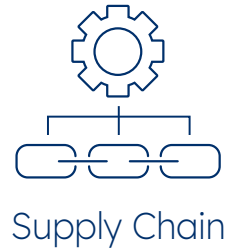


POWERTRAIN SOLUTIONS

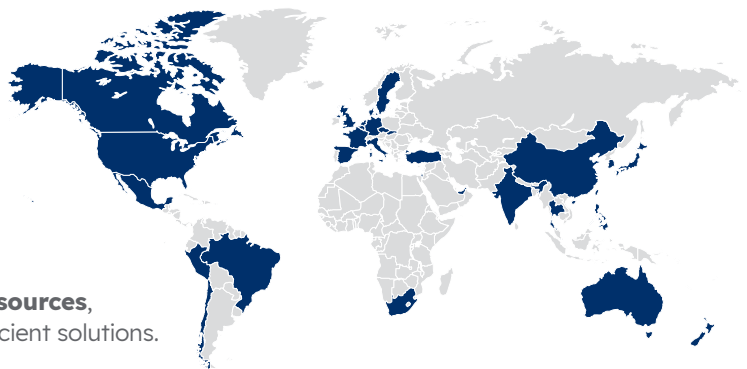
SOLUTION
STORY



Supply chain is a critical element of your business. Regal Rexnord helps customers transition from multiple suppliers to one strategic partner.

Supply chain management is becoming increasingly intricate, with demands for greater efficiency and minimal margins for error. This results in an influx of products from diverse suppliers and pricier order fulfillment. Amid retention challenges, businesses resort to systems and tech, increasingly relying on suppliers to fill in the gaps. While technology can help, it can also add complexity to the supply chain if not implemented strategically.

It is essential to partner with a **global company**, with **local resources**, **reputable brands** and a **proven history** of delivering cost-efficient solutions.



Supply chain complexity demands efficient solutions. Consolidating suppliers offers numerous advantages:

1. Reduced Administrative Costs:

Issuing one Purchase Order (PO) shows significant reduction in administrative costs related to PO creation, approval, and management.

2. Lower Shipping Costs:

Consolidating shipping into one source can lead to bulk shipping discounts and lower overall freight costs.

3. Streamlined Supplier Management:

With fewer suppliers to manage, less time is spent on vendor evaluation, selection, and relationship management.

\$304,000 annual savings
Through supplier consolidation

MULTIPLE VENDORS



VS.

REGAL REXNORD



5 to 1
vendor consolidation

80%
reduction in supply
chain costs

PROBLEM

A company is currently using five different suppliers to purchase power transmission products for each application. Each vendor operated with its unique pricing structure, shipping fees, and payment terms. This results in the company issuing five different purchase orders (POs) and receiving five separate shipments.

SEEING THE BIGGER PICTURE: THE REGAL REXNORD SOLUTION

Consolidating purchases with Regal Rexnord streamlines the process, issuing just one purchase order and receiving one shipment for each application. This can have a significant impact on your business by reducing costs, improving productivity, and streamlining your procurement process.



Administrative Cost Savings

Reducing the number of POs from 1000 to 200, the OEM saves $$(1000-200)*\$100 = \$80,000$.

\$80K

In addition to the financial benefits, consolidating suppliers can also lead to:

- ✓ Enhanced productivity
- ✓ Reduced reliance on IT resources
- ✓ Assurance of seamless component intergration
- ✓ Single point of contact for after-sales support and warranty
- ✓ Reduced labor through assembly by a single supplier and shipment as a single component
- ✓ Simplified component replacement
- ✓ Collaboration with a reputable global supplier providing robust support
- ✓ Diverse global supply chain ensuring continuity and availability of resources



Shipping Cost Savings

Reducing deliveries from 1000 to 200 saves $$(1000-200)*\$270 = \$216,000$.

\$216K



Vendor Management Savings

Reducing time spent on vendor management from 200 hours to 40 hours saves $(200-40)*\$50 = \$8,000$.

\$8K



TOTAL SAVINGS

\$304K

Based on the following assumptions:

- The company issues 1000 POs/year to 5 suppliers
- \$100/PO for processing (including creation, approval, and management)
- \$270 per separate delivery for each vendor
- 200 hours/year spent on vendor evaluation at \$50/hour
- Products weigh an average of 200 lbs. shipping 300 miles at \$1.351/lb.
- Costs before consolidation: \$380,000
- Costs after consolidation: \$76,000

You have challenges. We have solutions.

When you partner with Regal Rexnord, you get with a **trusted global company** with **local resources, reputable brands**, and a **proven history** of delivering cost-efficient solutions.



SIMPLIFIED SUPPLY CHAIN



TRUSTED ADVISOR



APPLICATION ENGINEERING



GLOBAL PRESENCE



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