



## Information for our suppliers

Issue No. 1

February 16, 2007

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### Preamble

With the current first issue of „ixetic news“ we would like to create an additional means of communication for intensifying the flow of information between ixetic and our partner suppliers. As a premium partner of automotive manufacturers we are continually faced with increasing demands regarding innovation, efficiency and quality. We therefore want to work more closely and engagingly in future and consistently align this co-operation with the goals of our OEM's.

An important pre-requisite for this is the smooth flow of information. In future we therefore wish to inform you promptly, briefly and directly about current changes at ixetic and at our customers. This should enable us to meet the high demands of our common customers in a still better way. In return we, of course, expect you to keep us informed of changes in your organization.

We look forward to your feedback and suggestions - Feel free to send these to us at [news@ixetic.com](mailto:news@ixetic.com) – or give us a call.



A handwritten signature in black ink that reads 'O. Rupp'.

Oliver Rupp  
Management Board

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### ixetic is “Best in Class” or: How still better organizations arise from good organizations

Masaaki Imai, founder of the KAIZEN Philosophy, bestowed ixetic GmbH with the Award '5S – Best in Class' as one of Europe's three best organizations. We are proud of this award which is so important for our organization and which essentially means a sustainable advantage in competition.

According to the KAIZEN Philosophy the ideal picture is a flowing, flexible production without inventory, free of losses and waste. Important basic principles are – apart from a suitable infrastructure – order and cleanliness. This sounds simple, but requires introducing and maintaining great discipline and adequate standards throughout a production plant.

KAIZEN means more to us than „continuous improvement“: Daily improvement with the aid of every employee and in the entire process chain, from the administration and construction departments to include our suppliers. Let us work together to make and keep ixetic „Best in Class“ in all areas and thus secure long-term employment in Germany.

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## Customer Demand BMW

BMW has set themselves the goal of becoming the most successful premium manufacturer in the automotive branch. The pre-requisite for this is a consistent and lasting fulfilment of the quality demands in the supply chain. The central approach in this new orientation is the zero-error-strategy, i.e., error-free production without scrap and without re-work during the entire production cycle. Hereby the emphasis is on the production of error-free parts and not on audits and possible sorting out of the parts.

The new orientation towards error elimination is the core element with which to achieve the aforementioned goal. This process underlines being able to identify causes of error as well as the measures needed to remedy these in the shortest possible time. The „1-5-20“ regulation is aimed at achieving the further reduction of the error cycle.

- „1“: Within 1 day (24 hours) of receiving notification of a problem, immediate measures and the search for the cause of the error are initiated.
  - „5“: The core cause is to be identified within 5 working days after the problem arises. The result of the analysis is then documented in an 8-D-Report.
  - „20“: Within 20 days after the problem arises, all measures to remedy the core cause are to be defined, implemented and completed. We must face up to this new orientation of our customer. It is expected of you as a supplier, in the case of causes for which you are responsible, to inform ixetic thoroughly, so that the set goal of „1-5-20“ can be achieved at any time. This does not only apply to the customer BMW, but rather to all customers, and is the rule in processing problems.
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## Quality Assurance Agreement (QSA)

The new Quality Assurance Agreement (QSA) that was announced at the Suppliers' Open House organized by ixetic is now available in German and English. The QSA partially also takes into consideration the hitherto new demands of our automotive customers. From our suppliers we expect the rapid implementation of these demands. The QSA can be downloaded from our website [www.ixetic.com](http://www.ixetic.com).

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## ixetic Supplier Assessment

The remodelling of the ixetic supplier assessment has been completed. In addition to the existing assessment, the results of the initial sample process, the quality of the parts in the entire process and in the life cycle as well as the logistical quality thereof will be taken into consideration in future, in order to be able to have a comprehensive picture of the supplier. It has been planned to distribute the identification numbers mentioned on a monthly basis. You will soon receive detailed information on the topic of supplier assessment from our staff in Purchasing and Quality Assurance.

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## Quotation Bid

In order to objectively evaluate the bids received, along with our enquiries you have been sent a quotation bid form for some time now to help us break down the cost structures. In future, only those bids will be taken into consideration to which the completed quotation bid forms are attached.

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## Credit-worthiness

We require information on your credit-worthiness, in order to round off the picture that we want to have of our partner suppliers. In this regard, information on the company structure and situation as well as your financial situation are paramount. We are requesting you to send us this information once a year without our solicitation. We will write you soon in this regard.

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## Cost Pressure

At the Suppliers' Open House at ixetic we had already demonstrated that our customers are currently increasingly taking advantage of the prevailing competition and increasing the massive cost pressure that has arisen in the wake of increasing globalisation. ixetic is not in a position to absorb this cost pressure alone, so that we are obliged to pass on a part of it to our suppliers. The buyers responsible in each case will approach you on this topic – if this has not already been done.

The ixetic news are available under [www.ixetic.com](http://www.ixetic.com) in English and German.

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