WISPER Overview

Worldwide Interactive Supplier Performance Evaluation Resource
Agenda

• Application Overview
• Benefits
• Gap Analysis
• Expectations
• Module Overview
  • Supplier Profile
  • Parts
  • Receiving
  • DMR & C/A
  • Audits
  • Performance
• Questions
Application Overview

• Created, Designed, Programmed, Maintained, and Owned by Eaton Corporation
  • We have the ability to modify and enhance
• Related Specifically to Direct Material Suppliers
  • MRO suppliers are currently not in the scope of WISPER
• Data Repository for Suppliers, Parts, Shipments, DMRs, Audits, and Supplier Performance
  • Information is shared across the corporation
• Consistent Method of Evaluating and Managing Direct Material Suppliers Across Eaton Corporation
  • Apples to Apples comparison of supplier throughout Eaton
WISPER
Eaton Benefits

- Worldwide commodity searches with existing suppliers.
  - Eaton has thousands of suppliers. We will consolidate to our best performing suppliers.

- Streamline business transactions with suppliers.
  - Decrease time and increase accuracy of business transactions.

- Increase supplier ownership of performance.
  - Our product designs and capabilities are dependent upon supplier performance.

- Improve new product development quality planning.
  - Our future growth and profitability is dependent upon successful new product introductions.

- Standardize supplier resource management processes.
  - This is also a benefit to suppliers who currently, or in the future, do business across different Eaton divisions.
WISPER
Supplier Benefits

• Move from \textit{local} Eaton plant visibility to \textit{worldwide} exposure.
  • Eaton is a $15 billion diversified industrial manufacturer with over 180 plants worldwide.
  • Find Eaton plants worldwide that use their commodities.
  • Gain exposure to 700+ supplier resource management professionals worldwide.
  • Showcase their capabilities, products, and commodities.

• Benchmark their competition.
  • Benchmark supplier performance data within their commodity.

• Streamline business transactions with Eaton.
  • Decrease time and increase accuracy of all transactions.

• Improve performance data with Eaton.
  • Impact data integrity and Eaton’s view of supplier performance.
# WISPER
## Global Impact

<table>
<thead>
<tr>
<th>Capabilities</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Real time supplier access to performance data</td>
<td>• Supplier ownership for performance and continuous improvement</td>
</tr>
<tr>
<td>• Global supplier performance assessment</td>
<td>• Consolidate globally to the best suppliers</td>
</tr>
<tr>
<td>• Global data repository on supply base</td>
<td>• Create collaborative cross business commodity SRM/SQA strategies</td>
</tr>
<tr>
<td>• Data drill down capability by commodity, supplier, division, etc.</td>
<td>• Create targeted leverage opportunities</td>
</tr>
</tbody>
</table>
Why WISPER?
System Gap Analysis

• EE, Hydraulics, Aerospace, Auto and Truck were represented in the Gap Analysis
• Less than 30% of the WISPER features exist at surveyed operations
• Existing systems are disjointed
  • No existing system provides a complete solution for SRM/SQA management
  • WISPER offers all SRM/SQA functionality under one application
• Enterprise Systems
  • MRP systems with some SRM/SQA features
    • Oracle MFG, JDE, BPCS, Mapics, PACS, MFG Pro, Maxcim, C:M, and others
  • Data import/ export occurs primarily through Access/ Excel
  • Many examples of paper systems and records
WISPER Implementation Milestones

Eaton and Suppliers

<table>
<thead>
<tr>
<th>Automotive</th>
<th>Truck</th>
<th>Hydraulics</th>
<th>Aerospace</th>
<th>Electrical</th>
</tr>
</thead>
</table>

Jan 2002

Continue into 2010

Over 145 Sites Implemented to date
WISPER
Plant Expectations

- Align current responsibilities with WISPER.
- Transition from old systems to WISPER systems.
- Update internal procedures referencing WISPER.
- Complete upload of information into WISPER.
- Track WISPER utilization monthly via dashboard.
- Accelerate supplier utilization of WISPER.
- Fully utilize WISPER within 90 days. (Dashboard)

Fully Utilize the WISPER Application
WISPER
Supplier Minimum Expectations

• Utilize WISPER processes with plant.
  • Respond to Discrepant Material Reports (DMR), documenting corrective actions.
  • Participate in PPAP/1st Article process.
  • Respond to Process Audit, documenting corrective action, if required.
• Keep supplier profile, capabilities, and contact list current.
• Review quality performance and IMAGE ranking scores.
• Pay annual supplier subscription service fee (Covers all Eaton Web Based Applications. i.e. EFT, Supplier Vis)

Supplier Web Address: https://www.supplierselect.eaton.com

Fully Utilize the WISPER Application
MODULE OVERVIEW
Supplier Profile

- Detailed Information for Individual Supplier Manufacturing Sites
- Loaded via the FSC, ESSC or by the WISPER Team
- Visible to all of Eaton Corporation
- Maintained by the Supplier
- Features:
  - Capabilities (Size, Commodities, Certifications, etc.)
  - Contacts (Title, Phone, Fax, Email)
  - Activities (PPM, Shipments, DMRs, Logins, etc.)
  - Image Ranking (Scoring of Supplier)
Fields should be completed by supplier once suppliers receive training materials.
Fields should be completed by supplier once suppliers receive training materials.
Parts

- Detailed Part Information
- Loaded using Data from Existing ERP System
- Features:
  - Associated Buyer and Supplier Quality Rep
  - Commodity Coding
  - Activities (PPM, Shipments, DMRs)
  - PPAP/FAI Maintenance
  - Receiving Inspection Characteristics
  - Deviation Maintenance
Part Information: This part belongs to "General Products Division" division of "Engine Air Management" operation of "Automotive" group

Part No: 209
Part Name: Black Pearl Masterbatch
Revision: 0

Supplier Information
Supplier Name & Address:
07-124-7365
EATON CORPORATION MOUTAIN HOME 1930 HWY 201 SOUTH SPUR MOUTAIN

Buyer, Commodity, Products, and Receiving Plants
Buyer Name-Phone Number: David McMichael
Commodity: Rubber Components
Base: 328200
Suffix: 0
SubCommodity: Rubber Products

Products
GRIPS

USA Harmonized Tariff Schedule: 

Country of Manufacturer: 

Piece Price (USD):
PPAP/FAI are typically required when significant changes are made to production parts or when new parts are introduced.
Revalidation

ROHS Compliance

Skip Lot
Receiving

- Log incoming Shipments and Inspections
- Consistent Inspection Control Plans
- Customizable Skip Lot and Ship to Stock Functionality
- Features:
  - Automatic DMR Generation
  - Automatic Notification of Inspection Requirements
  - Deviation Notification
  - Shipment and Inspection Logs
Message will Notify Inspector of the Parts on Bypass, Open Deviations, and PPAP Status.
## Inspection for Part 123 TEST Revision A

### Shipment Properties

* Does Shipment contain mixed and/or wrong parts?  
  - Yes □  No □  
  - Lot Number: Rochester Hills □ 002211 □

* Is packaging out of spec?  
  - Yes □  No □  
  - *Inspection Date: APR-02-2002 □

* Is packaging damaged?  
  - Yes □  No □  
  - Date Received: APR-02-2002 □

* Inspector ID: E0044^67 □

### Attribute Characteristics

<table>
<thead>
<tr>
<th>Characteristic Name</th>
<th>S.Size</th>
<th>Is Sample OK?</th>
<th>Gage</th>
<th>Severity</th>
</tr>
</thead>
<tbody>
<tr>
<td>* COMMENTS / SPEC INSTRUCTIONS</td>
<td>25</td>
<td>Yes □ No □</td>
<td>visual</td>
<td>Standard (Minor)</td>
</tr>
<tr>
<td>01. CHECK LECTRON PART NUMBER</td>
<td>25</td>
<td>Yes □ No □</td>
<td>visual</td>
<td>Standard (Minor)</td>
</tr>
<tr>
<td>VISUAL CHECK</td>
<td>25</td>
<td>Yes □ No □</td>
<td>Visual Inspection</td>
<td>Standard (Minor)</td>
</tr>
</tbody>
</table>

**Characteristic out of spec - VMSPER will generate DMR**

**Inspection Instruction:** none at this time

### Variable Characteristics

<table>
<thead>
<tr>
<th>Characteristic Name</th>
<th>S.Size</th>
<th>L.Spec</th>
<th>U.Spec</th>
<th>Gage</th>
<th>Severity</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOUSING</td>
<td>50</td>
<td>8.437</td>
<td>8.996</td>
<td>Caliper</td>
<td>Significant (Highlighted)</td>
</tr>
<tr>
<td>LENGTH</td>
<td>90</td>
<td>3.875</td>
<td>4.125</td>
<td>Caliper</td>
<td>Key (Design Major)</td>
</tr>
</tbody>
</table>

**Measurements out of spec - VMSPER will generate DMR**

**Inspection Criteria**
DMR & C/A

• Manage both Supplier and Internal DMRs and Corrective Actions
• Automated Email Notification
• Electronic Signatures
• Multiple Nonconformances and Reject Codes
• Standardized Work Flow
I) Nonconformance Detail Screen Populated by the Inspector

II) Lot Disposition
- Return Lot
- Supplier Sort @ Eaton
- Eaton Sort
- Accept this lot only
- Notification only

DMR Dispositioned By: Bill Osborne

CIA Required

III) Supplier Contact and Eaton Contact

Send DMR To: John Doe
Phone: 123-456-7890
Fax: 123-456-7390
E-mail: MISPER@Eaton.com

Respond To: Howard Hutch
Phone: 440-HILDS0N1
Fax:
E-mail: MISPER@eaton.com

IV) DMR Approval

Approver 1: Shawn Malek-Zadegan
Selected By: Bill Osborne
Title:
Date: APR-08-20

Approver 2
Selected By:
Title:
Date:

Approver 3
Selected By:
Title:
Date:

Notify Next Approver

Additional Remarks:
Assessments

- Shared Audits Throughout Eaton
- Global Repository of Audits
- Pre-assessments of Potential Suppliers
  - Supplier Initial Survey
  - QSA
- Process Audits of Current Suppliers
- Supplier Self-assessments
- On-Line Corrective Actions
Eaton Supplier Audits & Survey

All Audits and Assessment are standardized and are shared across all of Eaton Corporation

Supplier Initial Survey
- Pre-qualification survey for potential suppliers.
- Standardized survey developed by SQA council.

Quality Assessment
- Onsite assessment of potential suppliers.
- Standardized survey developed by SQA council.

Process Audit
- Onsite line review of current suppliers for pre-PPAP/FAI, problem resolution, and development.
- Standardized survey.

Continuous Improvement
- Lean assessment of current suppliers.
- Standardized survey developed by SQA council.

EHS Assessment
- Environmental Health and Safety Audit.
- Standardized survey.
Process Audit Sections

- Advanced Quality Planning
- Engineering Specifications
- Measurement System
- Process Control
- Storage/Packaging/Handling
- Environment
AUDIT CREATED BY THE OLD ACO DIVISION AND BASED ON A CHRYSLER SIGNOFF (LINE) AUDIT
Performance

• Allows users to view consistent supplier evaluation across the company using the same standards and methods.

• Two types of performance:
  • Quality Performance (150 pts.) – only looks at quality criteria, score is posted as % out of 100%
  • Total Performance (525 pts.) – looks at quality, logistics, purchasing and innovation to calculate a “Total Performance” score
Quality Performance (150 pts.)

40%  35%  15%  10%

DMR  PPM  3rd Party (Certification)  PPAP

60 pts  52.5 pts  22.5 pts  15 pts

Quality Performance Report
### Supplier Quality Performance Result

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Duns id</th>
<th>City</th>
<th>DMR</th>
<th>PPM</th>
<th>Audit</th>
<th>Skip Lot/STS</th>
<th>PPAP</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannon Insurance Agency</td>
<td>12-901-2415</td>
<td>Vandalia</td>
<td>25.0</td>
<td>20.0</td>
<td>15.0</td>
<td>0.0</td>
<td>20.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Core</td>
<td>15-309-4201</td>
<td>Old Orchard Beach</td>
<td>16.3</td>
<td>10.0</td>
<td>0.0</td>
<td>5.0</td>
<td>20.0</td>
<td>51.3</td>
</tr>
<tr>
<td>Gulf Home Financial</td>
<td>78-069-9403</td>
<td>Troy</td>
<td>25.0</td>
<td>20.0</td>
<td>5.0</td>
<td>0.0</td>
<td>13.3</td>
<td>63.3</td>
</tr>
<tr>
<td>Wells Management</td>
<td>88-378-6857</td>
<td>Brooklyn</td>
<td>17.5</td>
<td>12.0</td>
<td>10.0</td>
<td>0.0</td>
<td>20.0</td>
<td>59.5</td>
</tr>
<tr>
<td>Coro</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Osborne Plumbing</td>
<td>93-235-8062</td>
<td>Buckeye Lake</td>
<td>21.3</td>
<td>19.0</td>
<td>5.0</td>
<td>3.3</td>
<td>16.7</td>
<td>66.5</td>
</tr>
<tr>
<td>Sowell Meats</td>
<td>06-630-6275</td>
<td>Rock Hill</td>
<td>15.0</td>
<td>1.0</td>
<td>10.0</td>
<td>0.0</td>
<td>16.7</td>
<td>42.7</td>
</tr>
</tbody>
</table>

Total record: 6

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Criteria for Quality Performance

### Overview

**Summary of Quality Performance Score**

Click on a Supplier Name for Details of the Quality Performance Score
Total Performance (525 pts.)

IMAGE RANKING

125  125  125  150
Purchasing  Logistics  Innovation  Quality

Total Performance Report
Overview
Summary of Total Performance Score
Select a Supplier for Details of the Total Performance Score

SUPPLIER STATUS:
Preferred = Total score greater than or equal to 80%
Standard = Total score greater than 70%, but less than 80%
Non-Standard = Total score less than 70%
Questions?