



Procurement strategy

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Procurement strategy

It is Group Nilan's overall procurement strategy to develop long term supplier agreements/relations to achieve the best possible price, quality and consistency of supply in accordance with the total cost principle.

Total cost: **Q**uality, **P**rice, **C**onsistency of supply, **F**lexibility and **S**upply Chain.

Procurement strategy

To achieve mutual advantages Group Nilan will build partnerships with key suppliers.

Group Nilan sees partnerships as a binding approach to exchange experiences and thus work together to decrease Group Nilan's procurement costs.

Procurement strategy

It is Group Nilan's strategy to coordinate all purchases to achieve maximum impact opposite to the supplier and thus achieve the best conditions.

Long-term supplier/partnership agreements must be based on "win-win" strategy to achieve the best conditions on the long run.

Procurement strategy

Group Nilan must strive towards an interesting revenue at the supplier to achieve the proper impact.

Group Nilan strives towards that purchases must take place directly at the supplier/manufacturer.

Group Nilan strives towards not using components from competing suppliers/companies, however, purchases must take place where it is more beneficial in accordance with the total cost principle.

Fewer suppliers with interesting revenue for both parties is the strategy.

Procurement strategy

Alternatives for strategic defined parties is necessary to achieve the best possible price and decrease the risk of dependence.

Overall the strategy is that components must be delivered directly to the assembly.

Procurement strategy

The strategy for choosing a supplier is based on each item's requirements.

The strategy to reduce the risk of internal capacity resources is that there must be developed a preparedness for alternative suppliers who can take over the internal production.

Procurement strategy

Quality:

We expect that our suppliers delivers flawless quality through "World class" quality management, quality control and constant development of the processes.

Price:

We expect that our suppliers has the most competitive price in accordance with Group Nilan's requirements.

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Supply Chain:

We expect that our suppliers has the right Supply Chain setup, the necessary capacity, flexibility and financial strength to grow with Group Nilan to achieve the best possible results.

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Technology:

We expect that our suppliers has the necessary technology today and in the future – a technology that meets future requirements.

Flexibility:

We expect that our suppliers has the necessary and a fast reaction time and flexibility to respond to market changes.

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Consistency of supply:

We expect that our suppliers deliver on time in accordance with the agreements reached and a risk assessment is available on strategic important components in accordance with the supply security.

Ethics:

Credability and responsibility plus a good customs at our suppliers is also a requirement that we make ourselves.

Procurement strategy

Outline:

We want a strong strategy which is embedded in our organisation to achieve the best possible conditions and thereby gain an advantage over our competitors.

We want to be Best In Class!