Rexnord
TrueCommerce Datalliance Platform

Rexnord Helps Key Distributor Partner
Increase End-Customer Service Levels
with Vendor Managed Inventory

SUMMARY
**More Connected. More Supported.
More Prepared for What's Next.**

➤ Rexnord committed to VMI
  as a key component of the
  company's partnerships
  with distributors, to
  improve mutual sales and
  profitability

➤ Rexnord's VMI program has
  collaboratively improved the
  key metrics of increased fill
  rates and reduced stockouts

➤ TrueCommerce Datalliance
  platform makes VMI easy
  and effective

VMI DELIVERS RESULTS

In first year of the Rexnord VMI program with one key distributor:

➤ Overall end-customer fill rates increased 4.9 points to 94.5 percent

➤ Fast-mover fill rates increased to 98.6 percent

➤ Stockouts reduced 82+ percent for fast movers, 47+ percent for moderate movers, and 23+ percent for slow movers

"VMI makes inventory management much easier and a more collaborative process with our distributor partners. The collaborative structure of our VMI program takes the guesswork out of replenishment."

Kurt Drier
Director, eBusiness,
Rexnord

WHAT IS VENDOR MANAGED INVENTORY?

Vendor Managed Inventory (VMI) is a streamlined approach to inventory management and order fulfillment. VMI involves collaboration between a supplier and their distributors which changes the traditional ordering process.
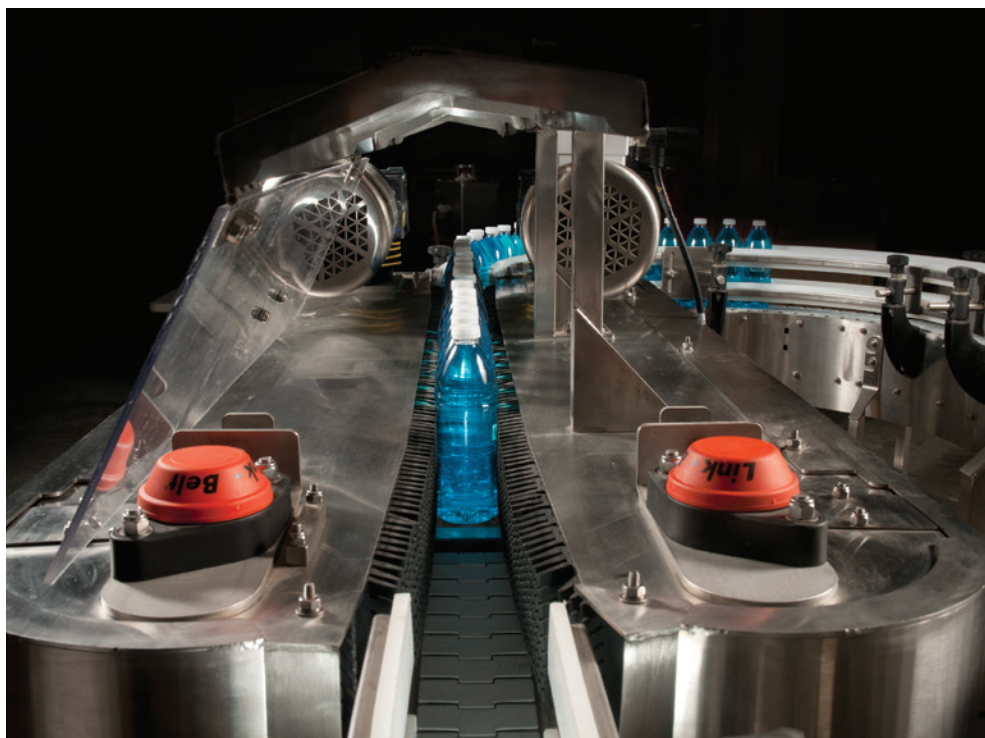
Instead of sending purchase orders, customers electronically send daily demand information to the supplier. The supplier generates replenishment orders for the customer based on this demand information. The process is guided by mutually agreed upon objectives for the customer's inventory levels, fill rates, and transaction costs.

The goal of VMI is to align business objectives and streamline supply chain operations for both the suppliers and their customers. The business value is a direct result of increased information flow: improved inventory turns, improved service, and increased sales.

VMI: AN IMPORTANT ASPECT OF REXNORD SERVICE TO DISTRIBUTORS

Rexnord has used the TrueCommerce Datalliance VMI platform since 2009 within its Process & Motion Control platform (PMC) — specifically for its power transmission products. The company's VMI program aims to deepen distributor partnerships by driving inventory management efficiencies while meeting and increasing mutual end-customer sales. By streamlining inventory management and replenishment processes, VMI has consistently improved service levels for Rexnord and its distributor partners.

Additionally, VMI makes Rexnord products more profitable for distributors and provides a foundation of shared information that creates potential for joint sales programs.

"VMI makes inventory management much easier and a more collaborative process with our distributor partners," says Kurt Drier, Rexnord Director, eBusiness. "The collaborative structure of our VMI program takes the guesswork out of replenishment."

Most importantly, VMI enables high customer service while maintaining optional inventory levels across the full range of fast-, moderate- and slow-moving items. Because it helps optimize inventory levels to meet and even grow end-customer demand while keeping costs down,

VMI has proven to strengthen partnerships. Rexnord has implemented its VMI program with leading industrial distributors.

EXAMPLE SUCCESS

The most recent Rexnord VMI partnership is with one of Rexnord's largest distributor partners. The results within the first year with this distributor demonstrate an example of Rexnord's overall VMI program success.

Rexnord initiated its VMI program with this distributor in late 2012 with one of their largest distribution centers as the pilot. After one year, the overall end-customer fill rate for Rexnord products was increased 4.9 points to 94.5 percent, with fast movers increasing to 98.6 percent. Over the course of the first year, VMI enabled Rexnord to collaboratively attain the balance of inventory availability and movement the distributor needed.

"In the first six months, VMI significantly reduced inventory and increased turns, but we both wanted a greater improvement in service levels," says Mark Ganser, Rexnord eCommerce Specialist and Manager of the Rexnord VMI program with this distributor. "As a result, over the second six months, we worked together to adjust our planning parameters to achieve significant reductions in stockouts."
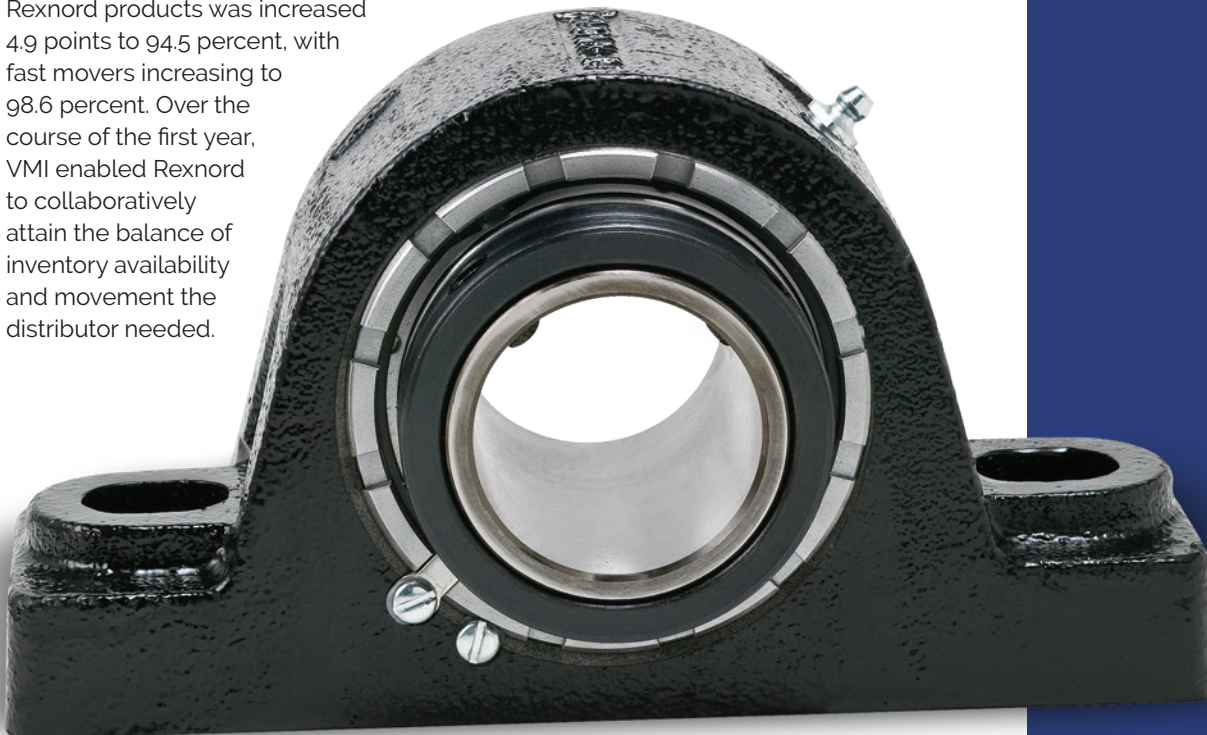
After the initial six months, the distributor was so confident with Rexnord's VMI process that they authorized Rexnord to place normal replenishment orders without their review, and simply requested notification of delayed orders or exceptional situations.

"The Rexnord VMI program has delivered significant benefits," says the distributor's DC Inventory Planning Manager. "We've greatly improved our customer fill rates and our overall inventory metrics are very good. Most importantly, we now spend far less time managing Rexnord products because we're confident that the VMI process works well."

""The cloud-based platform and implementation processes are much simpler for both our distributor partners and us. Additionally, the TrueCommerce Datalliance team is very skilled at integrating with distributors, so we can be up and running with a new program very quickly."

Kurt Drier
Director, eBusiness,
Rexnord

ABOUT REXNORD

Rexnord is a leading worldwide industrial company comprised of two strategic platforms: Process & Motion Control (PMC) and Water Management. Within its platforms, Rexnord serves a diverse array of growing, global end markets by offering the broadest product portfolios and trusted brands in its industries.

Besides improving the distributor's customer service levels, Rexnord's VMI program has increased their overall inventory management capacity without adding any additional resources.

TRUECOMMERCE DATALLIANCE VMI AS THE PLATFORM

Rexnord chose TrueCommerce Datalliance as the platform for its VMI program based on TrueCommerce Datalliance's expertise, and because many of Rexnord's distributor partners were either already familiar with, or actively using Datalliance VMI solutions.
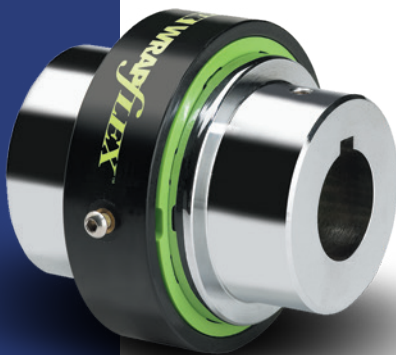
"The cloud-based platform and implementation processes are much simpler for both our distributor partners and us," explains Drier. "Additionally, the TrueCommerce Datalliance team is very skilled at integrating with distributors, so we can be up and running with a new program very quickly."

WHAT'S NEXT FOR REXNORD'S VMI PROGRAM

"VMI helps deepen our distributor partnerships," says Drier. "It streamlines the supply chain, increases responsiveness to the ups and downs of customer demand, and makes the replenishment process more predictable. As a result, we spend more time working with our distributor partners on mutual growth programs."

Rexnord continues to grow the company's VMI program as more distributors express interest and participate in the program.

ABOUT TRUECOMMERCE

TrueCommerce is the most complete way to integrate your business across the supply chain, integrating everything from EDI to inventory management, to fulfillment, to digital storefronts and marketplaces, to your business system and to whatever comes next. That's why thousands of companies across various industries rely on us.

**TrueCommerce.
Do business in every direction.**

THE TRUECOMMERCE DATALLIANCE TEAM IS HERE TO HELP!

If you have any questions regarding TrueCommerce Datalliance and VMI, or how it applies to your business, our passionate, focused team is here for you.

Call us today at 513.791.7272

www.datalliance.com

TrueCommerce™ | Do business in every direction