



**MRO PROCUREMENT AND
INVENTORY MANAGEMENT:**
MANAGING A STRATEGIC PARTNERSHIP

Ferguson Industrial renewed a long-standing Aerospace & Defense contract for Supply Chain Services—including purchasing and inventory management of MRO Products.

Our focus is on reducing total cost of ownership and increasing efficiencies through comprehensive reporting, strategic sourcing and a detailed understanding of the supply chain.

PERFORMANCE HIGHLIGHTS

- Improved total cost of ownership through:
 - Leveraged pricing agreements
 - Inventory consignment
 - Reduced administrative costs
- Increased product availability
- Reduced down-time related to stock-outs
- Provide service with a sense of urgency

\$3M

3-YR TCO SAVINGS

11.13%

YTD TCO SAVINGS

85

LEAN / VSM PROJECTS

BENEFITS OF OUR PARTNERSHIP



Strategic MRO Purchasing and Inventory Management

Leveraging a \$30 billion supply chain and manufacturer-direct relationships



Customized Reporting and Data Management

Providing data-driven insights to help enable business decisions and effectively manage budgets



Total Cost of Ownership

Performing comprehensive assessments to uncover additional opportunities to meet your cost savings goals year-over-year



Customer Service and Technical Support

Offering a dedicated account team who are pro-active, providing ongoing communications and delivering consistent, high-quality services



Continuous Improvement

Striving to be a strategy for our customers as opposed to just another supplier. This means continuously identifying better parts, processes, and systems to drive efficiencies across your supply chain

VALUE PROPOSITION

Ferguson Industrial leads the industry with best-in-class people, products, and processes. As a true partner, our customers benefit from reduced costs, streamlined processes, and continuous improvements.



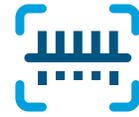
PROCUREMENT

Replenishment One-Time Buys Invoicing



INVENTORY

Planning Standardization Disposition



DISTRIBUTION

Storeroom Management Dispensing Machines Kanban, Barcoding, VMI



SOURCING

Strategic Planning Productivity Projects Negotiating Agreements



ANALYTICS

Content Management Spend Assessment Reporting Quality Data



THREE PERFORMANCE GOALS:

1. Unparalleled Customer Service

- Customer Survey: over 90% of participants would recommend Ferguson Industrial
- Established 3PL warehouse exclusively for inventory storage and deliveries

2. Year-Over-Year Cost Savings

- Over \$3M documented cost savings over past 3 years
- Delivered 11.13% YTD cost savings for the customer

3. Continuous Improvement

- Facilitate Lean projects and VSMS to streamline processes
- Lunch and learn with key suppliers to identify cost and process improvement opportunities

In order to be effective, each program is customized to meet site specific needs. We welcome the opportunity to conduct a no-cost site assessment where our team can provide an overview of our capabilities, tour your facility, and meet with key stakeholders to further understand both short- and long-term goals for the site.

If there appears to be a fit, the next step would be an in-depth functional interview process, where we would seek to get a detailed understanding of current site processes, with a goal of end-to-end optimization.

CUSTOMER PERFORMANCE SURVEY



25+ YEARS OF COLLABORATIVE PARTNERSHIP

- Annual cost savings initiatives
- Inventory optimization and consignment
- Full visibility to supply chain
- KPI monitoring and reporting

“Our success is highly dependent on the efforts and contributions of our supplies. We expect our suppliers to deliver value to us and our customers by providing the highest quality products delivered on time and at the best value. Meeting our requirements enables us to produce the high-quality products our customers have come to expect. Exceeding our expectations demonstrates Ferguson’s commitment to excellence and we appreciate the outstanding support and value you provide to our business and our customers.”

- **Executive Vice President / President, Aerospace & Defense Customer**

“Ferguson has been a long-term strategic supplier for our Missile Products business unit (multiple plants) providing excellent value in MRO supply (VMI and 3PL services). I would highly recommend them to you as a service provider for your MRO needs across your Flight Systems Division.”

- **Vice President Supply Chain, Aerospace & Defense Customer**

“We’re fortunate to have a great relationship. We have a predictable and dependable partner that provides us with consumables and many various spot-purchased items that support our day-to-day operations.”

- **Aerospace & Defense Customer**

REQUEST A CONSULTATION

Connect with us to learn more about our capabilities

- Phone Interview
- Site Assessment
- In-depth Functional Interview
- ROI Model

We welcome the opportunity to conduct no-cost site assessments, engage with key stakeholders, and develop ROI models tailored to each organization. This consultative approach ensures solutions are customized to both short- and long-term business goals, laying the foundation for sustainable performance.



LEARN MORE AT: FERGUSONINDUSTRIAL.COM/CAPABILITIES/INTEGRATED-SUPPLY/