

Customer Guide



Chemical Management

the complete solution

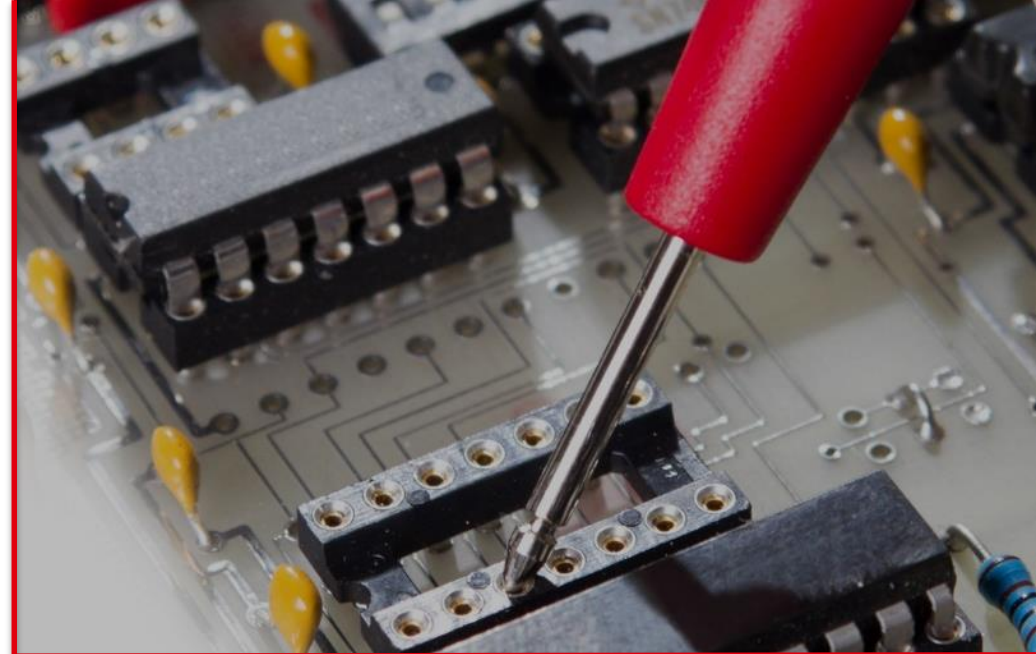


Excellence is our Passion

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What is Chemical Management?

Definition

- A service program where a customer engages Henkel to:
 1. partner with purchasing on all or select chemical procurement,
 2. engage with purchasing in management of chemical suppliers,
 3. reduce or eliminate scrap,
 4. reduce unnecessary consumption,
 5. reduce total cost of chemicals,
 6. manage down on site inventory,
 7. achieve 100% audit compliance (where applicable, e.g. AS9100, ISO13485),
 8. streamline administrative processes related to chemicals.

- A single supplier that provides chemicals, services, inventory management, process controls, and IT systems, through on-site services, and reduces “Total Cost”.



Chemical Management

Why it is important to customers.

In today's marketplace, companies are actively seeking lean ways to lower operating costs.

Henkel innovates solutions that:

1. are **lean based** and offer sustainable impact benefits,
2. **lower customer costs** of acquisition, in plant handling, and scrap,
3. **remove complexity** from customer involvement with chemicals in areas such as:
SDS management, environmental reporting, new chemical approvals, **audit compliance**, and chemical reporting by job or department.

This is **Chemical Management**...from Henkel.



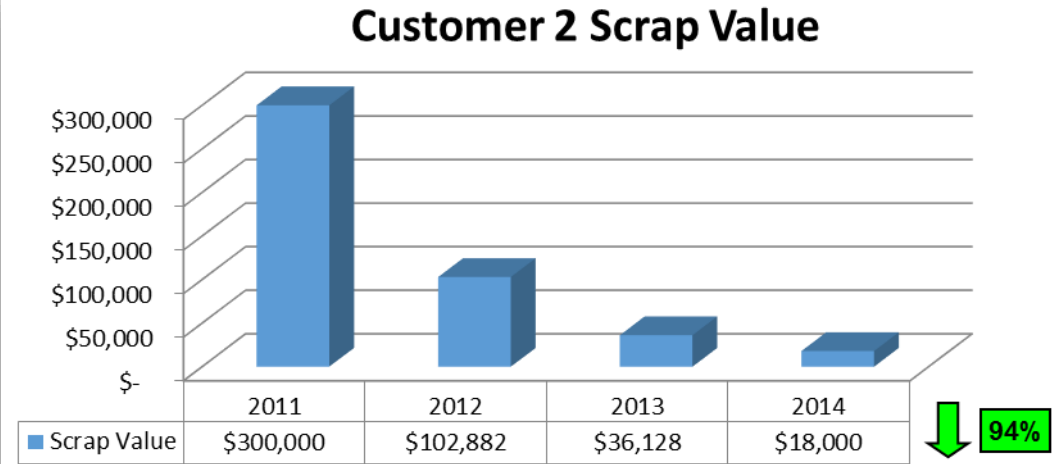
Chemical Management provides quantifiable ROI.

Customers enjoy significant transformational change...

Focus on lean... We find customers are interested in change such as, reducing on site chemical inventory by 50%...and reducing their scrap chemicals drastically in a short time.

The below table shows actual historical performance at some current customer sites.

Customer	Years in Program	Total Spend	Total Savings	Total Hard Deflation	Total Savings % of Spend	Avg Total Savings per Year	Aggregate Inventory Reduction
Customer 1	6	\$ 17,697,188	\$ 1,632,586	\$ 565,931	9%	9%	33%
Customer 2	2.5	\$ 5,003,708	\$ 856,043	\$ 405,719	17%	16%	49%
Customer 3	5	\$ 11,453,719	\$ 737,624	\$ 549,172	6%	7%	45%
Totals		\$ 34,154,615	\$3,226,253	\$ 1,520,822	11%	11%	42%



How is the Chemical Management group of Henkel different?

- Henkel is a **technology innovation provider**, and our chemical management programs bring so much more than people, or a warehouse.
- Our brand of chemical management brings high level lean **transformational change** to customer operations that greatly improves their operational total cost and experience with chemicals. Our programs provide solutions to inefficient processes. **(Refer to White Paper 6120 and 6180)**
- Henkel brings **tangible IT tools** to the customer that become part of their business and process for how they manage chemicals **in collaboration** with Henkel.
- The **financial strength and product application expertise** of Henkel provides unmatched assurance for our customers.

Chemical Management from Henkel

Here are the most common drivers for it.

- Repeated nonconformance in compliance audits (AS9100, TS16949, FAA) such as: **expired chemicals on production floor, incorrect labeling, missing paperwork, incorrect storage or handling.**
- **Long wait times** on new chemical approvals delaying production, manual inefficient process.
- Excessive frequency of **expedited chemicals** to prevent shutdown or work stoppage.
- Large **inventory values** on site with limited or zero visibility.
- Fluid management requirements.
- Large **amount of chemical products** in volume and in number used at site.
- Resources focused on managing chemicals, rather than on core business.

Learn more...



Focus on the mission,
and we'll focus on your chemical requirements

www.henkelna.com/chemicalmanagement