

Taylors[®]

INVENTORY SOLUTIONS

The reliable partner for your industry

Taylors[®]

TOOL  FIXINGS CENTRE

The reliable partner for your industry

ABC Customer

Managed Inventory Solutions Overview

prepared by

John Taylor (Fasteners) Limited

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1 Executive Summary – John Taylor (Fasteners) Ltd:

1.1 John Taylor (Fasteners) Ltd:

John Taylor (Fasteners) Ltd, or Taylors, is a leading provider of fasteners, fixings, power and hand tools, abrasives and precision engineering products, lubricants and consumables, welding and clothing & PPE products servicing the South West Peninsula. As a business Taylors specialises in customer centric solutions, tailored to meet the needs of its customer partners. The company operates around a focused service and quality model.

1.2 Company History:

John Taylor (Fasteners) Ltd was incorporated in 1988. The company's initial remit was the traditional supply of fasteners (nuts, bolts & washers) via trade counter or delivery. In a relatively short period of time, Taylors became established as a local fastener specialist. This model continued to be successful and relevant for a number of years. Over the last ten years the company has diversified and contemporised its profile in reaction to an ever changing marketplace. Whilst still focusing about the professional supply of fasteners to a variety of industry types, including a number of global manufacturers operating in the South West peninsula, the company has also diversified to meet the tooling, cutting and abrasives, clothing & PPE, lubricant and MRO needs. In 2016 the company added a second branch to its operations in South Devon, to increase its ability to properly service the needs of its customer partners.

1.3 Taylors today – combining industry knowledge, experience and innovation:

The company today operates from two sites in Devon, one in North and the other in the South. Both offer the services associated with contemporary sales office and trade counter environments, which support the needs of manufacturing, fabricating, engineering, construction & allied trades alike. These sales operations are conducted by experienced sales teams which are further enhanced by an accomplished and experienced external salesforce. Taylors enjoys strong and enduring partnerships with premium manufacturers and suppliers relevant to this marketplace and is able to support its customer base with associated support services (site visits / application support / technical support and calculation services / H&S support including MSDS services). Taylors is a member of Troy (UK) Ltd, the UK's largest buying group supporting the independent engineering and industrial supply distributor. The company operates around a formal quality management system and anticipates receiving ISO9001: 2015 accreditation in the late Spring of 2017.

1.4 Managed Inventory Solutions – providing the reliable partner for your industry

Beginning in 2013, Taylors has focused on developing a vendor managed inventory (VMI) solution and has evolved it so that it better suits the individual needs of its partner customers. Taylors "tailor" the solution to meet the unique needs of the customer emphasising the belief that one size doesn't fit all. This service is offered to partner customers where it is perceived that a recognisable benefit will be experienced in terms of the pro-active support of both stock and ad-hoc lines. There are a variety of services or benefits that are offered under the Managed Inventory Solutions banner. These include:-

- Culture of partnership integral to service, developed about a customer centric approach
- Broad experience in the managed stock inventory arena
- Scaled inventory methodology



- Vendor base consolidation and reduction
- Potential decreased inventory and stock costs
- Release of non-productive stock management time to production
- Condensed administration and acquisition costs
- Reduction or elimination of stock outs
- Provision of relevant storage equipment – racking, bins and kanban systems (subject to relevant criteria)
- Provision of on-site vending equipment (subject to relevant criteria)
- Experienced and proven Account Managers and Envoys
- Bespoke and scalable kitting
- Priority & reactive delivery options
- Daily delivery options
- Organic approach to stock management
- Transparent and honest approach to stock level management (reactive management of max-min stock levels)
- Huge range and depth of product availability
- Improved stock availability - protected by buffer stocks held in your local branch
- Regular scheduled reviews of activity and stock levels
- Option of shelf to shelf deliveries – stock is put away on behalf of partner producing labour saving benefits and cost reductions
- Scheduled orders and held stock (for call off) as complimentary service
- Invoicing options scaled to business type and reasonable needs
- Ability to manage via customer part numbers – manage stock using customer part numbers which are then referenced on quotations, delivery notes and invoices
- Availability of specials and made to order product
- Patching of threaded product
- Product demonstration by partner manufacturers on site
- Sample and test bed product available in partnership with leading manufacturers
- Importing of product to afford cost savings
- Assertive support for out of contract products and stock ranges
- Access to preferential bulk and pallet rates
- Access to extensive MSDS library





2 Infrastructure – a typical Managed Inventory Solutions proposal:

Effective communication, robust systems and an open, honest and transparent approach are key to providing our partner customers with real world benefits. To help achieve this, we integrate a number of different team members into the relationship. This delivers the benefit that there is always someone available, on site if required, who understands the solution that has been implemented, has genuine buy-in and involvement in the relationship and is motivated to help provide solutions. This prevents any issues of air-gap when your usual “rep” is unavailable and no one else understands the needs of your business. To clarify this, please refer to a typical Inventory Solutions team line up.

2.1 Account Manager:

Justin Jones (justin.jones@taylorstltd.co.uk) – Account Manager

Responsibilities:

- To act as primary interface between partner customer and Taylors
- Implement and manage new projects
- Monitor and maintain Taylors relevant MRP (material requirements planning) for the premium customer
- To positively address any account service issues

2.2 Internal Contact:

Jason Pengilly (jason.pengilly@taylorstltd.co.uk) – Barnstaple Branch Manager

Responsibilities:

- Process and manage individual site RFQ's (requests for quotation)
- Process and manage one off purchase orders
- To provide office based cover for External Contact during times of extended leave or absence

2.3 Envoy:

Rob McConnell (envoy@taylorstltd.co.uk) – Customer Service Envoy

Julian Darbyshire (envoy@taylorstltd.co.uk) – Customer Service Envoy

Responsibilities:

- To provide on-site cover for Account Manager during times of extended leave or absence
- Provide on-site support upon Inventory Solutions racking or kanban systems being integrated in to MIS partnership
- To have responsibility for the picking and packing of all premium customer orders and effecting check backs and sample inspections prior to delivery

2.4 Quality Inspector:

Mark Gosney (mark.gosney@taylorstltd.co.uk) - Director

Responsibilities:

- Company liaison for all quality related queries



3 Racking and Kanban Design and/or Vending Implementation:

Wherever new hardware is being provided, particularly in connection with kanban or vended solutions, it is essential that clarity is achieved in terms of what is being provided; where it is to be installed; what site preparation (potentially including relevant M&E services) is required on the part of the site owner; and lead times factored in for the design and procurement of the equipment to be provided. The number of racks, locations and bins for each system and the supply of any vending equipment will be confirmed once an agreement has been arrived at, spend criteria approved and governing contract signed off. At this point Taylors will produce the finished



design. The customer partner will then review and give authorisation to implement the system. The Kanban system or vending equipment will be procured, owned and maintained by Taylors or relevant agents in connection with engineering support or services (vending equipment to be serviced and maintained by relevant third party support).



Once the agreement has been signed, Taylors will initiate the relevant supply chains in order to fulfil advised customer requirements. Taylors will generally require 12 weeks from the point of approval to ensure all our stock and hardware has been sourced and is available for the agreed start date. Taylors are willing to work with the customer partner to ease the transitional period, which opens up the possibility of integrating existing grounded customer stock in to the proposed managed inventory process. A realistically achievable and mutually agreeable start date

is essential both in terms of contract and project viability.

4 Customer Partner Transition – “Our Take-On Process”:

Taylors has worked with a wide range of business types and organisations across various industry sectors. This experience is embodied in a proven take-on process that is designed to deliver maximum value in the shortest period. The premium partner will already have been assigned an Inventory Solutions team who will manage and guide the process. The key elements are full transparency in terms of lead times for transition (particularly in connection with special and/or imported product), the adoption of a can-do attitude with respect to achieving an effective transition and a common goal in reaching the milestones that will be the measure of success for any new implementation. Often this will prove the clearest demonstration of how Taylors genuinely care about your business.





5 Operation:

From the agreed upon start date our Account Manager or Envoy will be available to visit the site twice weekly and will continue to be so for the first 3 months. After this initial “getting under the skin of the business” period, it would be anticipated that the account can then be effectively serviced on a weekly basis. The purpose of this visit is to liaise with any relevant customer stakeholders (as determined by the customer) to ensure that service levels are reaching or exceeding agreed expectation, to ensure that the managed stock solution including kanban or vended process are performing appropriately and to monitor stock levels in order to help prevent stock-outs and help identify any other stock level challenges. If required this frequency can change within or after this period depending on the ease of transition and customer need. Taylors anticipates that the needs of the account would be supported by a two day per week delivery service with an additional ability to meet “distress” needs.



Delivery days: Tuesday & Thursday

Site Address: *Customer ABC, any street, any town.*

Monitored Systems:

- Loose product stocked on site
- Kits held on site
- Kanban or vended product systems

On each visit the Account Manager will meet with the customer purchasing team to ensure continuity of product availability and ongoing quality of service goals are being consistently achieved.

Your Account Manager will:

- Confirm satisfaction of quality of product, conformity to specification & timeliness of delivery
- Confirm satisfaction with kits in above terms, including consideration of clarity of labelling and durability of packaging
- Review anticipated business needs relevant to forward order planning
- Review any other issues pertaining to Taylors performance as a key supply partner to our customer partner

On each visit the envoy will first decant or refill the stock or kits ordered for replenishment, and then inspect stock systems checking any empty bins or stock locations against previously agreed stock levels whilst also ensuring any storage equipment is maintained by checking the following.

Your Envoy will:

- Check all bins or boxed stock are in the correct place and safely stored
- Ensure all labels are clearly visible and replacements ordered if damaged
- Tidy loose items either in-between the bins or on the floor next to the rack will be collected and disposed, ensuring that the area remains clear, preventing possible misidentification of parts
- Check afresh agreed stock levels



5.1 Stock Lines:

Loose stock and kitted lines (however vended) are to be regularly reviewed in line with the customers actual needs and programmed or anticipated requirements. Any recognisable pinch points to be highlighted and preventative measures reviewed.

5.2 Non-stock Lines:

For all non-stock lines or spot orders, enquiries are dealt with by the Internal Contact who will confirm availability, price, lead times and delivery to the relevant contact.

5.3 New Business/Projects:

This is the responsibility of the Account Manager who should be contacted in the event of any new business proposals or projects required.

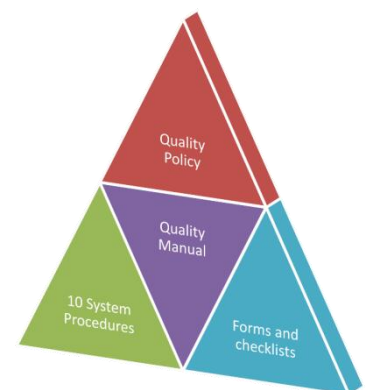
5.4 Service Issues:

The Account Manager will address any service or support issues.

6 Quality:

All customer partner parts will be checked by sample upon arriving at our facilities, referring to the quality, finish, dimensions, expiry date and quantity.

For special parts, made to order or those not conforming to an industry standard, an initial sample inspection will be undertaken.



7 Performance:

Taylor's to achieve an OTIF (on-time-in-full) target of 95%.

8 Pricing:

Taylor's will commit to holding the quoted prices for as long as reasonably practicable from the beginning of the agreed start date. Prices will only increase where genuine operational duress exists or where the incoming costs of the materials have increased beyond commercial tolerance. Partner customers will be notified of any parts affected by increase prior to delivery, including an explanation of the proposed increase.



9 Accounts/Invoicing:

Taylor's already provides customer with a managed credit facility. Purchase Order structure and delineation will be managed in line with customer requirements.

Account ref: ABC

- To cover all account activity
- Invoicing consolidated on a weekly basis
- Payment terms may be extended to 60 days EOM by mutual agreement

10 Conclusion:

Taylor's has a proven track record of providing customer partners with individually tailored managed inventory solutions. Without exception, every solution we have implemented has delivered commercial robustness and has improved stock availability and reduced stock outs. To date, no customer that has had a system implemented has either stepped away from the managed services that Taylor's has provided or has opted to move to an alternative provider. This is a record that we at Taylor's are proud of and genuinely only seek to develop.

If you would like to further discuss this concept and investigate how it might bring your business similar benefits to those already enjoyed by our other premium customers, please do not hesitate to contact your Account Manager who will be very happy to meet with you at your convenience.

Prepared by: Mark Gosney

Role: Director

Signed:

Date: 28th February 2017