



Bell Equipment awards outstanding Suppliers

SKYGISTICS ACHIEVE BELL EQUIPMENT SILVER STATUS AWARD OF ACHIVEMENT

Bell Equipment recognised the outstanding effort of Skygistics at their company's 18th annual Business Partners Conference held in May 2008.

Objectives and Evaluation

ACHIEVING SILVER STATUS

Silver suppliers are recognized at the annual Supplier Conference, and are candidates who qualify as Supplier of the Year. These suppliers, being superior in their field, are first in line to be considered for future business and new designs.

Considerations of new and existing designs

Bell's goal is to build strong partnerships with their suppliers. In order to achieve this goal, suppliers must have favourable supplier performance ratings. These ratings will be used by product engineering, quality engineering, supply management and others in selecting suppliers for the development of new and existing designs. When products are single sourced and the supplier has maintained favourable ratings, Bell will adopt this supplier's product whenever possible. In cases where they have chosen to maintain multiple suppliers, the achievement of Silver ratings will be strongly considered in awarding new business.

The future belongs to those companies that excel at leveraging their competitive advantages. Bell work closer together with suppliers, such as **Skygistics** to bring superior products to the marketplace by:

Focusing on customer satisfaction
Continuously improving product and productivity

The Rating System

Skygistics was evaluated in six key areas: Quality, Delivery, Cost, Warranty, Flexibility and Technical Support.

Ratings for Quality, Delivery, Warranty and Cost are calculated and provided to all their suppliers on a quarterly basis. Minimum ratings for each classification of Gold, Silver, Bronze or Conditional are reviewed and established annually.

Ratings for Flexibility and Technical Support are calculated and provided to suppliers once per year. Suppliers' performance on these factors is evaluated via a questionnaire completed by a team of Bell personnel including supply management, operations, quality and product development. The rating is a numeric value from 1 to 10 (10 being the highest rating), and is derived from an average of the scores from the questionnaire.

Quality Rating

The quality rating provides the supplier statistical evidence of the quality of their product delivered to Bell. The rating is expressed in defective parts per million (ppm) by comparing the total number of rejects to the total parts received.

Delivery Rating

The delivery rating provides the supplier with statistical evidence of the supplier's ability to meet the delivery dates and specified quantities. The delivery rating is derived from early or late deliveries. Delivered quantities must match ordered quantities. Material that is received outside of a specified delivery "window" will be considered either early or late, and will affect the delivery rating. The rating is expressed as a percentage of orders delivered on time.

Cost Index Rating

The cost index rating is a measurement tool that provides information about suppliers' pricing performance. The cost index is derived by comparing the current average invoice price versus the average invoice price paid during the same period the previous year.

Over and above the Cost Index rating, suppliers are also awarded Bonus points annually for any Savings Initiatives put forward and implemented

Warranty Rating

The Warranty rating evaluates the supplier's warranty performance and shows the total claim amount as a percentage of their total spend.

Technical Support Rating

It is important for suppliers to provide technical support in proportion to the complexity of their product. Expectations include introduction of new and existing product, fabrication and assembly line support, design and process change information, manufacturing and design improvements, field problem resolution, test support, environmental responsibility, and supply management support, including lead time.

The supplier's commitment is only partially fulfilled when quality parts leave their facility on time. Bell's expectations of outstanding customer service, prior to manufacturing and after delivery to their customers, are very high.

Flexibility Rating

The flexibility rating is an analysis of the supplier's initiative, responsiveness, attitude and communication performance. The flexibility rating seeks to measure a supplier's commitment to excellence through product performance and through the working relationships of their people with Bell's. Supplier flexibility should be customer focused with a commitment to continuous improvement.

Because of Bell's distance from many of their suppliers, as well as the challenges of long lead times to their off-shore

customers, lead time improvements and flexibility in frozen zones are important aspects of overall supplier flexibility.

Supplier Feedback

Quarterly, suppliers receive a report of their performance in Quality, Delivery, Warranty and Cost. Yearly, the Supplier Performance Summary is sent to the Suppliers showing their overall performance in the Achievement Program.

Competitive Pressures

Purchased materials represent a significant part of Bell's total manufacturing cost. In order to compete in the global environment, Bell Equipment and its valued suppliers must be committed to continually reducing total cost in the following areas:

- Quality
- Inventory, packaging and material handling
- Unit price
- Freight and duty
- Design
- Warranty.

Skygistics, once again proofed to be untouchable in the field of Geo Satellite-Communication- Applications.