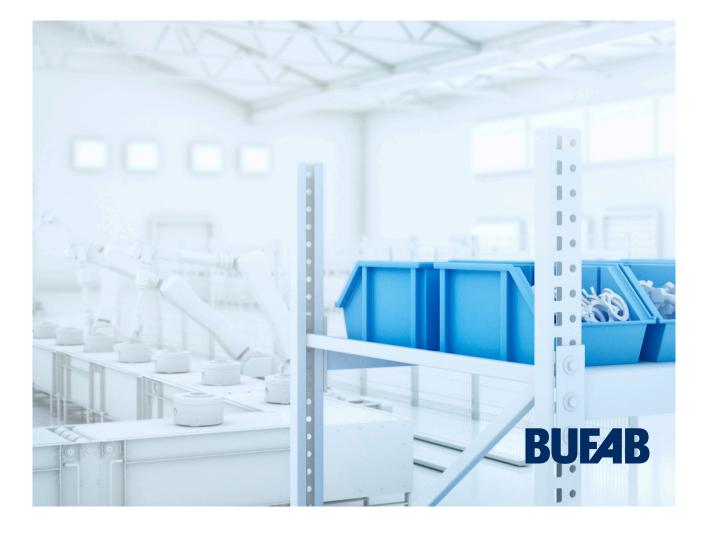
## The seamless supply chain





In an ideal world, every little detail is there when you need it, and production moves on smoothly. The real world is a different story, especially when it comes to C-Parts.

# Say goodbye to empty bins.

You may have dozens, even hundreds, of suppliers to deal with, thousands of orders to shuttle back and forth, innumerable deliveries to monitor, goods to log and stock, and bins to replenish. If you run out of a nut or bolt, you're in trouble. Problem is, with a traditional supply chain, that is bound to happen. The good news is, you have a lot to gain from doing something about it.

### **VOLUME VS. VALUE**

Details such as screws, bolts and rivets or plastic cables and springs – commonly known as C-Parts – usually account for the bulk of all part numbers in a bill of material. Though often insignificant in unit price and size, these components are unique in the sense that only a small part of the total cost, often as little as 20 percent, comes from its purchase price. The remaining 80 percent are indirect costs, such as:

Logistics costs: forecasting, planning, ordering; incoming goods handling, inspection; warehousing, stock taking, stock control; internal transports and line feed; freight, especially express freight; capital costs, scrap and obsolescence.

Sourcing costs: supplier sourcing, evaluation, verification; negotiation; supplier administration; parts administration; phase-out/phase-in costs.

Quality costs: costs of preventive quality measures, such as SQA, and of corrective quality measures (scrap, rebuild), as well as indirect costs of quality such as line stops, rescheduling.

The direct landed cost of a C-Part is often as low as 20 percent of the total. A 10 percent price reduction thus only helps 2 percent toward the total cost, and if done incorrectly, may even increase the total. In almost all cases, a consistent focus on reducing the total cost is much more effective than looking at unit price.

### SIGNIFICANT FOR C-PARTS:

- Low unit cost
- · A wide product variety
- Large volumes
- · Many suppliers within the segment



### Speed up the workflow. And cut costs.

Our mission is to make sure you have C-Parts distributed as needed, in time, right at the work-station, and at a total cost very hard to beat.

To help you get rid of the headache with C-Parts, we have developed a concept called Global Parts Productivity<sup>™</sup>. These are some of the services it entails.



### SUPPLY & MANUFACTURING PRODUCTIVITY

We help reduce the risks and the costs associated with manual stock operations, providing components and solutions on a local or global level. We also simplify your purchasing process and give you a better understanding of key factors for business performance.



### **DESIGN & TECHNOLOGY PRODUCTIVITY**

Whether you need design advice, help with choosing the right technology, or assistance in reviewing an existing design for cost efficiency and quality, Bufab has a solution. Depending on the type and maturity of your product range, this may lead to yearly productivity savings of 1–5%.



### **RANGE & SOURCING PRODUCTIVITY**

The best direct cost, the right quality level, and optimal logistics requires a well-functioning sourcing network. Collaborating with thousands of skilled sub suppliers and holding hundreds of thousands of articles in stock, Bufab provides just that.

### One invoice. One coordinated delivery. One speaking partner.



BUFAB | THE SEAMLESS SUPPLY CHAIN

Considering each supplier requires negotiations, quality assurance actions, logistical handling, and separate handling of accounts payables, your best bet to cut costs is most likely to reduce the number of suppliers.

Even if the consolidation process requires certain efforts, you can rest assured money and time is well invested. Depending on ambitions and the scale and status of your operations, it is fair to expect a 20 percent cut in "the total cost of ownership".

### **BUFAB C-PARTS CONSOLIDATION™**

To achieve these results, we organize the supply chain flow, negotiate with your manufacturers, or resource items to break the best deal. Based on product and requirement specifications, we also apply electronic ordering, and coordinate the deliveries. Aside from on-time deliveries, the immediate benefits are more space and less tied capital – even if you buy monthly rather than yearly needs. Other positive side-effects, such as one single invoice, one coordinated delivery, and one speaking partner in technical matters regarding C-Parts, come as a bonus. You can imagine what that entails in terms of less handling, less administration, and in the long run, much lower overhead costs.

What it boils down to is a seamless supply chain, where the headache with C-Parts is gone.

# Secure your supply chain.

Effective and reliable logistics are keys to reaching a cost-efficient supply chain. Bufab has the experience to tailor-make logistics solutions, integrated with our ERP system and aimed at reducing indirect costs.

"Implementing the VMI system saved us 2 hours a day and 70%



### 12 reasons why

- · Secure the demand chain
- Reduce risk no more line stops caused by stock-outs
- Improve inventory turnover no more over-stocking
- Free tied capital
- Reduce administration costs
- Simplify purchasing process
- · Reduce arrival handling costs
- Free up floor space
- · Reduce logistics costs
- · Improve Business performance management
- · Real time info of stock level
- Get one speaking partner in technical matters regarding C-Parts

### **Our logistics solutions**

As a leading supply chain partner, we handle everything from project to serial deliveries, including line-feeding solutions, VMI, kitting, sub-assembly and warehousing. More specifically, our logistics solutions entail:



### **1BIN-SYSTEM**

A rack with fixed bins, filled and scanned at your location. Replenishment is directed to the specific location.



### SCALE-SYSTEM

Required parts are automatically ordered online and delivered to you on time. This system is a combination of bins and scales that are calibrated to a certain weight. When the weight falls below an agreed reordering weight, an order is generated.



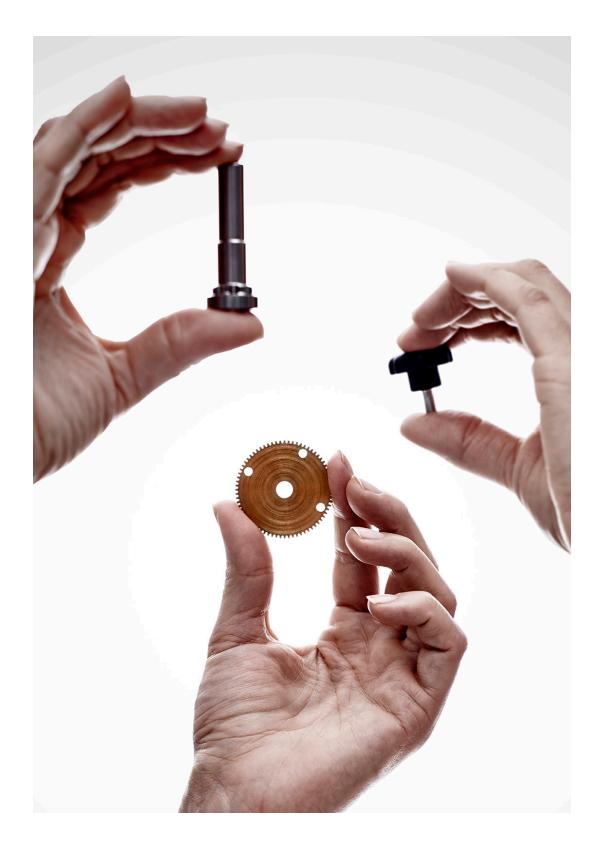
### 2+BIN-SYSTEM (KANBAN)

Contains two or more bins depending on consumption. An empty bin signals for replenishment and is scanned. Replenishment is directed to the specific location. Alternatively, empty bins are returned to Bufab for refilling.



EDI (ELECTRONIC DATA INTER-CHANGE)

For a lean administration with fast and reliable information exchange between your and Bufab's ERP system. Bufab offers a variety of solutions for the exchange of vital information to well-known industry approved standards.



## Meet the Solutionists.

Bufab is a global supply chain partner, providing C-Parts and logistics solutions to the industry worldwide. Ever since the start in 1977, we have earned a reputation as a fast and flexible "Solutionist", dedicated to serving all our customers' logistics needs.

Bufab is a responsible partner and dedicated contributor to an efficient supply chain. Our partnerships are based on strong personal relations, locally and globally.

What we do is help our customers achieve a smoother and more efficient production flow. We do it by ensuring that every little nut and bolt is there when needed. At the core is our state-of-the-art logistics solutions, praised by industries all over the globe.

We are big-hearted entrepreneurs, who do business in a professional, cost-conscious and sustainable way, treating our customers' resources as responsibly as if they were our own. Yet, we believe a spirit of openness and mutual respect provides the most fruitful working climate. Collaboration is our work model, meaning we take on challenges as a team, focusing solutions rather than problems.

Always with our customers' best interest in mind.

Your one-stop shop in C-Parts

Represented in over 20 countries and doing business in many more, Bufab is a leading global supply chain partner. We deal in C-Parts with a range stretching from traditional fasteners to complicated processed and assembled components in a variety of materials. We also provide service solutions in manufacturing, quality assurance, sourcing and logistics.

In addition to our great network of suppliers we have three in-house production plants, focused on serving the very toughest customer requirements.

Our offer, Global Parts Productivity<sup>™</sup>, helps our customers reduce total cost and complexity, free up capital, achieve stable quality and deliveries. What it boils down to is a seamless supply chain, where the headache with C-Parts is gone.



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