SourceOne Customer Guide

Connecting Customers and Suppliers with Intelligent Inventory Management

WHAT IS SOURCE ONE?

An alliance of industrial suppliers offering best-in-class MRO and OEM material to manufacturers and business institutions via Source One's web portal.
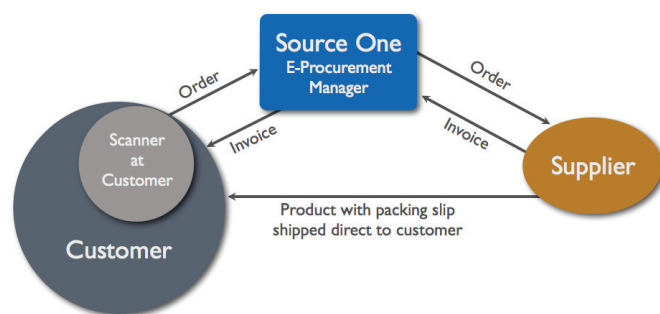
Source One has three major goals:
1. Reduce customer overall operating costs.
2. Reduce purchasing transactions.
3. Improve inventory performance by actively managing inventory levels.

HOW DOES SOURCE ONE WORK?

Source One is a web-based supply chain portal working with leading businesses to aggressively reduce inventory, the number of suppliers, and purchasing transactions involved in both direct and indirect material procurement.

CONNECTING CUSTOMER AND SUPPLIER

CUSTOMER BENEFITS

- Greatly reduces the number of transactions
- Inventory reduction
- Reduces the number of suppliers
- One itemized monthly invoice
- Same system used for multiple suppliers
- Price containment/cost reduction
- Zero stock-outs (right part, right price, right time)
- Simple process to implement and execute
- Parts delivered to "point of use" if desired
- Competent suppliers
- Supports Lean office and manufacturing plans

WHAT SOURCE ONE IS NOT!

- An integrator
- A buying consortium

Source One is an alliance of suppliers working on behalf of its customers to reduce operating costs.

SOURCE ONE DIFFERENCE

- No tiered pricing; no price mark-up
- MRO (indirect) and OEM (direct) material
- Technical and application support

How is This Possible?
- Source One members cover operating costs
- Same system/processes for MRO & OEM material
- Customer works with suppliers directly; key relationships are maintained

WHY SOURCE ONE?

	Source**One**
No tiering charge; no markup	✓
Active inventory management	✓
Consolidated invoice	✓
Product support	✓
OEM & MRO material	✓
Add associate suppliers	✓
Cost containment & reduction	✓
Customer in control	✓

KANBAN SCAN CARDS

Scan cards and labels are easily processed and sent through the web-based system for order fulfillment on Kanban replenishment orders.

PRODUCT LINES

Direct Material

- Hydraulic, pneumatic, automation systems
- Sensors, switches, I/O modules, lamps
- Wiring, electronic subassemblies, PCB's
- Electric motors and controls
- Electromechanical

- Hardware: hinges, lock cylinders, gaskets, seals, gas springs, casters, clamps, handles, latches
- Precision machined parts
- Fasteners
- Point-of-Use Kanban system
- More...

Indirect Material

- Paper, printable media, complete office supplies
- Complete janitorial and sanitation: cleaners, towels, dispensers
- Abrasives, coolants, tool & die supplies, adhesives
- Safety and ergonomic equipment, hand and hearing protection, lockout/tag out

- Lighting, power distribution, enclosures, cabling & wire, timers, fans, blowers, motors, circuit breakers
- Bearings, sleeves, fittings
- Vending machines
- Welding supplies
- More...

FREQUENTLY ASKED QUESTIONS

Q) *Do I have to only buy from Source One members?*
A) No. Source One members offer best-in-class brands and a wide variety of direct and indirect material, but it is possible that certain products or suppliers might not be covered in our collective offering.

Q) *Do I have to use Kanban cards?*
A) No. Majority of Source One's orders use a simple Kanban card or label. But, there are several options to enter orders in the Source One eProcurement system.

Q) *Do I give up my ability to negotiate with suppliers?*
A) No. You are in complete control in the Source One program. Our system allows you to maintain relationships and interaction with key suppliers. We automate purchasing transactions without disrupting higher level procurement activities.

Q) *What are the standard metrics used to measure a Source One program?*
A) Source One and its members conduct regular performance reviews. We report on the program activity, the number of transactions, inventory turns and reduction, as well as cost savings.

Q) *What does a Source One implementation cost?*
A) Minimal cost and time. We take the hard work out of setup by providing the necessary bar code reader and cradle. Source One also produces the Kanban cards or labels. The key is setting up the master parts file, which contains important information such as price, replenishment quantity, cell or warehouse location, and accounting information.

Q) *How does the Source One system affect purchasing?*
A) It frees time in purchasing by reducing much of the waste and tedious ordering tasks. As one purchasing manager told us recently, "Now I have time to work on strategic issues."

IMPORTANT CONSIDERATIONS

- "What are your plans for supply chain integration?"
- "How are you planning to reduce the number of your suppliers?"
- "How important is inventory management to you and your company?"
- "How do you include suppliers in your Lean initiatives?"
- "How much of your time in purchasing is spent on writing orders, expediting, and following up with suppliers?"

NEXT STEPS

- Schedule an initial 30-minute meeting to learn more about how Source One might be a fit
- Arrange for a formal Source One presentation to explore the program benefits in more detail
- Contact others in the organization to arrange a Source One meeting
- Arrange for a Source One customer site visit
- Obtain a list of the current MRO and/or OEM spend by supplier category
- Send more information and follow-up in 2-3 weeks

SourceOne

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