

PROCEDURE

Below is a typical sequence of events for the submission and approval of IDEAS. Eventually, this process will become more spontaneous and less sequential.

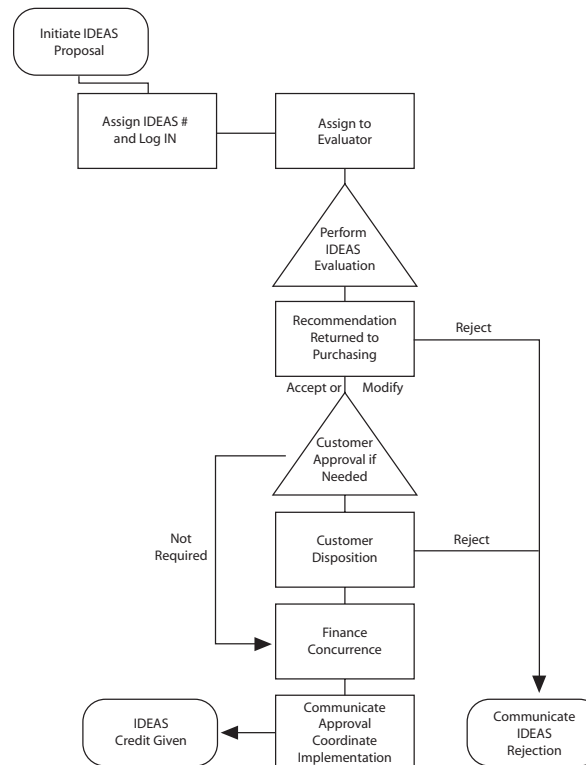
1. Suppliers document proposals for improvement and cost reduction to TEAM Company using the IDEAS Form FR1085. The form is to be submitted to TEAM Purchasing (Buyer). The purchasing function will champion the supplier's proposals.
2. TEAM Purchasing (Buyer) will assign an IDEAS control number, and log the proposal into the TEAM data base.
3. TEAM Purchasing (Buyer) will send the proposal to the appropriate person (such as engineering, manufacturing, cross-functional team) for feasibility evaluation.
4. After the evaluation process is completed, a recommendation will be made to accept, modify or reject the proposal.
5. The evaluator will return the proposal to purchasing with a recommendation.
6. If the recommendation is to accept the proposal, purchasing will review with appropriate person to determine if customer approval/notification is required. If required, sales/engineering will obtain customer approval.
7. Proposal is submitted to finance for concurrence of projected savings and credit.
8. Purchasing will communicate decision to the supplier. Implementation timing will be agreed upon.
9. Credit is given when IDEAS are approved.

PURCHASING'S ROLE

- Champion supplier proposals within TEAM.
- Track performance.
- Conduct regular meetings with supplier.
- Review status of open proposals.
- Review performance against objectives.
- Resolve open issues.
- Coordinate cross-functional activities.

SUPPLIER'S ROLE

- Champion your IDEAS.
- Initiate proposals and IDEAS for improvement.
- Develop action plan to accomplish IDEAS.
- Provide appropriate documentation, such as preliminary drawings and testing.
- Review with appropriate TEAM personnel.
- Review progress with TEAM Purchasing on a regular basis.



**IDEA's
Drives
Excellence,
Advancement
and Savings**



TEAM Industries, Inc.



PURPOSE

The purpose of the TEAM IDEAS program is to encourage supplier-initiated cost reduction and improvement suggestions. IDEAS will help create an environment that promotes open communication and mutual benefit between TEAM, its suppliers, and its customers.

With its suppliers, TEAM will:

- Continually build and improve supplier relationships
- Innovate new product concepts and processes
- Eliminate waste
- Improve quality
- Reduce cycle times
- Embrace ongoing continuous improvement
- Build mutual trust

SCOPE

Work with all suppliers to maximize our collective success.

WHY

Our marketplaces demand improved quality, the elimination of waste, lower costs, and continuous improvement.

- Intense global competition requires that TEAM, its suppliers and customers work together to mutually build competitive advantage.
- Supplier expertise and creativity is a valued resource that contributes substantially to the success of TEAM and its customers.
- Supplier innovation in new products and technologies extends TEAM's capabilities in helping provide customers with cost-effective solutions.

- TEAM's businesses require a uniform, fact-based program equitable to all suppliers.
- TEAM seeks a forthright, trustworthy supplier relationship with candid dialogue that enhances the company's drive toward continuous improvement.

HOW TO ACHIEVE SAVINGS WITH IDEAS

Cost reduction and improvement IDEAS in all areas including: Thought Provokers/Enablers

Product Design

- Content
- Design
- Materials
- New Technologies
- Reliability
- Recyclability
- Optimization of Validation or Test Requirements

Manufacturing Improvements

- Cycle-time Reduction
- Inventory Reduction
- Process Improvement
- Volume Efficiencies
- Tooling

Business and Administrative Improvements

- Payment Terms
- Communication
- TEAM Administrative Practices
- Complexity Reduction

Logistics

- In Bound/Out Bound Freight
- JIT Delivery
- Packaging
- Re-Usable Containers

Sourcing Strategies

- Integrated Supply Base
- Supplier Optimization

Quality

- Warranty
- Other Cost of Quality
- Local Quality Initiatives (\$10,000 credit/location)

WHO

The TEAM Management Team is committed to supporting this program with resources within our organization and will include professionals from areas such as:

- Purchasing
- Product Engineering/Design Engineering
- Manufacturing Engineering
- Finance
- Quality
- Materials Management/Logistics
- Human Resources
- Manufacturing Operations
- Marketing/Sales

This program requires the same commitment from our suppliers' organizations.

HOW

Present a new proposal every time you see your buyer.

- Do not see engineering without discussing your IDEAS.
- Use continuous improvement techniques.
- Use benchmarking.
- Act on IDEAS.