

To suppliers

High supplier on-time delivery performance is a key factor for Piab's ability to operate efficiently and keep its delivery promise to customers, hence it is of key importance for Piab's success in business.

Piab therefore measure and track OTIF = On Time In Full and actively work with suppliers to improve performance. In case of a performance below minimum requirement level, Piab expects full and active cooperation from suppliers to improve performance going forward.

Description of measurement of OTIF at Piab

At Piab we measure your delivery performance as described below. We measure OTIF = On Time In Full.

Articles are set up in our ERP with the agreed lead time as Supplier lead time. Transportation time is separately set up dependent on Inco Term.

Purchase order from Piab is placed with Request date according to the agreement. If supplier confirms with a Purchase Order Confirmation with the same date the order will be flagged as OnTime.

Purchase order from Piab can be placed with a Request date shorter than agreed lead time. If supplier sends a Purchase Order Confirmation confirming the Request date the order will be flagged as OnTime.

If supplier sends a Purchase Order Confirmation with a later date but within agreed lead time the order will be flagged as OnTime.

If Purchase Order Confirmation confirms a later date than agreed lead time the order will be flagged as Late.

If then the shipment happens later than the Purchase Order Confirmation date, the order will be flagged as Late.

If shipment is complete, i.e. 100% of the quantity is delivered the order will be flagged In Full.

If the shipment is not complete, i.e. not 100% of the quantity is delivered on the date as specified on the Purchase Order Confirmation the order is flagged as Not Full.

Example – On Time (FCA)

Requested	Contracted	Confirmed	Delivery	On Time
10 days	10 days	10 days	10 days	Yes
10 days	10 days	15 days	15 days	No
5 days	10 days	5 days	5 days	Yes
5 days	10 days	10 days	10 days	Yes
5 days	10 days	5 days	10 days	No

Example – In Full

Requested	Confirmed*	Delivery*	In Full
100 units	100 units	100 units	Yes
100 units	100 units	90 units	No

*By confirmed date

Piab expects and appreciates the cooperation from all suppliers to reach a high OTIF consistent over time.

Best regards,



Maximilian Ulrich

Head of Procurement, Piab AB, VA