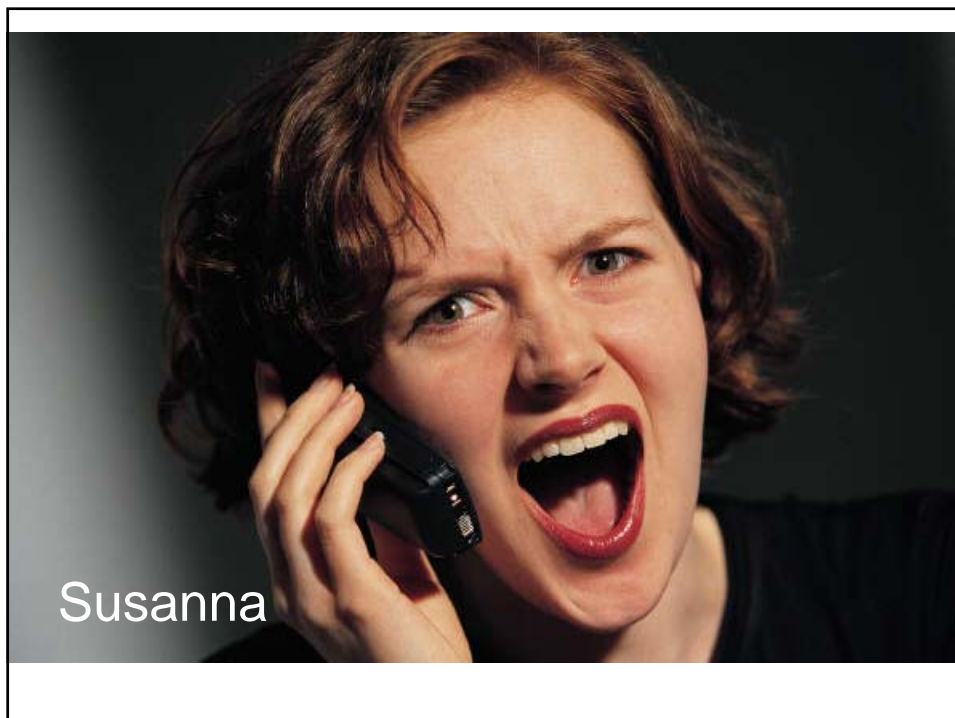


SANDVIK

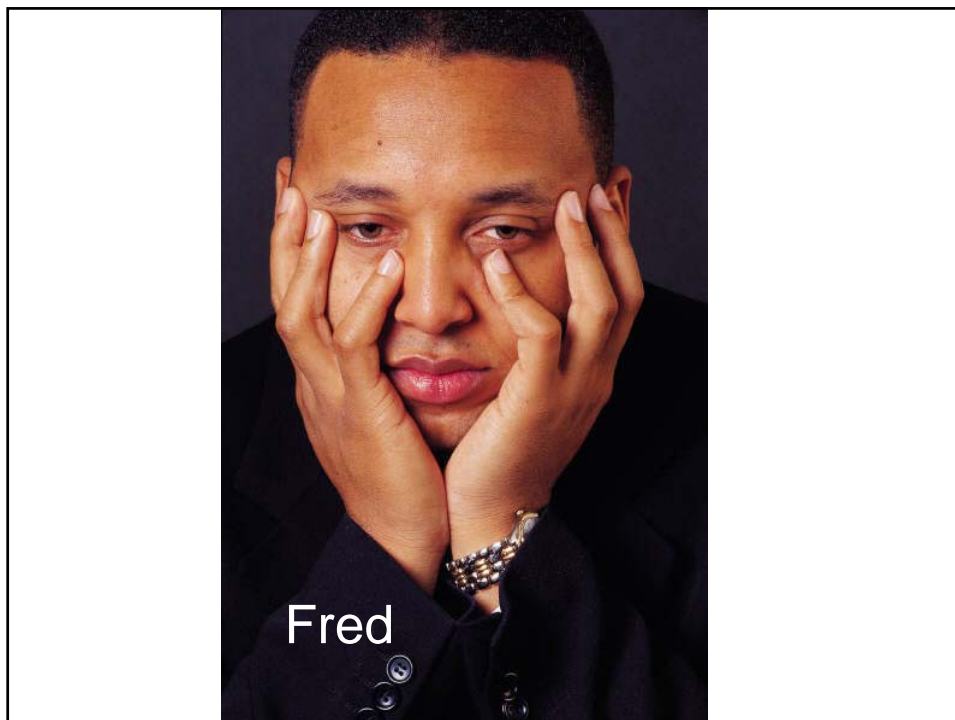
Jan Sörlien Order To Delivery



Sandvik Tooling



Susanna





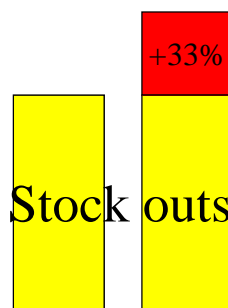
Delivery service and Value selling

Stock out costs, what are they?

- **1% downgrading of stock out**

- Lets use a change from 97% stock availability to 96%....
- Seems like a minor downgrade of service,.... just one percent, but....

...in this case 1% means a 33% increase in stock outs..... from 3% to 4%.



One percent in stock out for all Tooling means over 100.000 orderlines per year.

Delivery service and Value selling

Stock out costs, what are they?

- *It's also a 33% increase of exposure/risk for customers to try other suppliers when we are stock out.*
- *Where does the customer place his next order after this... and the next?*

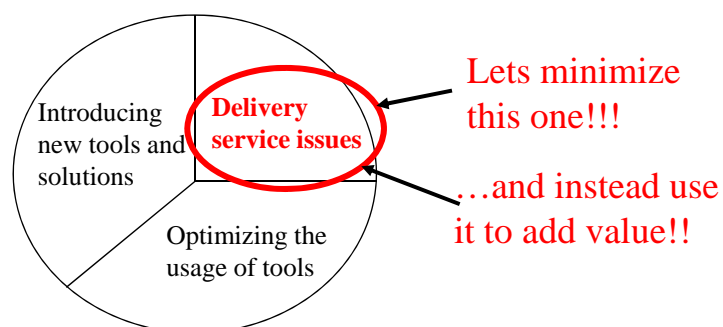
It is very difficult to put a sharp value to all above in terms of badwill and lost opportunities..... the real cost is probably quite high though.

Sandvik Tooling



Delivery service and Value selling

- Face to face time with customers:
 - We have an agreed timeslot with the customer...



- **We don't get more face to face time if we have to spend a lot of time talking about delivery issues.**

Sandvik Tooling



