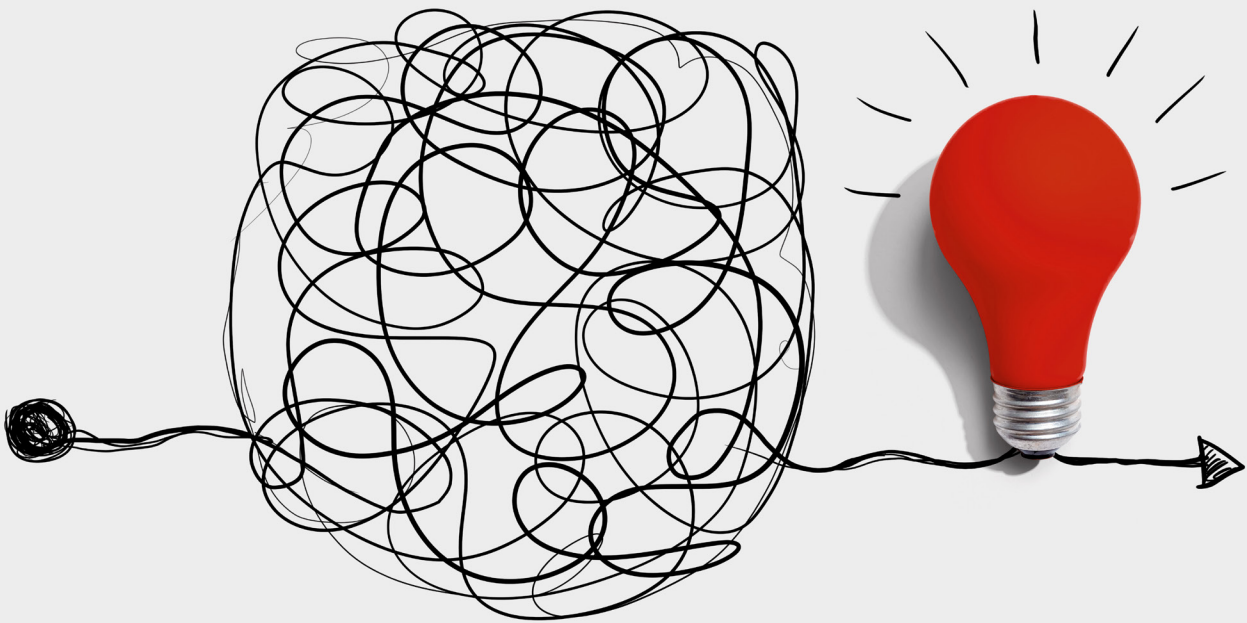


WÜRTH BUSINESS SERVICES

JOURNAL



FOREWORD

Dear colleagues from around the world,

One of the interesting subjects in this WBS Journal is about Material Resource Planning (MRP). It plays a crucial role in optimizing inventory levels, streamlining processes and ultimately enhancing overall operational efficiency. Recognizing the complexities involved in MRP implementation and the need for specialized expertise, many companies are turning already to our professional team in India for outsourcing this critical function. Outsourcing MRP to India offers a multitude of benefits, including cost-effectiveness, access to a highly skilled workforce and scalability. This allows your business to focus on your core competencies while leveraging the expertise of experienced professionals to drive and support your material resource planning initiatives forward. Let's explore some of the key advantages in more detail in this WBS Journal. Enjoy the read. WBS....we make it easy!

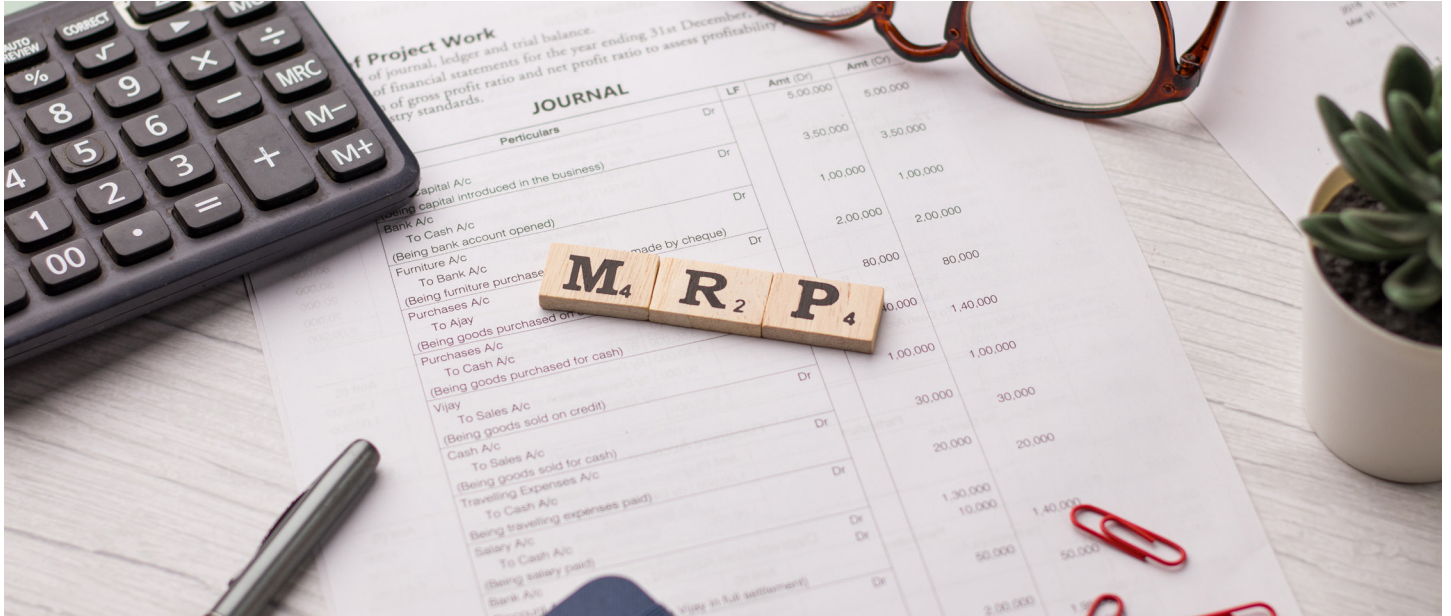


Best regards,
NORMAN DENTEL
CEO

Würth Industrial Services India Pvt. Ltd.



INDUSTRY INSIGHTS: MATERIAL REQUIREMENT PLANNING FOR OPERATIONAL EXCELLENCE



To maintain smooth production schedules and meet customer orders on time, companies must ensure sufficient material quantities. Shortages in raw materials or sudden increases in customer demand can disrupt operations, leading to financial losses and customer dissatisfaction. In short, the operational excellence depends upon Material Requirement Planning (MRP).

Let us see how crucial the role of MRP is. With MRP implementation, companies are able to carry out effective production planning. They will possess the required quantity of materials at hand to run the production operations smoothly.

The proper production planning leads to an increase in production output by nearly 20%.

- Aberdeen Group

With increased production output, a company does not miss out on sales opportunities and achieves customer

satisfaction by serving them in a timely manner. Proper production planning leads to optimized resource utilization and streamlined operations. Such factors, in turn, becomes crucial endeavors to enhance overall efficiency and operational excellence.

Let us reverse the scenario. Consider there is no implementation of MRP. As per the survey conducted by Deskera, nearly 78% companies faced issues related to inventory control if there are no MRP practices. These inventory control issues lead to either missed sales opportunities or overstocking. In short, financial losses. This is why MRP implementation is crucial.

The Purchasing Support Department at Würth Business Services executes the different processes involved in MRP. Availing support in executing MRP processes will enable you to focus on core operations. To know more about the MRP processes we offer and how we add value to your business, kindly refer to the next articles.

Leverage our expertise and experience in handling different MRP processes and achieving operational excellence. Kindly get in touch with our representative.



Bhavna Alimchandani

Associate Manager and Controller - Purchasing, Würth Business Services
bhavna.alimchandani@wuerth-industrie.com

PURCHASING: MATERIAL REQUIREMENT PLANNING



In the previous article, we discussed the benefits of Material Requirement Planning (MRP). However, the MRP process involves numerous steps, ranging from negotiating prices with suppliers to resolving discrepancies. This process demands time and the involvement of multiple employees. But what if you could bypass all these steps? Simply state your requirements, and let us handle the rest. Our Purchasing Support Team at Würth Business Services will manage the end-to-end process for you.

Once you update the demand in the Enterprise Resource Planning (ERP) system, our team takes over. We note down the details, such as article name, quantity and deadline. Then we send inquiries to Würth Industry approved suppliers only. We receive offers from them and check the lead time & prices to determine the best supplier.

The supplier that will deliver the required quantity of articles in the shortest lead time and at the lowest price is selected.

We place the Purchase Order (PO) with the selected supplier. Upon PO placement, we request an Order Confirmation (OC). After receiving the OC, our team verifies its details. With successful verification, the OC is processed and attached to the PO. As shipment is ready for shipping, we receive delivery status details. A week prior to delivery, our Expediting Team sends reminder emails to the supplier. When shipment arrives at the warehouse, our team compares delivered quantities and specifications with the PO. Any discrepancies are addressed by coordinating with the supplier. If no issues arise, articles are booked under the respective PO. Finally, we send an approval to the Accounts Department of customer to make payment for PO.

Transferring the process to us brings benefits beyond time savings. If the selected supplier lacks the required quantity, we negotiate with other suppliers for partial quantity at competitive prices, ensuring cost savings. Our Purchasing Support Team fosters strong relationships with suppliers. Our support improves overall operational efficiency for your business.

Leverage our expertise and experience in executing the MRP process. Kindly get in touch with our representative.



Bhavna Alimchandani

Associate Manager and Controller - Purchasing, Würth Business Services
bhavna.alimchandani@wuerth-industrie.com

PURCHASING: WÜRTH INDUSTRY SOURCING



As we execute the Material Requirement Planning (MRP) process for you as mentioned in the previous article, one of the major steps in the process involve "Sourcing". From sending quotation requests to suppliers to forwarding the best offer to you, the Purchasing Support Team at Würth Business Services carries out the "Sourcing" process. In this process, we receive the requirement from you, forward it to various Würth Industry approved suppliers only and send the best offers to you.

Unlike MRP process, we do not select the best supplier in the "Sourcing" process, we only send the best offers to you.

We receive article requirements from your company's Internal Sales Department in Enterprise Resource Planning (ERP) system. The requirements mention the quantity,

specifications and deadline for required articles. Based on the requirements, we send the Request for Quotation (RFQ) to the list of Würth Industry approved suppliers. These suppliers send their offers based on RFQ. We assess those offers and negotiate with them. Upon negotiating and achieving the competitive prices, we send the best offers to you.

This way, we save your time in analyzing the offers and deciding the most suitable supplier. Along with this, you can get articles at the competitive pricing, not to mention, in the lowest lead time. So, cost saving is also an added benefit. Furthermore, we co-ordinate with suppliers and solve discrepancies if they occur during the process. Transferring the "Sourcing" process to us will enable you to focus on core tasks while we shortlist the best suppliers. This way, you can boost overall operational efficiency.

Leverage our expertise and experience in the "Sourcing" process. Kindly get in touch with our representative.



Bhavna Alimchandani

Associate Manager and Controller - Purchasing, Würth Business Services
bhavna.alimchandani@wuerth-industrie.com

FREQUENTLY ASKED QUESTIONS



Q. What will you do if the articles are available in the partial quantity with the best supplier?

A. We will place the order for the partial quantity of articles. For the remaining quantity, we will negotiate the prices with the second-best supplier. If the supplier gives the quotation within our budgetary price range, we will place the order. Else, you will make the final decision about the order.

Q. What will happen if there are discrepancies in the Purchase Order (PO)?

A. We thoroughly check the details in the PO. If we find any discrepancies, we co-ordinate with suppliers and solve the discrepancies to ensure that the correct orders are placed.

Q. What role does "Sourcing" play in the supply chain?

A. "Sourcing" is the first step in the supply chain process. It involves identifying, assessing, managing and collaborating with Würth Industry approved suppliers to create reliable supply sources for procuring articles within the required timeframe.

EXTRA MILE: COST SAVINGS THROUGH CLEVER NEGOTIATION STRATEGIES



As we have learnt from previous articles, the MRP process is expansive and intricate. With so many steps and a long duration involved, transferring this process will save considerable number of hours and costs for your company. While exploring various ways to add value to your businesses, we discovered that negotiating prices while selecting the best Würth Industry approved supplier can save a significant cost for you. The Purchasing Support Team at Würth Business Services decided to go an extra mile in finding the best supplier.

Here is the catch. We do not select the best Würth Industry approved supplier based on the offers received from them. Even after receiving the offers, we try to negotiate and then find the best supplier. This is because we consider it our duty to go extra mile for our customers and add value to their businesses in whichever way possible.

While negotiating, we utilize different and clever strategies of negotiations. The first negotiation strategy we use is bulk buying, in which we ask suppliers if we can buy the article in bulk at a lower amount per article. Furthermore,

we try a contract-making strategy, in which we negotiate the price by signing a contract with the specific supplier. Another strategy involves mentioning our target price for a particular article and negotiating with a supplier to lower the price. All of these strategies led to remarkable outputs and lowered the prices for which we procured the articles.

The Purchasing Support Team achieved a substantial cost savings of nearly 25,827 € during the second quarter of 2023.

These savings not only positively influenced the company's financial performance but also played a crucial role in fortifying long-term relationships with our customers' suppliers. They improved our bottom line and positioned us for continued success in the procurement landscape. In recognition to this, Würth Business Services awarded the Purchasing Support Team with the "Team of the Month for June 2023" award. We remain committed to add value to the customers' businesses by going an extra mile and aim to achieve customer satisfaction.

Since the foundation of Würth Business Services, going an extra mile for customers has always been the mantra. Kindly get in touch with our representative for assistance in different Purchasing processes.



Bhavna Alimchandani

Associate Manager and Controller - Purchasing, Würth Business Services
bhavna.alimchandani@wuerth-industrie.com

E-LEARNING: EFFECTIVENESS OF VIDEO-BASED CONTENT IN E-LEARNING



With advancements in technology, the way of learning is transforming. The textbook-based, classroom-based and training sector-based learnings are taking a backseat in the corporate sector and innovative methods of E-Learning are making their way. One of the innovative methods is the video-based learning. From giving multi-sensory experience and improving engagement to simplifying complex concepts and helping in retaining more information, video-based learning proves to be a better option compared to other types of learning mentioned before.

People retain only 10% information with text- and audio-based learning; while, they are able to retain nearly 65% of information with video-based learning.

These statistics show why including video-based modules in E-Learning modules and courses is of paramount importance. Most people are visual learners. Providing visually-stimulating experience with the integration of different animations, graphics and sound effects is possible. This will increase engagement, rate of retention and understanding. The E-Learning Team at Würth

Business Services develops different types of video-based E-Learning modules and courses. They are as follows:

Whiteboard animation video: Videos that narrate through dynamic images drawn on a whiteboard.

Explanatory video: A short video that communicates a specific idea or explains a topic in a simple way.

Promotional/marketing video: A short video ranging from 30 seconds to 3 minutes to promote products, services or events.

Green screen video: A video technique that a topic or subject is filmed with a green background, however, this green background can be replaced if required.

Infinite zoom video: A video technique in which the camera zooms into a section of an image, delivering content at different levels of magnification.

Besides being a cost-effective tool, video-based learning fosters engagement by providing employees with both formal and informal learning environments. It also offers accessibility and flexibility. As technology continues to advance, the future of video-based learning seems promising.

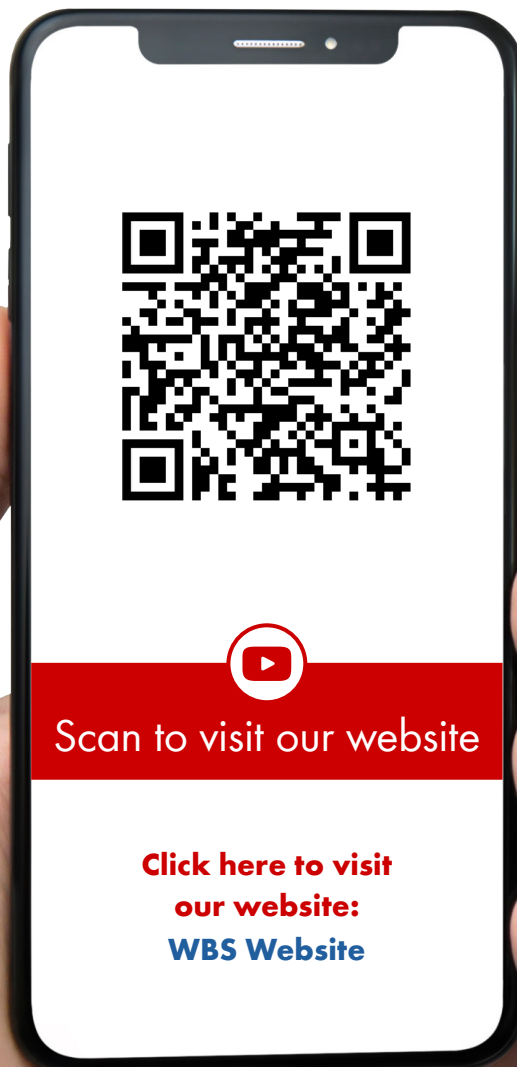
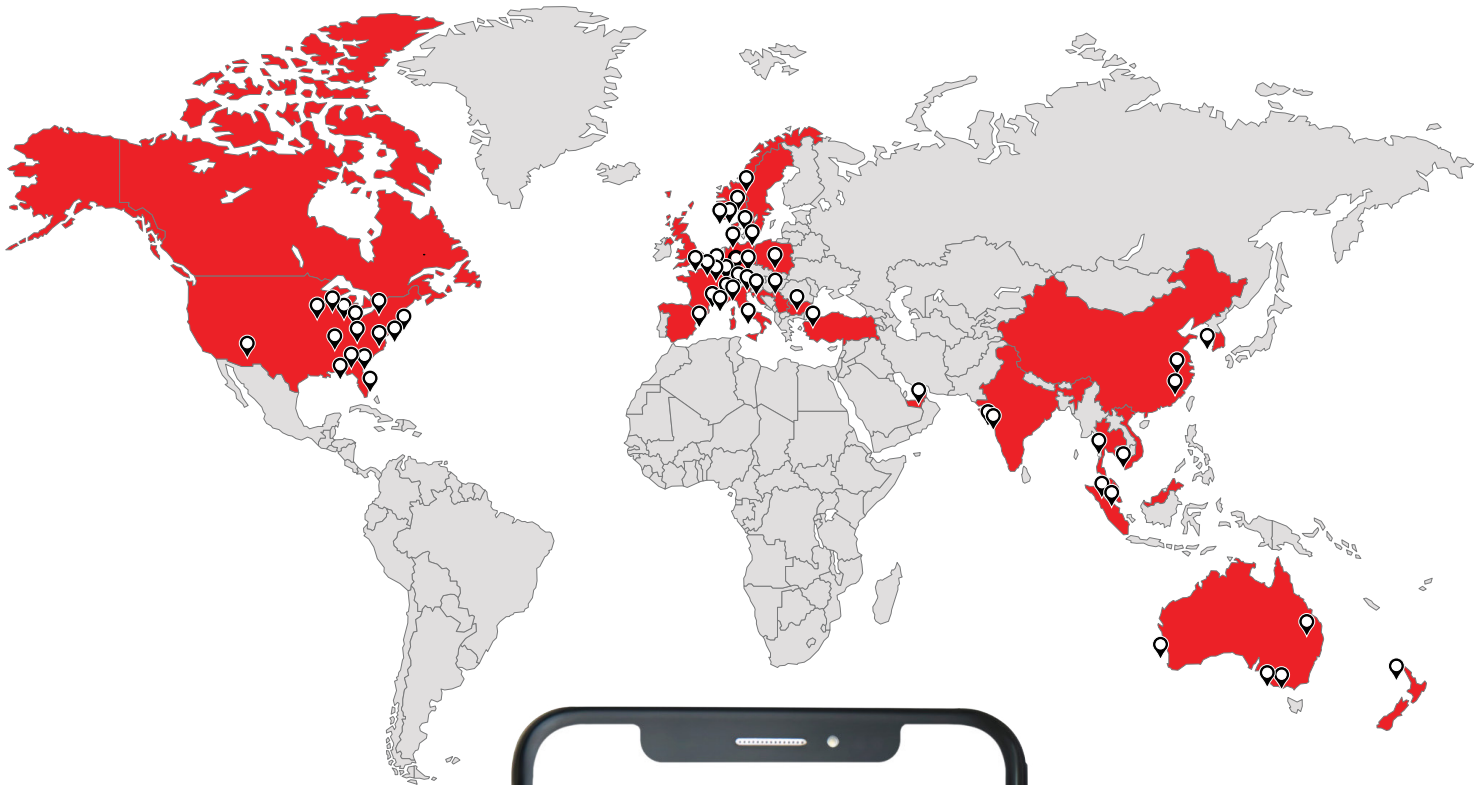
Leverage our expertise and experience in availing video-based E-Learning modules and courses. Kindly get in touch with our representative.



Darshana Bhandar

Senior Team Lead - E-Learning Specialist, Würth Business Services
darshana.bhandar@wuerth-industrie.com

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