

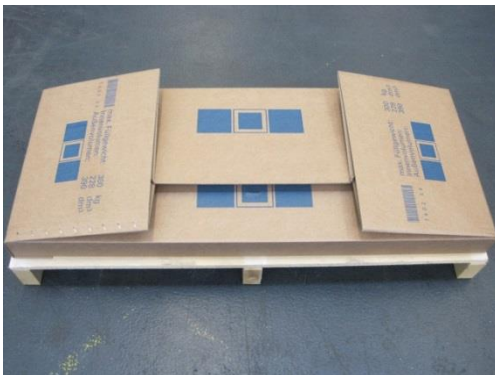
One of our main objectives is to help our clients to save in spend. This fast- real results that improve the bottom line and create competitive advantage is possible due to our experienced sourcing team. Guided by the best analytical and sourcing tools, talented and the best IT infrastructure we fight to deliver best solutions from the project start.

Bellow you are presented one case of strategic sourcing:

Packaging materials- sample sourcing case

Overview of the case:

- 18 packaging materials were enclosed in sourcing.
- These 18 materials are used to pack different parts by after sales division, parts that need to be shipped to dealers in Europe.
- This strategic sourcing case is covering German and Spanish site.



Main requirements for the suppliers that quoted for this case were to:

- Be able to provide entire package solution together with the related services included in the material prices.
- Maintain the service level, quality (zero damages during the shipping) and just in time deliveries.
- Reduce costs
- Consolidate materials
- Offer stock management

The sourcing strategy involved purchasing, stakeholder and supplier (in different percentages) and special key value drivers that challenged the users to provide detailed information regarding their needs and to fully understand the spend category. Also technical data information and all necessary requirements helped in the case by looking high profit in strategic (high supply risk) and leverage products (low supply risk) and low profit in bottleneck (high supply risk) and routine products (low supply risk).

The factors which could change the cost of the case and in which the sourcing team paid attention were:

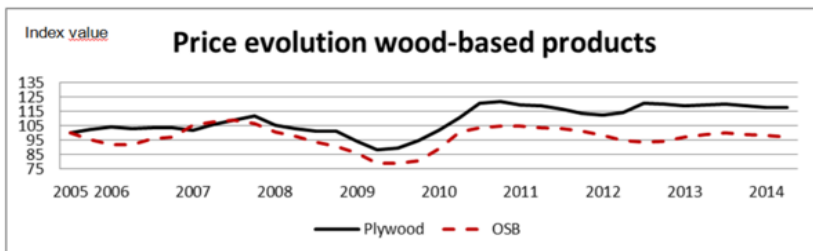
- Design changes
- EUWID (Europäischer Wirtschaftsdienst GmbH) clause
- HPE (Holzpackmittel – Paletten – Exportverpackung) index
- Raw materials
- Logistics

- Other costs...

The acquisition price was influenced by:

- Cost allocation of raw material (cardboard and wood)
- % of corrugated board per packaging
- % of wood per packaging
- Quantity of material
- Percentage of material
- Percentage of the whole packaging

HPE index

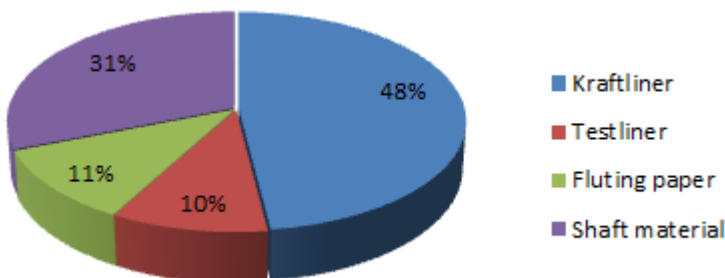


The techniques and tools we used went beyond unit price reduction and created the opportunity for savings. We configure solutions to suit specific goals, programs to achieve specific savings targets, to shorten term, category-specific engagements.

Therefore:

- 3 suppliers were able to quote and deliver the entire package together with the related services included in the materials' prices.
- The Contractor is responsible for the whole transport, including the corresponding costs.
- Orders received by the contractor until 12:00 shall be delivered latest within 24 h (normal order).
- The contractor shall deliver qualitative high-class packaging material.
- Achieved 22% savings.

EUWID index/per PM



OSB - Oriented Strand Board
Plywood – Wood panels