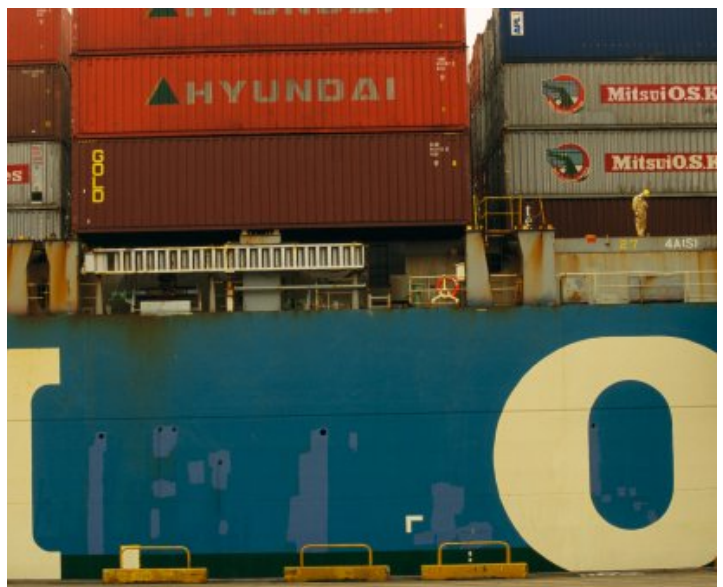


AUXIS™



Elevating your Sourcing and Procurement Impact

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According to a recent study, the most disciplined procurement organizations bring up to 30% more benefits to their companies at a fraction of the cost. This comes, in large part, from the high impact that improved sourcing and procurement efficiencies have on the business. Disciplined procurement organizations manage spend and suppliers with a focus on total cost of ownership. They know the cost dangers of an inefficient operation, and establish processes and controls to help them steer clear of those dangers.

Common Supply Chain Performance Inhibitors

- Conflicting corporate goals
- Poor communication
- Unreliable production
- High material costs
- Lower Supplier Competition
- Long lead times
- Low product /service quality
- Perpetuating the life of slow selling SKU's
- Lingering low margin SKU's
- Low inventory turns
- Out of stock inventory
- High transportation cost

Most companies will face one or more of the above dangers to their supply chain. However, this does not mean your corporate goals are unattainable. Auxis implements a solid plan of action to include Strategic Sourcing and Procurement,

Supplier Relationship Management, Spend Management and Low Cost Country Sourcing that will help your company not only meet, but also exceed its sourcing and procurement goals.

Strategic Sourcing and Procurement

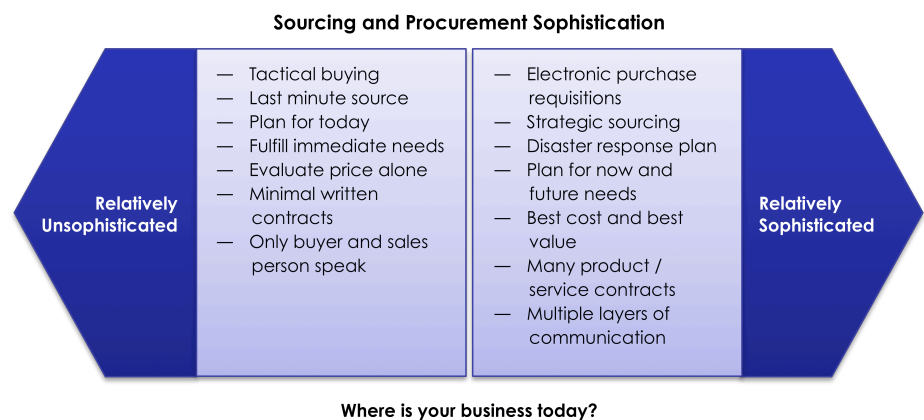
Does your company reactively buy what is needed for today, or do you proactively search for better ways to source products and services? Auxis has found that many companies simply procure for today without much thought about their future needs. This approach may work for relatively small-spend indirect products and services. However, for the 20% of the products and services that encompass 80% of your company's spend, this approach is far from ideal. Auxis will help your sourcing group conduct a supply and demand analysis, formulate effective strategies based on this

analysis, implement changes, and then monitor the plan to verify that you are getting the desired results. The plan should cover near term as well as long-term product and service needs.

The following graphic shows the maturity and sophistication characteristics of Sourcing and Procurement organizations:

Supplier Relationship Management

Do your suppliers treat you as a valued long-term customer or do you have more of a transactional relationship with your suppliers? Who is the "winner" in your supplier relationships? In reality, a strong supplier relationship benefits both parties. Through effective supplier management techniques, your company will be better situated to make the most of these relationships. Some of these



techniques include establishing key performance indicators for your suppliers, bringing other corporate functional groups into the management process, and working to link your supplier's success to your success. This brings the objectives from your supplier and your company closer together and therefore has your two companies working towards common goals. Auxis helps you to improve your supplier relationships and establish strong supplier partnerships.

Spend Management

Are your expenses unpredictable? Has your company established, and does it follow policies on who can order products and services, and to what limits? Without these governing policies, companies may have difficulties with budget predictability. Your company may be good at negotiating contracts, but if there is no enforcement on how and when to use and follow the contracts, you'll experience "Maverick Spend" and your contracts will not deliver to their savings potential. Our broad experience in establishing and implementing spend management policy change helps you to gain control of this critical function.

Low Cost Country Sourcing

Understandably, labor cost plays a major role in determining the price of products and services. Auxis has

extensive experience working in low cost countries where labor is significantly less than in the United States. While sourcing from these countries may add logistics cost, this added cost may be insignificant compared to the savings associated with the lower cost of labor. Additionally, some regions have developed a reputation for producing specific products so their large volumes are produced at high quality levels. No matter the decision on where to source, there are many factors to consider including tariffs, safety, and lead times so carefully consider your approach and create a solid backup plan. Be sure that your approach seeks the best total landed cost so as not to omit a critical cost component in sourcing your products or services. Auxis helps you to navigate these complex global waters to ensure your analysis is thorough and brings with it optimal and predictable results.

Why Auxis

Auxis is a management consulting firm dedicated to enabling growth for our customers. We offer a multi-disciplined approach to develop and implement practical, robust and scalable solutions that generate superior business performance, providing significant competitive advantages to our clients. Our core belief is that our success should be measured by

tangible and sustainable financial results. Simply put, Auxis helps clients prosper.

Our team averages more than 15 years of real world industry experience. This differentiates us from the rest, as we have been in your "shoes" and understand your challenges.

Auxis' Supply Chain team understands that a good plan is only half the story. What really matters is your company's bottom line impact from our work. Just ask our clients how our practical and results-focused initiatives have helped them. Our holistic, practical approach to supply chain excellence results in solutions that transcend business functional boundaries and achieve corporate objectives.

Auxis can help you to adapt your supply chain for the benefit of your customers, business partners, and shareholders through service offerings such as sourcing and procurement, strategic evaluation, network design, provider selection and deployment, and IT supporting infrastructure, selection, and deployment.



Auxis is a management consulting firm that creates value by enabling growth for its customers. We offer a multi-disciplined approach to develop and implement practical, robust and scalable solutions that generate superior business performance, providing significant competitive advantages to our clients. Our core belief is that our success should be measured by tangible and sustainable financial results. Simply put, Auxis helps clients prosper.

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