AER Technologies Tour Flow – Page 1

Revision B. 1/4/06

	Process	Key Points	Operational Data
Lobby	Visitor arrives → Safety Checklist completed, glasses and visitor badge issued → AER contact called	○ Safety Checklist ○ Safety Glasses ○ Visitor Badge ○ AER Contact Called	
Board Room	Visitor escorted to Board Room → Introductions and initial business discussions → Begin Tour	○ In business since 1947 ○ 160 Employees (three shifts) ○ 64,000 sq. ft. facility ○ ISO 9000 certified since 1997	○ Currently at 60% capacity ○ Remanufacture 172,000 components annually ○ Over 31 million dollars annual revenue
Administration	Customer Service	○ Order methods – phone, fax, internet, EDI ○ Customer Service Hours – 6 AM – 6 PM ○ Current customers – Ford, GM, Chrysler, Nissan, Toyota, Kia, Hyundai ○ Dedicated customer technical support desk ○ Customized software developed internally ○ Customized internal/external bulletins ○ Inventory locator line	○ Number of CSR's – 12 ○ Calls per day – average 1000/day ○ Orders per day – average 680/day ○ Call Hold Time – average 17 sec ○ Internet orders – 207/day (31% of total)
	Information Systems	○ 2 fulltime software developers ○ Wireless network	○ Platform – Windows Server 2003 ○ 1 terabyte storage area network ○ 100% data backed up to user desktop level
	Document Control	○ Central point for all communication ○ Controls all process documentation	
	Down Back Stairs		
Receiving	Receiving → Core Processing → Secondary Data Entry	○ 3 tier conveyor system ○ Carrier tracking number scanned for traceability ○ Barcode scanning eliminates errors ○ No redundant data entry (uses data collected on front end) ○ Nonconforming units sent offline to Dealer Advisor ○ Pull system ○ ICN Tracker Sticker ensures traceability	○ Average daily receipts – 850 ○ Hours of operation – 6:00 AM to 12:30 AM ○ Number of operators – 20 ○ Processed same day – 85% ○ All data collection standards are held to the highest customer specifications
Production Control Room	Technical Supervisors → Calibration/ Preventive Maintenance → To Reman	○ 4 Technical Supervisors (Delphi HVAC, Delphi Audio, Chrysler/Delphi Instrumentation, Visteon-Chrysler-Mitsubishi-Alpine Audio ○ 1 Lab Supervisor – 2nd/3rd shift ○ 1 Calibration Engineer ○ 1 Calibration Assistant/ Equip. Maintenance ○ Currently 4 Reman Lines	○ Monitoring: WIP, Cost/Unit, Product Quality ○ 98% of all equipment calibrated In-house ○ 800 pieces of test equipment ○ Monitor/maintain over 700 test cables ○ Comprehensive preventive maintenance system

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	Process	Key Points	Operational Data
Remanufacturing	Delphi HVAC Delphi Audio ID/FP Lab V-C-M-A Audio	○ Continuous ESD monitoring ○ Real-time barcode scanning/inventory control of component parts ○ All active component parts located in the labs ○ 3 tier conveyor (Initial test, Tech Diagnosis, Parts Change, Final test) ○ Units waiting parts from the manufacture taken off-line ○ Same day remanufacturing (where parts and software available) ○ Flexibility of lab personnel allows people to go where the work is ○ Facility design allows for ease of expansion of lines ○ Overall product comeback – 3.8% (0.6% due to AER Workmanship, 45.6% NTF)	○ HVAC Data ○ Number of Employees – 7 ○ Current production – average 60/day ○ WIP – average 2.8 days ○ Current capacity – 36% ○ Delphi Audio Data ○ Number of Employees – 29 ○ Current production – average 300/day ○ WIP – average 4.7 days ○ Comeback – 4.7% (0.3% Workmanship, 36% NTF) ○ Current capacity – 70% ○ ID/ FP Data ○ Number of Employees – 36 ○ Current production – average 350/day ○ WIP – average 4.9 days ○ Comeback – 3.5% (0.8% Workmanship, 55% NTF) ○ Current capacity – 80% ○ V-C-M-A Data ○ Number of Employees – 19 ○ Current production – average 135/day ○ WIP – average 4.5 days ○ Comeback – 5.1% (0.2% Workmanship, 46% NTF) ○ Current capacity – 32%
Inventory Control	Closeout → Inventory Stocking/ Inventory Pulling → Programming/ Receiving Inspection	○ FIFO active inventory ○ System automatically checks for backorder ○ Product stored by physical size and sales ○ Wireless/ paperless inventory pull ○ System minimizes distance traveled ○ New inventory photographed ○ 100% of recheck orders tested prior to shipment	○ 98% of outgoing orders pulled from 1st floor ○ Orders/day – 880 ○ Total inventory – over 48,000 ○ System capacity – 65,000 ○ 3 levels increase total sq. ft. by 14,000 ○ Programming avg. 305 units/ day
Shipping	AER Invoice Station → Carrier Station	○ 1 piece flow mistake proofing ○ Release scan prevents batching ○ All paperwork (RMA, Invoice) generated ○ Invoice and shipment driven by ICN scan ○ Carriers – UPS, FedEX, DHL, AER delivery ○ Local customers receive 2 deliveries per day ○ Same day delivery – LA, San Diego, OC and Las Vegas	○ Shipments/day – average 880/day ○ Delivery routes – 13 ○ Number of delivery customers – 280 (Average 220 order/ day)
	Up Back Stairs		
Board Room	Questions/ Comments → Closing. AER Contact escort to Lobby → END		