

SUPPLY NETWORK SURVEY

A Process Designed To Help Your Organization Better Understand & Control Your Supply Environment





Introduction

Executives across industries have set materials management as a strategic imperative on the corporate agenda. With the pressure to reduce costs, improve performance and quality, and counteract supply market volatility, companies have come to realize that they must adopt new strategies, processes, and supporting solutions to efficiently deliver their products to market. With the growing trend towards outsourced manufacturing, the vertically integrated enterprise has given way to networks of multiple tiers of supplier relationships. To manage this complex environment, companies are turning to Newview to deliver solutions that provide visibility and control of critical raw material activity throughout the supply network.

As a part of our value delivery process, Newview provides a series of initial assessments designed to help your organization understand (1) how you can reduce complexities around your raw material supply processes and overall supplier network configuration (2) the financial and strategic benefits (3) outline a course of action to achieve and exceed your company objectives.

The Supply Network Survey

This activity is a 2 to 3 day effort (both on and/or off site) designed to help you understand the potential value that Newview's solutions can deliver to your organization. Recommendations are formed through interviews with key members of the senior management team. Using aggregated operational data, as well as process maps and systems analysis, an informed perspective of the value proposition is presented upon completion.

Who Should Do This?

This approach is most valuable for customers that have limited visibility and control of materials across the Supply Network and want to explore the value that Newview's solutions can deliver to their organization. This Survey will help your organization start to structure and prioritize how Newview solutions can help you meet your material strategy and goals.

Supply Network Survey Objectives

- > Validate and support a mutual understanding of your materials environment, complexity, and strategy; current structure, relationships, commodities (type, form, etc).
- > To engage executives in conversations about their sourcing challenges, priorities, and impact on the supply network.
- > Gain an understanding of the key business processes, associated supporting infrastructure, and issues surrounding them.
- > Understand the key technical requirements required to support the Newview solution within IT environment.
- > Determine the hard dollar value potential of enhancing one or more of the processes with the enabling capabilities of Newview solutions.
- > Develop high level solution architecture to show how Newview will enable you to achieve your business objectives and capture the inherent value trapped at the 'bottom of the bill of materials'.

Key Deliverables

- > Key findings and observation with respect to your current operations.
- > Key business issues, cultural and technical barriers identified and documented.



- > Opportunity Assessment based on high-level operational data.
- > Path to value that outlines the major solution components typical implementation timeline and correlated benefits.
- > Basic understanding of how Newview Solutions enable unique and structural improvements to raw material procurement and the associated financial impact.

Engagement Approach:

The Site Survey process consists of five phases.

I. Planning & Preparation:

- > Pre-engagement conference call to clarify scope and objectives and solicit data
- > Gather and deliver requested data
- > Research and gain an understanding of current operations:
- > 1 day preparation, research and analysis of the publicly available and customer provided data
- > Public data (10k, annual report) and industry environment.
- > Unconsolidated income and balance sheets for specific area of focus (Division/BU)
- > Current process maps, any pertinent initiatives being run in the organization, Key Performance Indicators/Metrics and any other non-public information that will provide insight into the current performance levels in the focus area of the study.
- > Understanding of current IT environment

II. On-Site Interviews and Data Gathering:

Interviews with 4-6 key stakeholders from the following business/functional areas:

- > COO / Divisional General Manager / Global Supply Chain Director
- > Procurement VP / Commodity Management Team Leader
- > Materials Engineer / Design Engineer / Value Engineering Team Leader
- > CFO / Controller
- > CIO / IT Manager

Interview Arrangement Guidelines & Logistics

Listed below are some general guidelines regarding interviews.

- > The Site Survey team requires a dedicated meeting room to hold all interviews (with the exception of some of the executive meetings). The meeting room should be equipped with customary business tools, ie: LCD projector, whiteboard, etc.



- > Meetings should be scheduled for one hour where possible, respecting schedules. Exceptions may be executive meetings (shorter). A break between interviews is required to allow for overruns, to gather thoughts, and to prepare for the next interview.
- > Periodic reviews with the core team are necessary. During the course of the interview sessions, there should be planned sessions to review feedback with the core teams to validate direction and adjust the schedule as necessary.

III. Data Requests

Prior to the start of the Site Survey, we would like to obtain as much existing documentation as possible. Listed below are some of the areas for which the team would like to gather data, although the required data will vary depending on the project and type of company. If the data cannot be prepared before beginning, the suggested 'data source' should be included in the interview schedule. See "Appendix I" for typical data requests

We recommend tracking and identifying sources and status for the data in the format below.

Data/Information Item	Source / Status
Income Statement	
Balance Sheet	
Organization Charts	
Leadership / Number of people in organization	
Commodity Data (specs, forms, parts, suppliers, etc)	
See Typical Data Request in "Appendix I"	

IV. Value Analysis and Solution Development:

- > Analysis of findings and observations
- > Data analysis and Value Proposition development
- > Solution and technology architecture development
- > Implementation strategy, timeline and cost estimation (based on typical situation)

V. Presentation Development and Validation:

- > Draft presentation development
- > Executive Sponsor validation
- > Key findings and observations
- > Potential value
- > Solution proposal
- > Presentation



VI. Final Presentation:

- > Two hour presentation to the stakeholders on afternoon of Day 2 or at a predefined date within one week.
- > Site Survey findings
- > Value Proposition
- > Implementation Strategy and Value Discussion

VII. Sample Agenda & Timing:

Day One, Interviews

Time	Activity
8:00 to 8:30	Introduction of team members
8:30 to 9:30	First Interview (Procurement)
9:45 to 10:45	Second Interview (Value Engineering/Material Expert)
11:00 to Noon	Third Interview (Operations)
Noon to 1:30	Lunch / Interview Review and Data Collection
1:30 to 2:30	Fourth Interview (CFO)
2:45 to 3:45	Fifth Interview (IT Subject Matter Expert)
4:00 to 4:45	Review
4:00 to 4:45	Sixth Interview (Procurement/Sourcing Subject Matter Expert)
4:45 to 5:00	Open Follow-up and Data Collection
Evening	Interview Aggregation, Data Analysis

Day Two, Analysis and Presentation

Time	Activity
8:00 to 8:30	Review Interview Notes, 10k's, Annual Reports, and Opportunity Assessment Spreadsheet
8:30 to 10:30	Build first cut of the presentation
10:30 to 11:30	Executive Sponsor presentation review
11:30 to Noon	Lunch
Noon to 2:00	Presentation clean-up/modification
2:00 to 4:00	Client Présentation / Q&A

VIII. Typical Newview Team Structure:

A typical Newview team would include:

- > Strategic Consultant
- > Solution experts with specific industry knowledgeable and domain experience
- > Implementation consulting (remotely when required)



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Engaging Newview

Companies that have made a strategic commitment to pro-actively extending their influence and control throughout their Supply Environment have seen profound results. With the capability to systematically monitor and respond to factors that can both threaten performance and present opportunity, our clients leverage actionable 'Supply Network Intelligence' to safeguard earnings certainty, improve performance and deliver sustainable cost savings.

Getting to these results requires the ability to overcome the challenges of working with multiple data sources and incomplete or imperfect data. Newview Technologies has a proven set of capabilities, tools and techniques to streamline the data collection process, and extract insightful analysis that delivers value while working with 'best available' data. A unique combination of supply market expertise, practical 'hands on' business experience and technology allows our clients to navigate activities for quick and meaningful results.

For additional information or to learn more about how Newview can transform your Supply Network into a sustainable competitive advantage, please contact us by phone at +1 (817) 335-0300, via e-mail to results@newview.com or visit www.newview.com.

SOLUTIONS FOR THE GLOBAL MANUFACTURING ENVIRONMENT





Appendix I 'Typical Data/Information Requests'

Commodity Breakdown: By market (ie: N. America, Europe, Asia)

Market	Total Direct Commodity Value \$/Yr	Pct of Raw Material Content by Total Commodity Value	Comments
Stampings			
Tubing			
Forgings			
Fasteners			
Springs			
Machined Parts			
Metal Assemblies			
Other Metal Commodities			
Molded Plastic Parts			
Plastic Assemblies			
Other Plastic Commodities			

Supply Network Breakdown: Number of active suppliers for:

- > Metal Parts
- > Plastic Parts
- > Processed Raw Materials
- > Raw Materials

Raw Material Spend Breakdown:

Raw Materials	Sub-Tier Volume \$	Internal Volume \$	Opportunity Description
Carbon Flat			
Bar			
Stainless			
Aluminum			
Commodity Resins			
Engineered Resins			
Terminals / Connectors			
Other commodities			



Appendix I 'Typical Data/Information Requests'

Part/Material Data: Typical detailed material/part data request for a cross sections of parts:

- > Part ID
- > Part Description
- > Part part(s) – please designate parent level as (0 = top of BOM, 1 = next level down, through N levels)
- > Weight (kg)
- > Part Price
- > Primary Manufacturing Location
- > Material ID
- > Proprietary Specification
- > Industry Equivalent Specification(s)
- > Is Industry Equivalent Used?
- > Dimensional properties (thickness, width, length, diameter, wall thickness, outer diameter – relevant attributes are dependent on form)
- > Has initial processing (blanking) occurred prior to delivery?
- > Processing/value added process expected (+ cost and expected yield)
- > Chemical analysis
- > Usage (kg/year)
- > Inventory (Days of Supply)
- > Inventory location(s)
- > Customer for part or material
- > Customer location
- > Demand schedule performance (Mean Absolute Percent Error at raw material lead time)
- > Supplier of material
- > Supplier location
- > Price per kg/lb/ton (as relevant)
- > Nature of contract (LTA, spot)
- > If LTA, length of contract, terms
- > Quoted lead time / Quoted MOQ for material orders from current source