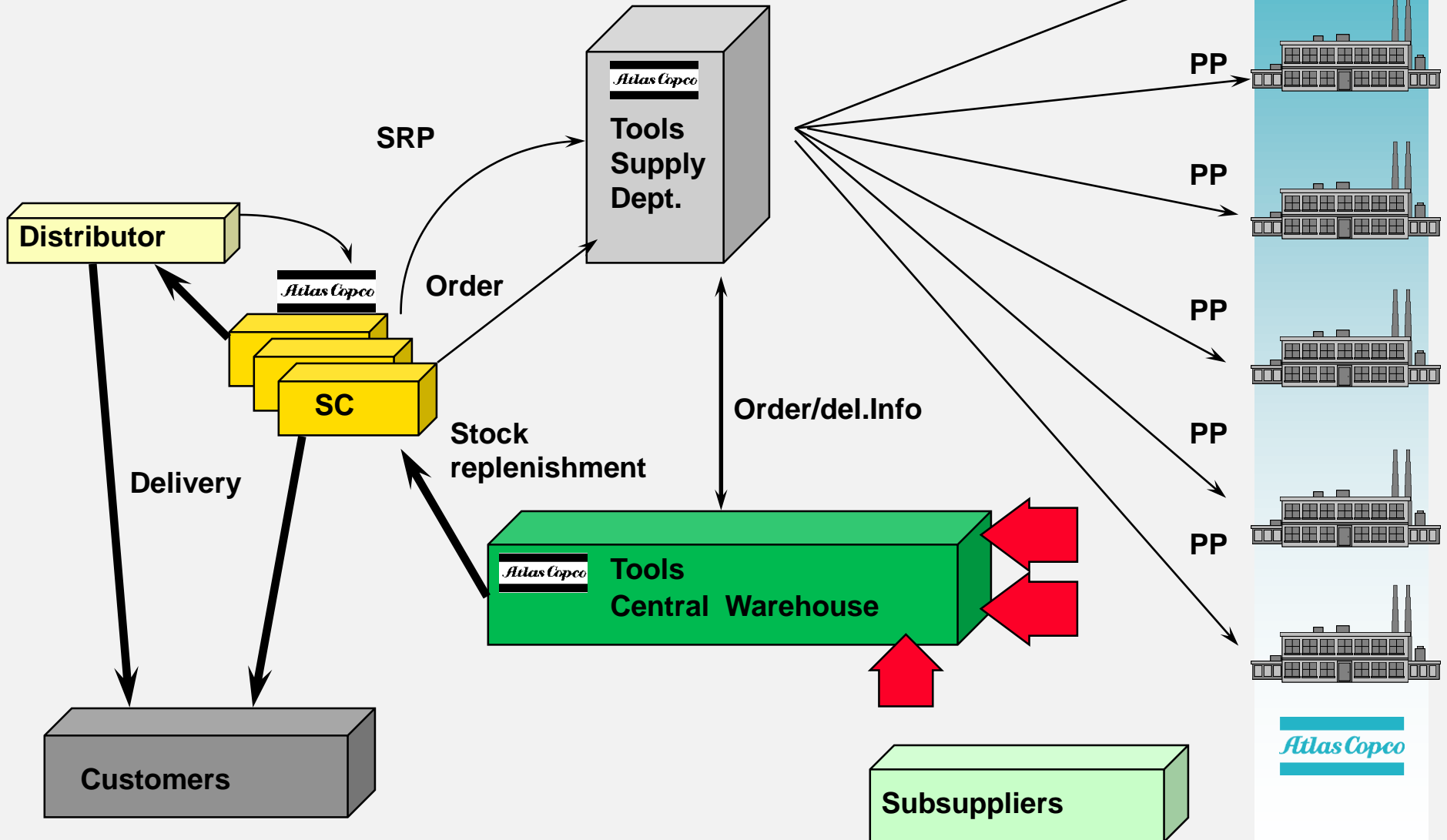


Power Tools Distribution

Åke Larsson
General Manager

The Logistics Atlas Copco Tools 1980



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**

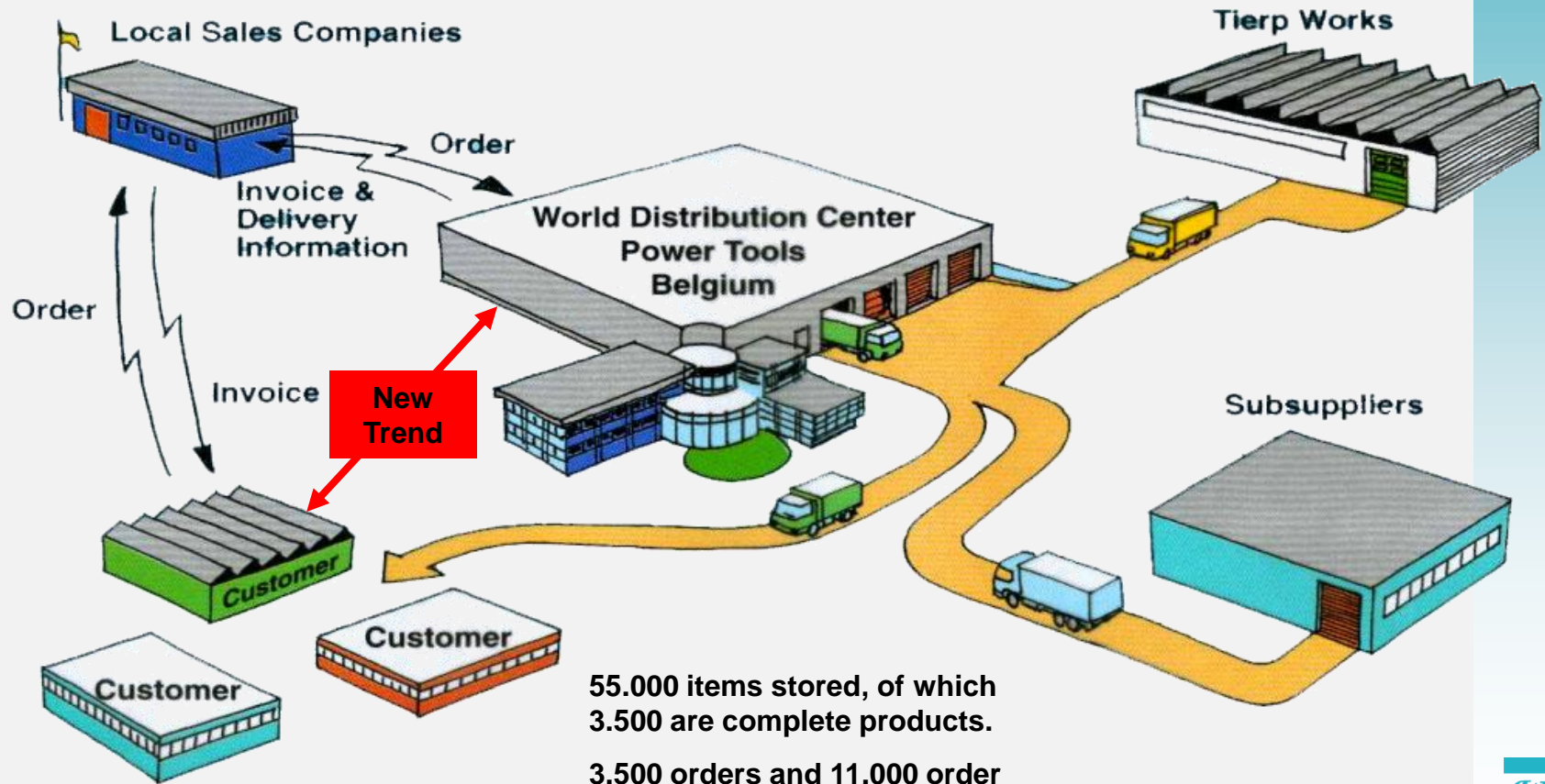
Strategy

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

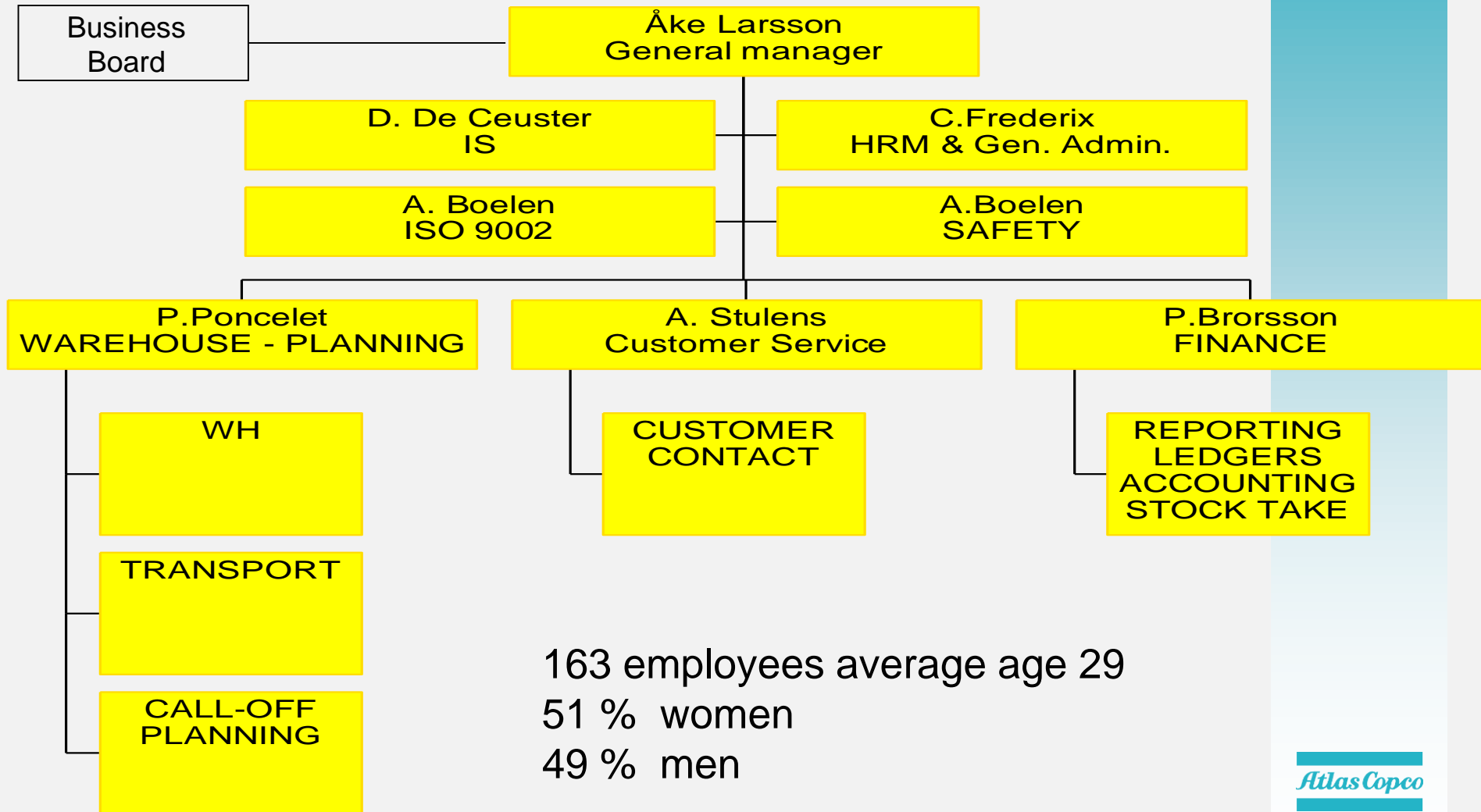
- The value adding technique is easy to learn and easy to implement by asking the question:

“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.



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

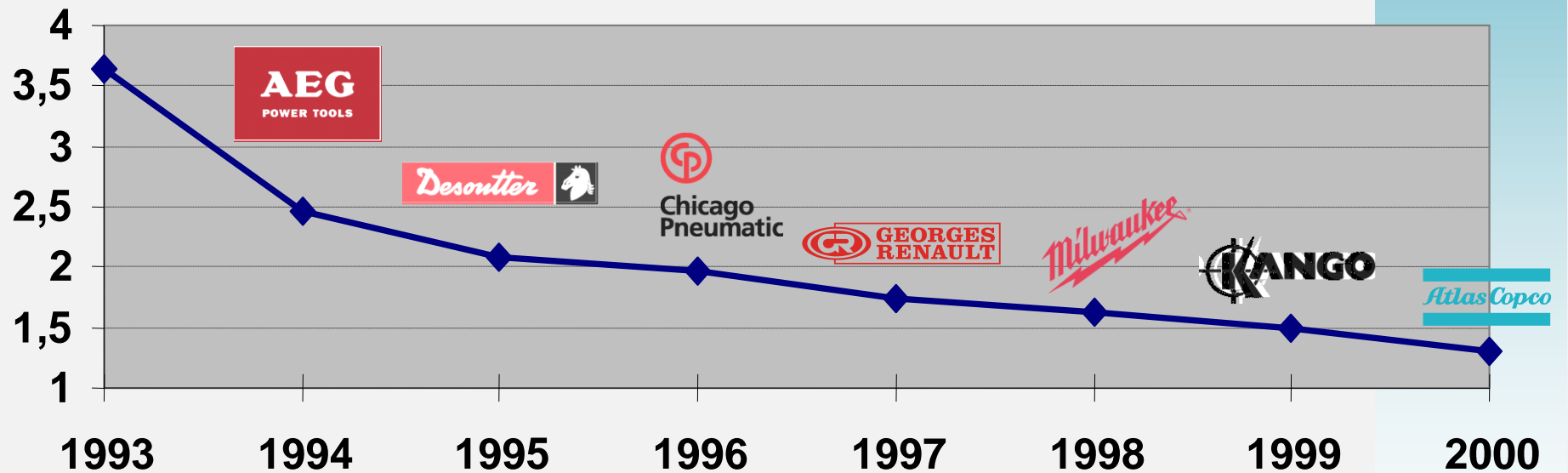


Development

	<u>Year</u>	<u>People</u>	<u>Area</u>
Established	1991	32	3.500 m ²
First extension	1992	50	5.100 m ²
Second extension	1994	120	11.000 m ²
Neighbours building	1996	140	14.200 m ²
Third extension	1999	155	16.600 m ²

Cost Development exkl. freight and packaging

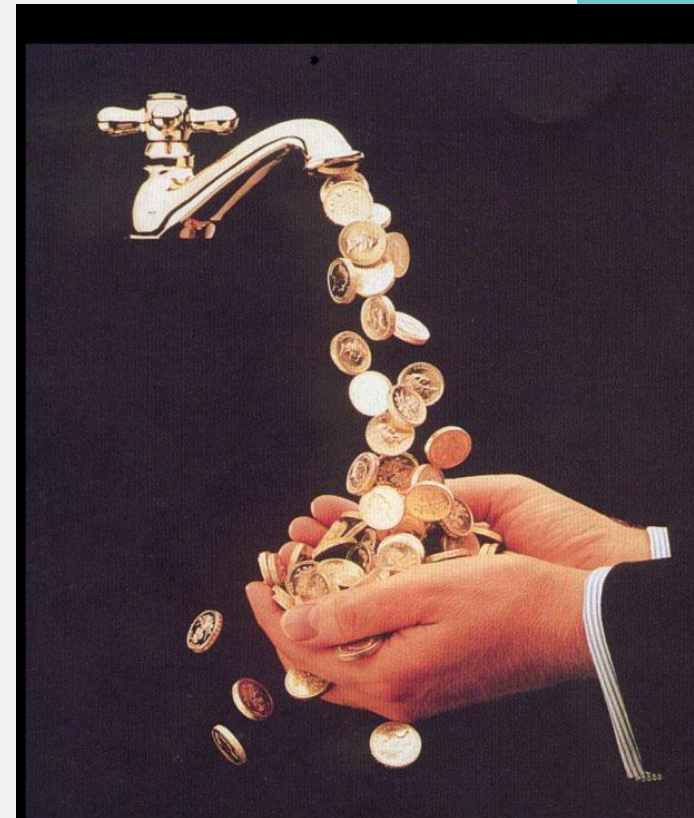
% of sales from PTD



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

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

Company	Distribution Centre
Power Tools Distribution	1
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)**



Atlas Copco

