Let Friedman Electric help you reduce costs.

WHY VMI

- Minimize production downtime by ensuring supplies are ALWAYS on site
- Use Friedman product expertise to ensure you have the Best Product at the Best Price on your shelves at ALL TIMES
- Customized inventory control based on YOUR specific needs

For More Information on our VMI Program, contact Bryan Walter at 570-490-2361 or Dan Mancini at 570-351-2167

ACCESS YOUR ACCOUNT ONLINE 24/7! REGISTER TODAY.
www.FriedmanElectric.com

DOWNLOAD OUR MOBILE APP
How do we reduce total cost?

Only 58.5% of the typical procurement dollar is spent on the material itself.

### Acquisition Cycle

- Needs List: 1.0%
- Parts Search: 6.2%
- Place Order: 0.4%
- Receiving: 8.2%
- Stocking: 7.3%
- Disbursing: 4.3%
- Return Goods: 1.1%
- Process Invoice: 0.4%

TOTAL: 28.9%

### Cost of Ownership

- Manage Inventory: 0.6%
- Inventory Value: 12.0%

TOTAL: 12.6%

Cost = Price of Material (58.5%) + Acquisition Cost (28.9%) + Cost of Ownership (12.6%)

Cutting the cost out of internal procedures

Working in partnership with management, purchasing, and production staff, Friedman Electric can help you realize significant cost savings. The process begins with a comprehensive review of your acquisition procedures and systems. Alternatives are then recommended to improve overall efficiency. These solutions can encompass revised order entry procedures, automated inventory management, EDI, customer-specific catalogs for easy re-orders, management reports and more. One thing is sure: Friedman Electric's Vendor Managed Inventory will have a positive effect on your bottom line.

At Friedman Electric, we rely on state-of-the-art tools and methods. For example, we can establish an inventory database for stockroom personnel. Customized to your needs, using your part numbers, descriptions and drawings, this system will automatically re-order when minimum quantities are reached. Allowing stockroom personnel to assume responsibility for stock replenishment eliminated redundant purchasing procedures.

Once an order is transferred to Friedman Electric's Central Distribution Center, it is picked, packed and ready for shipment. This streamlined process simplifies procurement, eliminates stock-outs and significantly reduces your transaction volume.

Using Vendor Managed Inventory, we can provide summary reports detailing usage by cost center, or by item, turn rate, dead inventory, and service levels.

Inventory Optimization: A key element of cost reduction

A key benefit of Friedman Electric's Vendor Managed Inventory is the ability to optimize your inventory mix. We review usage and determine the proper levels you should stock to meet your MRO or production requirements. Additional inventories can then be stocked at our CDC. Let Friedman Electric and Vendor Managed Inventory do the work and show you the way to better inventory management.
Friedman Electric provides the following complementary training sessions with our Vendor Managed Inventory Programs:

- Fuseology and Fuse Safety
- Wiring Device-Kellems
- Shop Talk—Safety, Standards and Technology Seminars
- SYLVANIA Lighting Technology & Environmental Considerations
  Motor Application and Energy Savings
- Crouse-Hinds
- Explosion Protection and Hazardous Location
- Thomas & Betts
- Seal-Tite Fitting Installation….and many more
- We also offer hardware and safety products in our Stockroom program to provide a more complete solution.

Friedman Electric’s VMI program combines periodic on-site inventory review, state-of-the-art technology and industry leading automated reporting to streamline ordering and inventory management supporting targeted productivity, service levels, and cost savings objectives.

Program Features

Friedman Electric Initial Set Up
- Item Set Up
- Bar Code Labels
- Crib Labeling
- Reporting Set Up

Friedman Electric Provided Services
- Periodic On Site Bin Reviews
- Scanner Order Capture

Features
- Auto Periodic Reporting (via email)
- Scheduled Business Reviews

Options
- Restock Services (Put Away)
- Pre-order Review
- Approval Workflow
- Scan-to-Web Punch Out Integration

Solution Suite

- Vendor Managed Inventory
- Customer Managed Inventory
- E-Procurement Integration

FUTURE:
- Vending Solutions
- Storeroom Management

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The Benefits of VMI

Reduction of inventory assets through usage tracking and purchase avoidance
Reduction of transaction costs, cost of ownership and space requirements
Improved business process/efficiency
Increased productivity, fill rate and accuracy
Barcode order replenishment system
Performance reports are reviewed on a quarterly basis

Estimated Financial Impact
$50,000/Year Stockroom

<table>
<thead>
<tr>
<th>Reduced inventory cost of ownership</th>
<th>$6,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced acquisition costs</td>
<td>$7,500</td>
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Annual cost savings - $13,500

Recent studies have shown that the cost associated with the acquisition and possession of goods can often exceed the cost of the goods themselves. On average, such costs are 41.5% of the purchase price. That fact is leading more organizations to re-examine their procurement practices in an effort to streamline procedures and cut costs.

Friedman Electric offers a solution that addresses the cost of inventory procurement, while improving service.

www.friedmanelectric.com