

WELCOME TO EXCESS OPPORTUNITY PROCEDURE TRAINING



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INTRODUCTION TO MOODLE

- Exit Activity button – Use to exit the lecture and return to the Main Menu

PPV Lecture

Exit activity

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PPV PROCESS
TRAINING**

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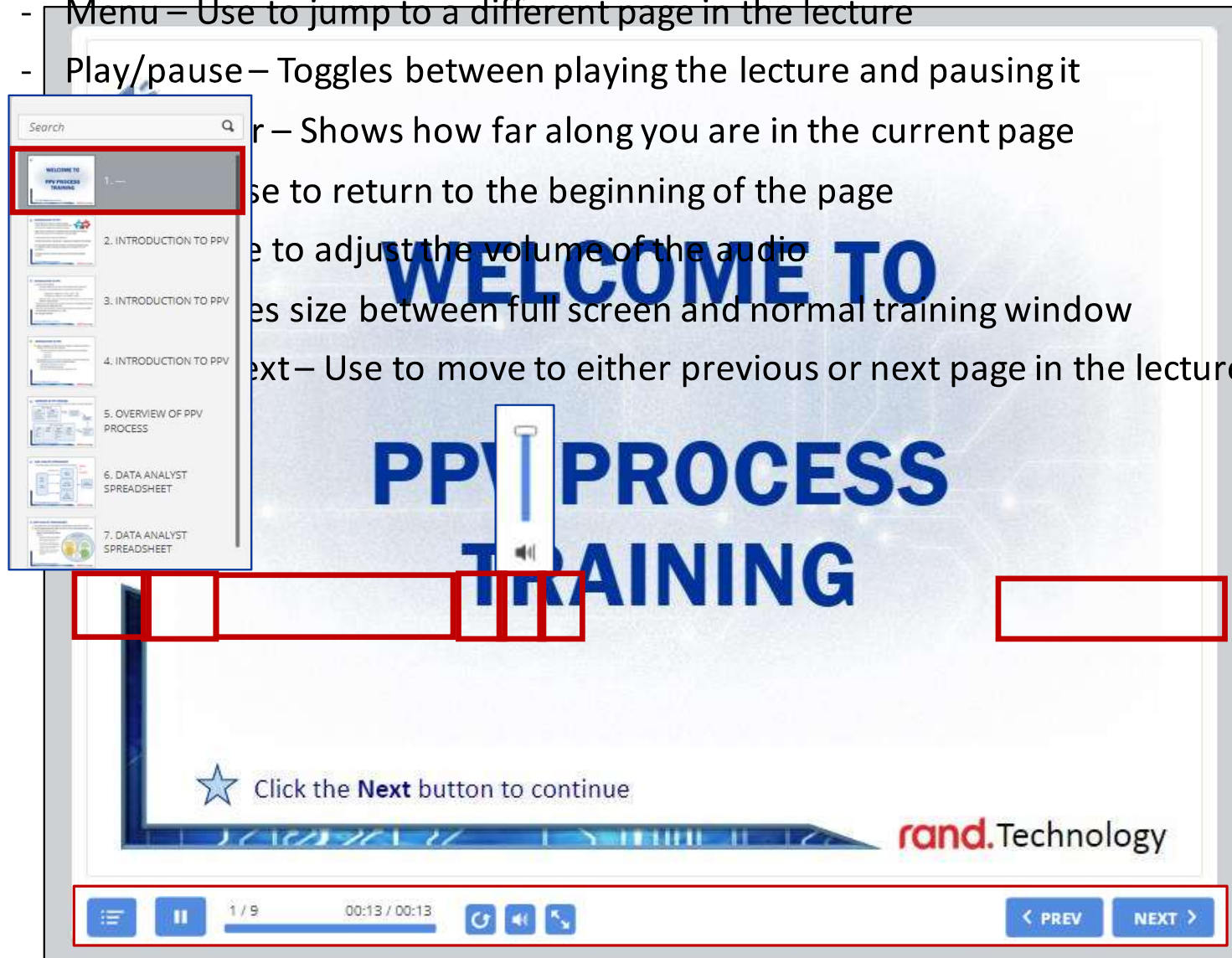
PPV Process Training

- PPV Lecture
- PPV quiz

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INTRODUCTION TO MOODLE

- Navigation buttons at bottom of training window:
 - Menu – Use to jump to a different page in the lecture
 - Play/pause – Toggles between playing the lecture and pausing it
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 - Home – Use to return to the beginning of the page
 - Volume – Use to adjust the volume of the audio
 - Full Screen – Toggles size between full screen and normal training window
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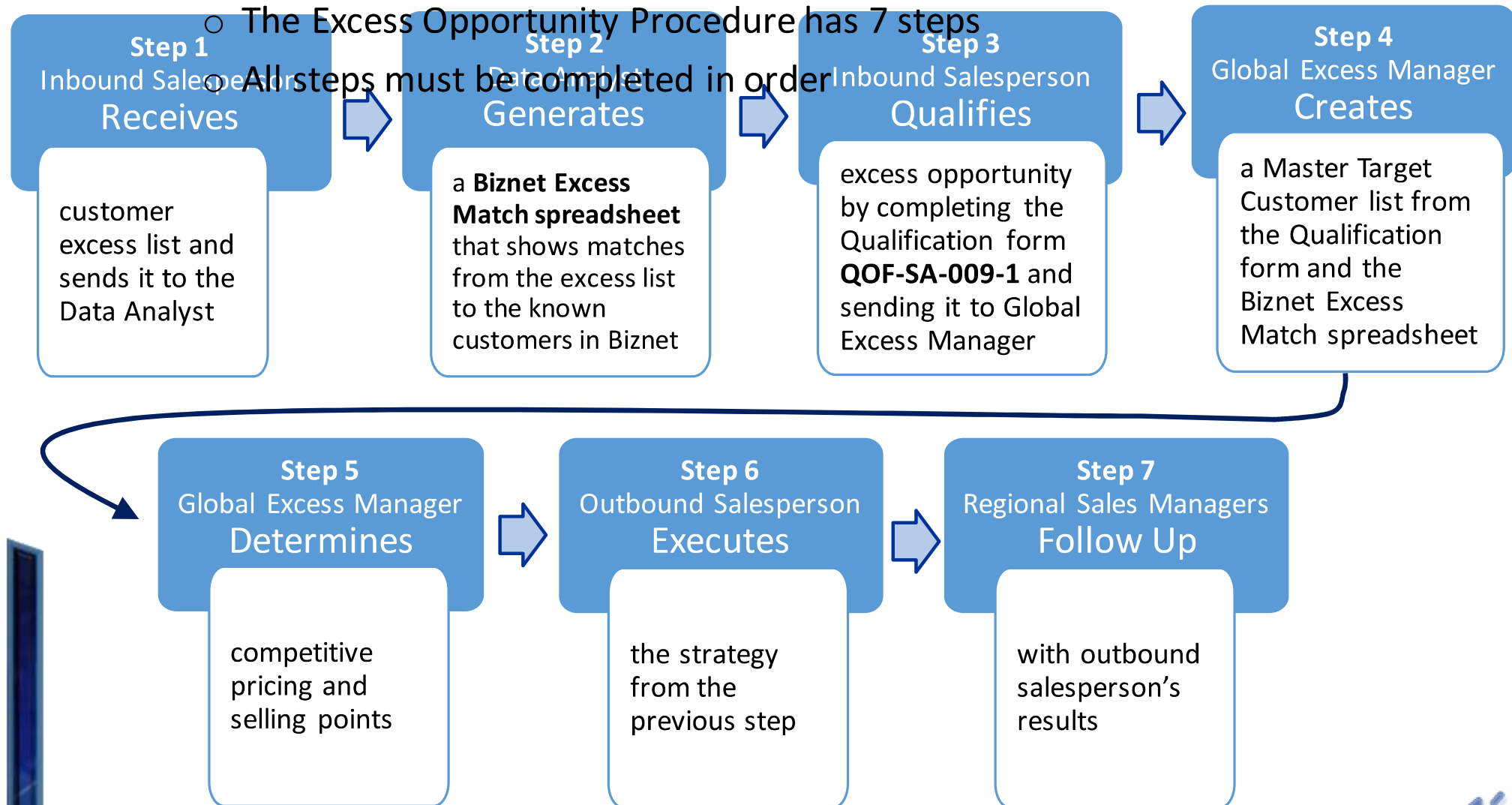


OVERVIEW OF PROCEDURE

- The purpose of this training is to assist sales in the marketing and selling of customer excess inventory

○ The Excess Opportunity Procedure has 7 steps

○ All steps must be completed in order



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Step 1
Inbound Salesperson

RECEIVES INFORMATION

- The process gets started when the inbound Salesperson receives the customer excess list
- The Salesperson sends the excess list to the distribution list EXCESS@Randtech.com. This list includes:
 - Data Analyst
 - Analytic Manager
 - Global Excess Manager
- When a Global Account Manager is assigned to the account, they are CC'd on the e-mail

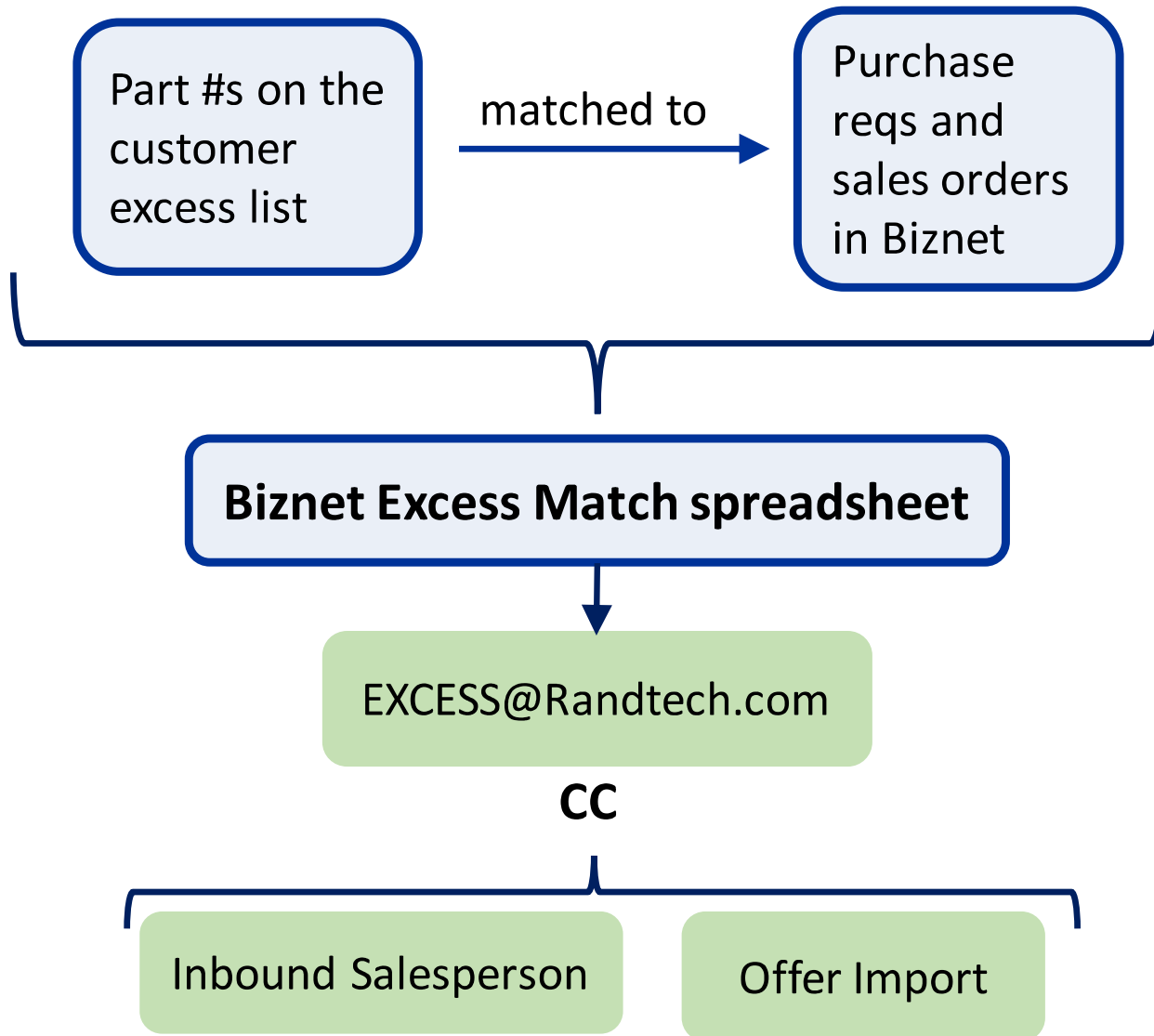


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Step 2
Data Analyst

GENERATES THE SPREADSHEET



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Step 2 Data Analyst

GENERATES THE SPREADSHEET

- Biznet Excess Match spreadsheet
 - Tabs
 - Data – Shows the excess list information obtained by the inbound Salesperson
 - Offer Import – Used to enter the offer into Biznet
 - Global – Shows the results for all the regions
 - Europe, Asia, America – Shows results per region
 - Unknown – No current owner



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| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q |
|-----|-----------------|-------------|------|------------------|------------|-----------|-------------------|----------------|-------------|-----------|--------------|----------|--|--------------|-------------|--------|----------------|
| | MPN | MFR | D/C | Sellable Quantit | Life Cycle | Lead Time | Min Selling Price | Extended Value | Last Resale | Last Cost | Last IV Date | Customer | Account Name | End Customer | SP Name | Region | IPN |
| 191 | AT80614003591AB | INTEL CORP | 1904 | 37 | Active | | \$ 437.83 | \$ 16,199.53 | \$ 574.00 | \$ 510.00 | 5/16/2012 | JAB604 | Jabil Circuit Sdn Bhd | Radisys | Jacky Yuen | Asia | R075-09334-000 |
| 192 | AT80614003591AB | INTEL CORP | 1904 | 37 | Active | | \$ 437.83 | \$ 16,199.53 | \$ 574.00 | \$ 510.00 | 5/16/2012 | SAN755 | SANMINA-SCI (SHENZHEN) LIMITE CCPU | | Lily Zhang | Asia | LFGKEC000017- |
| 193 | AT80614003591AB | INTEL CORP | 1904 | 37 | Active | | \$ 437.83 | \$ 16,199.53 | \$ 574.00 | \$ 510.00 | 5/16/2012 | SAN755 | SANMINA-SCI (SHENZHEN) LIMITE CCPU | | Lily Zhang | Asia | LFGKEC000017- |
| 194 | AT80614003591AB | INTEL CORP | 1904 | 37 | Active | | \$ 437.83 | \$ 16,199.53 | \$ 574.00 | \$ 510.00 | 5/16/2012 | HOH886 | Hon Hai Precision Industry Co., Ltd | Cisco ODM | Emily Wong | Asia | 15-12479-01 |
| 195 | AT80614003591AB | INTEL CORP | 1904 | 37 | Active | | \$ 437.83 | \$ 16,199.53 | \$ 574.00 | \$ 510.00 | 5/16/2012 | JAB510 | Jabil Circuit (Wuxi) Co. Ltd. | Radisys | Stephen Liu | Asia | RS2-01794 |
| 196 | AT80614003591AB | INTEL CORP | 1904 | 37 | Active | | \$ 437.83 | \$ 16,199.53 | \$ 574.00 | \$ 510.00 | 5/16/2012 | FLE121 | FLEXTRONICS TECHNOLOGY (PENANG) SDN BHD (201 | | Emily Wong | Asia | CISH-15-12479- |
| 197 | MT25QL02GCB8E1 | MICRON TECH | 1804 | 1,400 | Active | 10 | \$ 9.02 | \$ 12,628.00 | | | | FCP100 | Flextronics Manufacturing (HK) Lti Self | | Lily Zhang | Asia | |

Ready



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Step 2 Data Analyst

GENERATES THE SPREADSHEET

- Three sections of the Biznet Excess Match spreadsheet
 - Section 1 – Shows information about the part
 - Section 2 – Shows the most recent invoice information on the parts
 - Section 3 – Shows matches to requisitions and sales orders in Biznet
 - Since the search shows information for both items, there will be a sales order line for every requisition that turned into a sales order
 - Sales order lines are bold
 - Requisition lines are italicized

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SECTION 1 SECTION 2 SECTION 3

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| | MPN | MFR | D/C | Sellable Quantity | Life Cycle | Lead Time | Min Selling Price | Extended Value | Last Resale | Last Cost | Last IV Date | Customer | Account Name | End Customer | SP Name | Region | IPN |
|-----|------------------|---------------------|------|-------------------|------------|-----------|-------------------|----------------|-------------|-----------|--------------|----------|-----------------------------|------------------|---------------|----------|------------------|
| 127 | LH1540AT | VISHAY | 9998 | 935 | Active | 7 | \$ 1.59 | \$ 1,482.82 | \$ 1.90 | \$ 1.19 | 6/11/2010 | CEL448 | Celestica International LP | Polycorn | Mustafa Naim | Americas | 705309CPLE |
| 128 | NTR4501NT1G | ON SEMICONDUCTOR | 1538 | 500 | Obsolete | 7 | \$ 2.86 | \$ 1,428.57 | | | | JAB408 | Jabil Circuit, Inc. | McAfee | Brandon Lott | Americas | MC230-1027-00-G |
| 129 | NTR4501NT1G | ON SEMICONDUCTOR | 1538 | 500 | Obsolete | 7 | \$ 2.86 | \$ 1,428.57 | | | | ARS215 | Arris Solutions Inc. | Arris | Brandon Lott | Americas | 538166-001-00 |
| 130 | NTR4501NT1G | ON SEMICONDUCTOR | 1538 | 500 | Obsolete | 7 | \$ 2.86 | \$ 1,428.57 | | | | JAB408 | Jabil Circuit, Inc. | McAfee | Brandon Lott | Americas | MC230-1027-00-G |
| 131 | RC0603FR-0712K7L | YAGEO CORP | 1520 | 4,096 | Active | 14 | \$ 0.35 | \$ 1,423.87 | | | | ADT923 | Adtran | Self | Ray Reza | Americas | 33801272D16-E |
| 132 | RC0603FR-0712K7L | YAGEO CORP | 1520 | 4,096 | Active | 14 | \$ 0.35 | \$ 1,423.87 | | | | FOX864 | FOXCONN | Cisco Production | Ernesto Arias | Americas | 12-561469-01 |
| 133 | BVS-A-R003-1.0 | SABELLENHUTTE | 9998 | 3,000 | Active | | \$ 0.46 | \$ 1,372.31 | | | | SOL425 | Flextronics | Arista | Bao Truong | Americas | ARI-RES-00359-00 |
| 134 | FCB20N60TM | FAIRCHILD SEMICONDU | 1523 | 800 | Obsolete | 42 | \$ 1.71 | \$ 1,371.00 | | | | CEL448 | Celestica International LP | Solarbridge | Mustafa Naim | Americas | 222-00083-00S4S |
| 135 | FCB20N60TM | FAIRCHILD SEMICONDU | 1523 | 800 | Obsolete | 42 | \$ 1.71 | \$ 1,371.00 | | | | CEL448 | Celestica International LP | Solarbridge | Mustafa Naim | Americas | 222-00083-00S4S |
| 136 | MAX1951ESA+T | MAXIM | 1730 | 417 | Active | 6 | \$ 3.23 | \$ 1,348.58 | | | | FLE905 | Flextronics - Canada | Self | Bao Truong | Americas | NOR-N0077815 |
| 137 | MAX1951ESA+T | MAXIM | 1730 | 417 | Active | 6 | \$ 3.23 | \$ 1,348.58 | | | | FLE052 | Flextronics International A | Self | Javier Rojas | Americas | ADE-4148-1023 |

Ready Data Offer Import Global Unknown Europe Asia Americas 100%



Click **Next** button to continue



Step 2 Data Analyst

GENERATES THE SPREADSHEET

- The spreadsheet is color coded
 - Blue – Life cycle is obsolete
 - Red – Life cycle is active with a lead time over 30 weeks
 - Yellow – Life cycle is active with a lead time between 20 to 30 weeks
 - White – Life cycle is active with lead time less than 20 weeks

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| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q |
|-----|--------------------|--------------|------------|----------------|------------|-----------|-------------------|----------------|-------------|-----------|--------------|----------|--|------------------|---------------|----------|--------------------|
| | MPN | MFR | D/C | Sellable Quant | Life Cycle | Lead Time | Min Selling Price | Extended Value | Last Resale | Last Cost | Last IV Date | Customer | Account Name | End Customer | SP Name | Region | IPN |
| 223 | MMA02040C1503FB300 | VISHAY | 9999 | 12,311 | Active | | \$ 0.21 | \$ 2,564.79 | \$ 0.50 | \$ 0.03 | 7/11/2012 | JAB020 | Jabil Circuit (Guangzhou) Limited | Landis & Gyr | Tracy Xie | Asia | LGCP000003600-LF |
| 224 | MMA02040C1503FB300 | VISHAY | 9999 | 12,311 | Active | | \$ 0.21 | \$ 2,564.79 | \$ 0.50 | \$ 0.03 | 7/11/2012 | FLE587 | Flextronics International Poland | Self | Linh Le | Europe | DKNH-AZ001-01783 |
| 225 | FMMT591TA | DIODES INC | 1328 | 2,649 | Obsolete | 11 | \$ 0.97 | \$ 2,563.55 | | | | VEN510 | Venture Manufacturing | Self | Ann Murray | Americas | VV160-1030-00 |
| 226 | FMMT591TA | DIODES INC | 1328 | 2,649 | Obsolete | 11 | \$ 0.97 | \$ 2,563.55 | | | | BEN668 | Benchmarks Electronics | Emerson | Ernesto Arias | Americas | EMR2000710341-LF |
| 227 | T495X156M050ATE300 | KEMET ELECT | 1904 | 500 | Obsolete | | \$ 5.11 | \$ 2,554.62 | | | | JAB022 | Jabil Circuit (Shanghai) Ltd., | | Stephen Liu | Asia | PM0180-9013 |
| 228 | T495X156M050ATE300 | KEMET ELECT | 1904 | 500 | Obsolete | | \$ 5.11 | \$ 2,554.62 | | | | FLE291 | Flextronics Manufacturing Europe B.V. | | Mustafa Naim | Americas | |
| 229 | MCF5272CVF66 | FREESCALE S | 1630 | 131 | Active | 10 | \$ 19.42 | \$ 2,543.73 | | | | FIN232 | FINE PITCH | | | Unknown | VIO-4535272 |
| 230 | MCF5272CVF66 | FREESCALE S | 1630 | 131 | Active | 10 | \$ 19.42 | \$ 2,543.73 | | | | KYR358 | Kyrel Oy | | | Unknown | K13210193 |
| 231 | TEF6730HW/V15.518 | NXP SEMICO | 1850 | 1,500 | Obsolete | | \$ 1.70 | \$ 2,542.50 | | | | SCI136 | Sanmina Corporation | Self | Pete Green | Europe | LFHB2129892 |
| 232 | 06035A390JAT2A | AVX CORPO | 1719 | 3,624 | Active | 28 | \$ 0.70 | \$ 2,522.51 | | | | FLE052 | Flextronics International Aguascal | Sensus | Javier Rojas | Americas | INV-0001400106080 |
| 233 | 06035A390JAT2A | AVX CORPO | 1719 | 3,624 | Active | 28 | \$ 0.70 | \$ 2,522.51 | | | | FOX864 | FOXCONN | Cisco Production | Ernesto Arias | Americas | 11-1172-01 |
| 234 | 06035A390JAT2A | AVX CORPO | 1719 | 3,624 | Active | 28 | \$ 0.70 | \$ 2,522.51 | | | | JAB020 | Jabil Circuit (Guangzhou) Limited | | Tracy Xie | Asia | 3138390J050N16 |
| 235 | RC0402FR-0715RL | YAGEO CORP | 1718 | 8,826 | Active | 14 | \$ 0.28 | \$ 2,490.87 | | | | ADT923 | Adtran | Self | Ray Reza | Americas | 338015R0DC-E |
| 236 | RC0402FR-0715RL | YAGEO CORP | 1718 | 8,826 | Active | 14 | \$ 0.28 | \$ 2,490.87 | | | | FLE036 | Flextronics ZALA | Self | Pete Green | Europe | |
| 237 | MCR706AT4G | LITTELFUSE | 20.02.2019 | 10,000 | Active | 37 | \$ 0.25 | \$ 2,465.36 | | | | MOT086 | Hangzhou Motorola Cellular Equipment Co., Ltd. | | | Unknown | 4814029A10 |
| 238 | APKM100D-SRZ | G E | 1847 | 170 | Active | | \$ 14.40 | \$ 2,448.27 | | | | SCI523 | Sanmina-SCI Corporation | | Javier Rojas | Americas | LFPT1AF29469AAAA |
| 239 | M4A5-128/64-12VNI | LATTICE SEM | 1510 | 270 | Obsolete | 10 | \$ 8.93 | \$ 2,410.86 | | | | FLE587 | Flextronics International Poland | Ericsson | Linh Le | Europe | ERBHRVTV1410041 |
| 240 | MDB10S | FAIRCHILD SI | 1816 | 1,565 | Active | 26 | \$ 1.51 | \$ 2,359.30 | | | | DHE086 | Dongguan Hubbell Electrical Produ | Self | | Unknown | 480-0159 |
| 241 | MCP2515-I/ST | MICROCHIP | 1608 | 177 | Active | 12 | \$ 13.04 | \$ 2,308.70 | | | | SAN512 | Sanmina-SCI Corporation | Self | Lily Zhang | Asia | LFAVK3250-32077-00 |

Data Offer Import Global Unknown Europe Asia Americas



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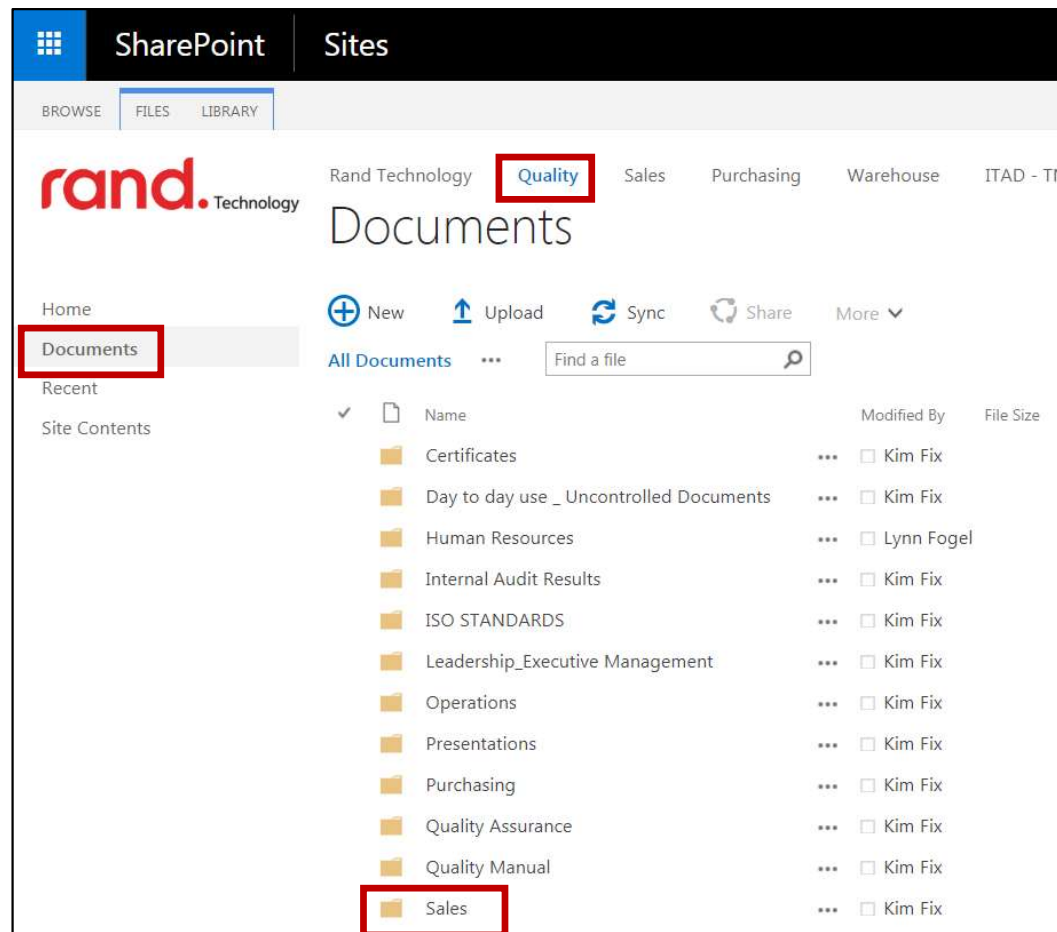


Step 3

Inbound Salesperson

QUALIFIES THE EXCESS OPPORTUNITY

- This step is performed by the inbound Salesperson. They need to fill out the Qualification form, QOF-SA-009-1, and send it to the Global Excess Manager.
- This form is located on the Rand SharePoint website



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Step 3 Inbound Salesperson

QUALIFIES THE EXCESS OPPORTUNITY

| Rand Technology Excess Opportunity Management Form | |
|--|--|
| <p style="text-align: center;"><u>Reasons for Selling?</u></p> <p>1 How did this product become excess? <input style="width: 100%;" type="text"/></p> <p><i>If you answered "Slow Mover" for Question 1</i></p> <p>1b Why is this product slow moving? <input style="width: 100%;" type="text"/></p> <p>1c How long will it take for you to consume the excess? <input style="width: 100%;" type="text"/></p> <p>1d Do you anticipate your replacement cost to be higher or lower than your cost for this excess? <input style="width: 100%;" type="text"/></p> <p>3 <u>General Objectives</u></p> <p>3a What is most important to you & your company? <input style="width: 100%;" type="text"/></p> <p>3b How important is this to your company to move? <input style="width: 100%;" type="text"/></p> <p>4 <u>Pricing Expectations</u></p> <p>4a Target Price (per unit) <input style="width: 100%;" type="text"/></p> <p>4b Are you willing to take a loss to move this? <input style="width: 100%;" type="text"/></p> | <p style="text-align: center;"><u>Terms of Sale and Product Details</u></p> <p>1 <u>Owner/Decision Maker</u></p> <p>1a Has this been written down? <input style="width: 100%;" type="text"/></p> <p>1b Who is financially responsible (company name)? <input style="width: 100%;" type="text"/></p> <p>Decision maker full name(s) <input style="width: 100%;" type="text"/></p> <p>Decision maker email(s) <input style="width: 100%;" type="text"/></p> <p>Decision maker phone number(s) <input style="width: 100%;" type="text"/></p> <p>2 <u>Selling Model</u></p> <p>2a Are you looking to sell as a LOT or by line item? <input style="width: 100%;" type="text"/></p> <p>2b Is consignment a consideration? <input style="width: 100%;" type="text"/></p> <p>3 <u>Payment Terms</u></p> <p>3a Can you confirm we have "Like" terms or better? <input style="width: 100%;" type="text"/></p> <p>3b Specify. <input style="width: 100%;" type="text"/></p> <p>5 <u>Product/Market</u></p> <p>5a What product/type of equipment were these used in? <input style="width: 100%;" type="text"/></p> <p>5b Who are the major competitor products? <input style="width: 100%;" type="text"/></p> <p>6 <u>Condition of Product</u></p> <p>6 What is the age of the inventory in general? <input style="width: 100%;" type="text"/></p> <p>Is it New, Used, etc? <input style="width: 100%;" type="text"/></p> <p>6a Can you provide digital photos/date codes/lot codes during the bidding process if necessary? <input style="width: 100%;" type="text"/></p> <p>7 <u>Traceability</u></p> <p>7a Is it traceable? <input style="width: 100%;" type="text"/></p> <p>7b Can you provide traceability documents? <input style="width: 100%;" type="text"/></p> <p>8 <u>Logistics</u></p> <p>8a Where are the parts physically located (company name)? <input style="width: 100%;" type="text"/></p> <p>8b Where are the parts physically located (country)? <input style="width: 100%;" type="text"/></p> <p>8c How long will it take to ship once decision has been made? <input style="width: 100%;" type="text"/></p> <p>8d How large is this LOT? (estimate boxes/pallets) <input style="width: 100%;" type="text"/></p> <p>9 <u>Time Table</u></p> <p>9a When do you need feedback? <input style="width: 100%;" type="text"/></p> <p>9b How long does it usually take to make a decision? <input style="width: 100%;" type="text"/></p> <p>9c How long will it take to ship once decision has been made? <input style="width: 100%;" type="text"/></p> |
| <p style="text-align: center;"><u>What Have You Already Done to Move the Excess?</u></p> <p>1 Have you tried to return this excess to the original supplier? <input style="width: 100%;" type="text"/></p> <p>1a If yes, what was the result? <input style="width: 100%;" type="text"/></p> <p>2 Have you tried to find other ways to consume this excess internally? <input style="width: 100%;" type="text"/></p> <p>2a If yes, what was the result? <input style="width: 100%;" type="text"/></p> <p>3 Have you tried to sell the excess to the open market previously? <input style="width: 100%;" type="text"/></p> <p>3a If yes, what was the result? <input style="width: 100%;" type="text"/></p> <p>4 Who else has this opportunity? <input style="width: 100%;" type="text"/></p> <p>5 For this sale to be considered a success, describe what you hope to achieve. <input style="width: 100%;" type="text"/></p> | |
| <p style="text-align: center;"><u>Ongoing Opportunity</u></p> <p>1 How often do you purge excess? <input style="width: 100%;" type="text"/></p> <p>2 If we are looking for a part that your company might use or we see does use... Would it be okay to call on important "one offs" in the future? <input style="width: 100%;" type="text"/></p> <p>1a Are you normally in charge of excess? <input style="width: 100%;" type="text"/></p> <p>2b If you are not the right contact, who would that person be?</p> <p>Contact Full Name <input style="width: 100%;" type="text"/></p> <p>Email <input style="width: 100%;" type="text"/></p> <p>Phone <input style="width: 100%;" type="text"/></p> | |

QOF-SA-009-1 Qualification form



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Step 4 Global Excess Manager

CREATES MASTER TARGET LIST



- Master Target list – Is a list that includes the known customers and any added target customers
- The Global Excess Manager uses the Qualification form to find new target customers based on:
 - Product type
 - Knowledge of customers who are working with the competitors of the initiator of the original excess list
- The new target customers are added to the target customer list to get an expanded Master Target list

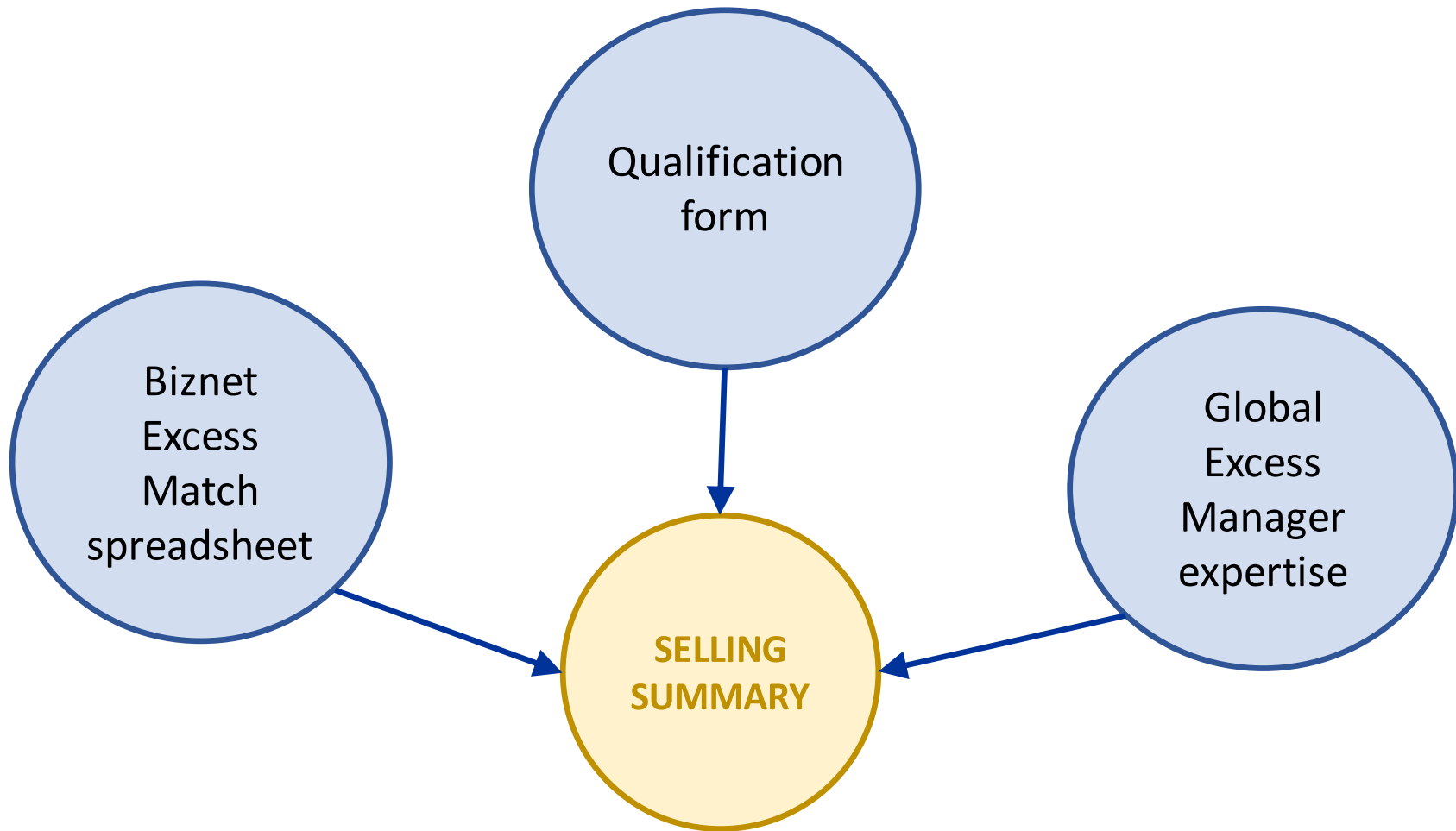


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Step 5
Global Excess Manager

DETERMINES PRICING & SELLING POINTS



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Selling Summary

- An explanation of the part, what type product it might fit into as an assembly piece. The higher assembly part could be added to the Biznet match.
- Cost improvement or competitive pricing for the top 80% of the parts
- If there was no pricing provided, the manager will determine optimal price points
- A categorization of parts as either:
 - PPV selling
 - In which case, the selling strategy will be based on the most recent fair costs
 - Supply selling
 - In which case, the market conditions and lead time need to be taken into account
- Any other critical selling points as to why this product would be a good buy



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DETERMINES PRICING & SELLING POINTS

- Once the Selling Summary is complete, then Manager has three more tasks to do:
 1. Send the Selling Summary and the spreadsheet to the outbound Salespeople who have customers on the Master Target list
 - Each Salesperson receives their Regional tab plus the Global tab of the spreadsheet
 - The Regional Managers get CC'd on that e-mail
 2. If needed, communicate with inbound Salesperson regarding modifying the cost of the excess based on new market trends
 3. Save the files for the customer excess list to the SharePoint site
 - The Biznet Excess Match spreadsheet
 - Qualification form



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Step 6
Outbound Salesperson

EXECUTES THE STRATEGY

- Now its up to the outbound Salespeople to execute the strategy
 - Salespeople who are direct match from Biznet
 - ! Have the action item of using the Regional tab of the spreadsheet to find their target customers for the excess opportunity and contact them regarding this opportunity
 - Added Salespeople to the Master Target list
 - ! Have the action item of contacting targeted customers for the excess opportunity and sending them the information from the Global tab of the spreadsheet to see if there is a possible match that they can use



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Step 6 Outbound Salesperson

EXECUTES THE STRATEGY

- The purpose of this procedure is to assist sales in the marketing and selling of customer excess inventory



- The Salespeople are going into the situation armed with the Selling Summary provided by Global Excess Manager

- Helpful tip: 
 - Do not ask the customer if they have any open requirements because if their forecasted demand is covered they will reply with the dreaded “no”
 - It’s better to ask the customer if they have demand over the next six months. Then you can position the parts as either **supply benefit** or **PPV benefit** as outlined in the selling summary
- If the bid doesn’t work, don’t despair because its all a learning experience
- Others can learn from you experience too, if you give specific feedback to your manager. So don’t skip this important step which can help improve the process in the future.



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Step 6
Regional Sales Managers

FOLLOW UP

- The Regional Sales Managers will follow up by:
 - Involving all Global Account Managers to drive the close of the sale
 - Making sure that feedback is provided by the Salespeople
 - Tracking results in the Excess Offer Tracker, including the publication of closing ratios of Salespeople

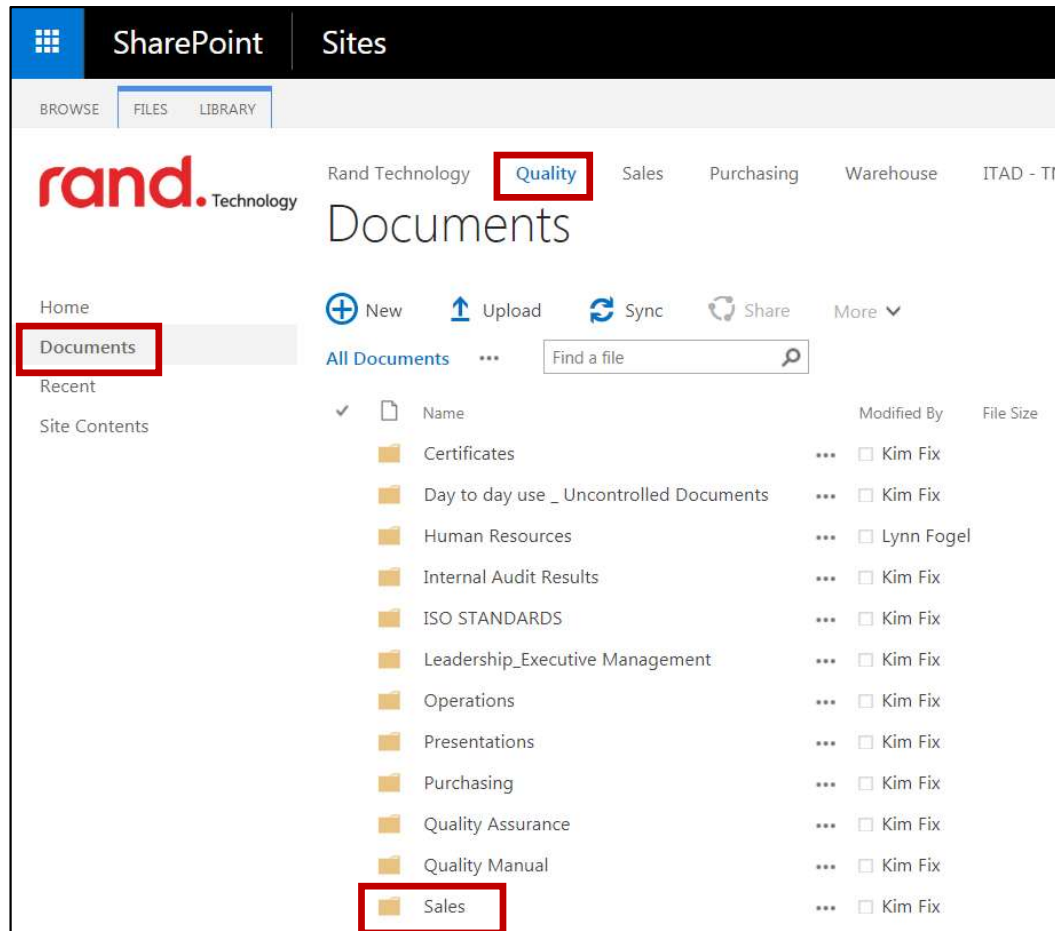


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EXCESS SALES MANAGEMENT DOCUMENT

- The excess sales management document, QOP-SA-009 also includes information on the Excess Opportunity Procedure
- This document is located on the Rand SharePoint website



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END OF LECTURE ON EXCESS OPPORTUNITY PROCEDURE

★ click the link below to continue to the quiz

