Power Tools Distribution

Åke Larsson
General Manager
The Logistics
Atlas Copco Tools 1980

Distributor

Order

SRP

Tools Supply Dept.

Order/del.Info

Stock replenishment

SC

Central Warehouse

Delivery

Tools

Supply Dept.

Subsuppliers

Customers
Your Logistics Partner
Concept

- The divisions are responsible for their businesses
- The participating divisions share a common vision, mission and strategy for Power Tools Distribution (PTD)
- PTD gives added value to the business partners in form of synergies, knowledge and increased efficiency
Mission

• PTD shall give **continuously increased customer service** and be the extension of the divisions and their strategies
Vision

• We should be perceived as a world class distribution centre
Strategy

We should work and develop, with emphasis on real customer needs, our core business as:

• Export Handling and Customer Support
• Warehousing
• Call off / Inventory Control
• Credit Control
• Freight / Flow
Service is Our Business
Flow

55,000 items stored, of which 3,500 are complete products.
3,500 orders and 11,000 order lines a day
Priority 1

• Reliable Deliveries
Shared Knowledge and Best Practice/Benchmarking

We work close together with Milwaukee Electric Tool Distribution Centre in Olive Branch Miss. USA

- Customers
- Caterpillar logistics
- Toyota logistics
- Scania logistics
- SKF logistics
Value Adding in the Supply Chain

• The value adding technique is easy to learn and easy to implement by asking the question:

“Would the customer pay for this operation?”
Focus

• Constant focus on customer needs
• Quality
• The shortest lead time in everything we do
• Keep it simple so even a child can understand it
• Continuous improvement
Power Tools Distribution n.v.

163 employees average age 29
51 % women
49 % men
People
Personnel Check List

• Around 90% of the value of our company goes home each evening, and we cannot guarantee that they’ll come back.

• We aim for an inspiring environment and internal fairness.
Hiring for Diversity and Attitude
Training for Skills

HIRING
• Energetic
• Creative
• Focused
• Fun to work with

TRAINING
• Introduction
• Job rotation, “hands on”
• Circles (quality, customer service, own business etc.)
• External training
Achievements 1991 - Today
1991 → Atlas Copco
World wide

1992 → AEG
Excluding Germany and Distributors

1993 → Desoutter
World wide

1994 → AEG
World wide

1995 → Chicago Pneumatic
Europe, South Africa and Australia.

1996 → Milwaukee

1998 → Georges Renault, Kango
World wide

1999 → Atlas Copco
Corporate Material

1999 → Atlas Copco
Construction Tools
## Development

<table>
<thead>
<tr>
<th>Year</th>
<th>People</th>
<th>Area</th>
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<tbody>
<tr>
<td>Established</td>
<td>1991</td>
<td>32</td>
</tr>
<tr>
<td>First extension</td>
<td>1992</td>
<td>50</td>
</tr>
<tr>
<td>Second extension</td>
<td>1994</td>
<td>120</td>
</tr>
<tr>
<td>Neighbours building</td>
<td>1996</td>
<td>140</td>
</tr>
<tr>
<td>Third extension</td>
<td>1999</td>
<td>155</td>
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Cost Development
exkl. freight and packaging

% of sales from PTD

Cost development for Atlas Copco Tools AB
Cash Flow

- We turn our total stock around 9.5 times a year.
- We have cash flow projects running both for manufacturing, purchase and sales companies.
- Smart solutions for storing.
Customers

We have 93 Atlas Copco customers, Factories and Sales Companies, and more than 600 customers outside the Atlas Copco Group

- Ford Motor Company
- Würth AG, Switzerland (OEM)
- Distributors and End Users
Achievements

- Better customer service
- Lower costs
- Less capital tied up in stock
- More visible business
- New business opportunities
- Logistic infrastructure for E-business
# Achievements

<table>
<thead>
<tr>
<th>Product Company</th>
<th>Central WH</th>
<th>Country WH</th>
<th>Country Branch WH</th>
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<tbody>
<tr>
<td>Atlas Copco Tools AB</td>
<td>1</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Atlas Copco Electrowerkzeuge</td>
<td>1</td>
<td>11</td>
<td>12</td>
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<tr>
<td>Desoutter Ltd</td>
<td>1</td>
<td>7</td>
<td>0</td>
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<tr>
<td>Chicago Pneumatic</td>
<td>1</td>
<td>3</td>
<td>0</td>
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<tr>
<td>George Renault</td>
<td>1</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Kango</td>
<td>1</td>
<td>0</td>
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<tr>
<td>CTO</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australia</td>
<td></td>
<td></td>
<td>(4)</td>
</tr>
<tr>
<td>Milwaukee Electric Tool</td>
<td></td>
<td></td>
<td>(23)</td>
</tr>
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Total 1991  
7 34 38 + (27)

<table>
<thead>
<tr>
<th>Company</th>
<th>Distribution Centre</th>
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</thead>
<tbody>
<tr>
<td>Power Tools Distribution</td>
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</table>

Total 2000  
1
Future Development
Globalisation

• Internet
  - Replacing EDI - more transparent
  - Infrastructure available in PTD
  - Order intake B2B

• Ford Motor

• Transport companies - tracking and tracing

• Banks (ISABEL)