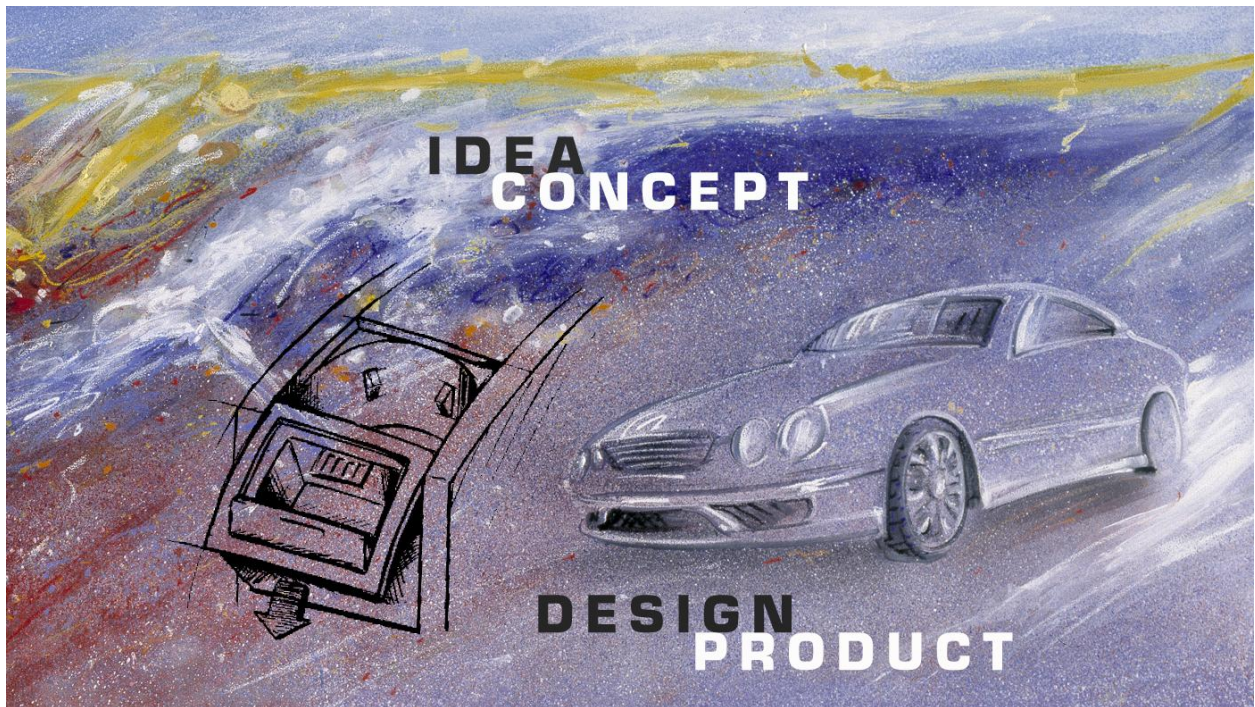


# FISCHER AUTOMOTIVE SYSTEMS

# IDEAS

**Innovation Drives Excellence, Achievement and Savings**

# fischer



**PURPOSE - SCOPE - WHY - HOW - WHO - PROCEDURE - ROLES**

# PURPOSE

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**The purpose of the fischer IDEAS program is to encourage supplier-initiated cost reduction and improvement suggestions. IDEAS will help create an environment that promotes open communication and mutual benefit between fischer, its suppliers, and its customers.**

**With its suppliers, fischer will:**

- **Continually build and improve supplier relationships**
- **Innovate new product concepts and processes**
- **Eliminate waste**
- **Improve quality**
- **Reduce cycle times**
- **Embrace ongoing continuous improvement**
- **Build mutual trust**

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A U T O M O T I V E S Y S T E M S

# SCOPE

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**Work with all suppliers to maximize our collective success.**

# WHY

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- **Our marketplaces demand improved quality, the elimination of waste, lower costs, and continuous improvement.**
- **Intense global competition requires fischer, its suppliers and customers work together to mutually build competitive advantage.**
- **Supplier expertise and creativity is a valued resource that contributes substantially to the success of fischer and its customers.**

- **Supplier innovation in new products and technologies extends fischer's capabilities in helping provide customers with cost-effective solutions.**



## A U T O M O T I V E S Y S T E M S

- **Fischer's diverse businesses require a uniform, fact based program equitable to all suppliers.**
- **Fischer seeks a forthright, trustworthy supplier relationship with candid dialogue that enhances the company's drive toward continuous improvement.**
- **Innovation Drives Excellence, Achievement, and Savings.**

# HOW TO ACHIEVE SAVINGS WITH IDEAS

**Cost reduction and improvement IDEAS in all areas including:**

## **Thought Provokers/Enablers**

### **Product Design**

- **Content**
- **Design**
- **Materials**
- **New Technologies**
- **Optimization of Validation or Test Requirements**
- **Reliability**
- **Recyclability**

### **Manufacturing Improvements**

- **Cycle-Time Reduction**
- **Inventory Reduction**
- **Process Improvement**
- **Volume Efficiencies**
- **Tooling**

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A U T O M O T I V E S Y S T E M S

### **Business and Administrative Improvements**

- **Payment Terms**
- **Communication**
- **Fischer Administrative Practices**
- **Complexity Reduction**

### **Logistics**

- **In Bound/Out Bound Freight**
- **JIT Delivery**
- **Packaging**
- **Re-Usable Containers**

### **Sourcing Strategies**

- **Integrated Supply Base**
- **Supplier Optimization**

### **Quality**

- **Warranty**
- **Other Cost of Quality**
- **Local Quality Initiatives**

# WHO

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**The fischer Management Team is committed to supporting this program with resources within our organization and will include professionals from areas such as:**

- **Purchasing**
- **Product Engineering/Design Engineering**
- **Manufacturing Engineering**
- **Finance**
- **Quality**
- **Materials Management/Logistics**
- **Human Resources**
- **Manufacturing Operations**
- **Program Management/Sales**

**This program requires the same commitment from our suppliers' organizations.**



A U T O M O T I V E S Y S T E M S

# HOW

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- **Present a new proposal every time you see your buyer.**
- **Do not see engineering without discussing your IDEAS.**
- **Use VA/VE techniques.**
- **Use continuous improvement techniques.**
- **Use benchmarking.**
- **Act on IDEAS**

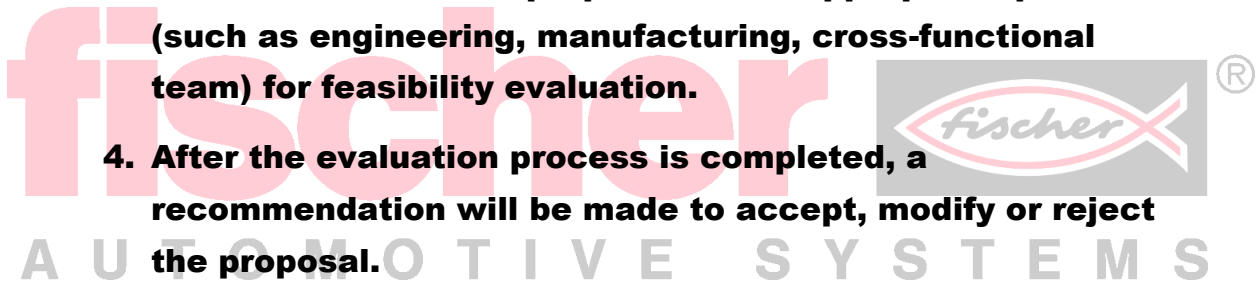
**WINNERS DO IT**

# PROCEDURE

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**Below is a typical sequence of events for the submission and approval of IDEAS. Eventually, this process will become more spontaneous and less sequential.**

- 1. Suppliers document proposals for improvement and cost reduction to fischer using the IDEAS Form. The form is to be submitted to fischer purchasing. The purchasing function will champion the supplier's proposals.**
- 2. Fischer purchasing will assign an IDEAS control number, and log the proposal into the fischer data base.**
- 3. Fischer will send the proposal to the appropriate person (such as engineering, manufacturing, cross-functional team) for feasibility evaluation.**
- 4. After the evaluation process is completed, a recommendation will be made to accept, modify or reject the proposal.**
- 5. The evaluator will return the proposal to purchasing with a recommendation.**
- 6. If the recommendation is to accept the proposal, purchasing will review the appropriate person to determine if customer approval/notification is required. If required, sales/engineering will obtain customer approval.**
- 7. Proposal is submitted to finance for concurrence of projected savings and credit.**
- 8. Purchasing will communicate decision to the supplier. Implementation timing will be agreed upon.**
- 9. Credit is given when IDEAS are approved.**



# PURCHASING'S ROLE

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- **Champion supplier proposals within fischer.**
- **Track performance.**
- **Conduct regular meetings with supplier.**
  - **Review status of open proposals.**
  - **Review performance against objectives.**
  - **Resolve open issues.**
- **Coordinate cross-functional activities.**



## SUPPLIER'S ROLE

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- **Champion your IDEAS.**
- **Initiate proposals and IDEAS for improvement.**
- **Develop action plan to accomplish IDEAS.**
- **Provide appropriate documentation, such as preliminary drawings and testing.**
- **Review with appropriate fischer personnel.**
- **Review progress with fischer purchasing on a regular basis.**

# FLOW CHART

