 - Reduce obsolete items
- Recommend and assess cost savings initiatives