



Supplier Cost Reduction Idea Program (SCRIP)



1. What is the Supplier Cost Reduction Idea Program (SCRIP)?

- SCRIP is a tool to help build a cost savings pipeline
- It is a collaborative forum between Oshkosh and its Suppliers to discuss opportunities to improve product, process and/or design
- The intention is to take cost out of product, rather than reduce Supplier's profit margin!

2. Why use SCRIP?

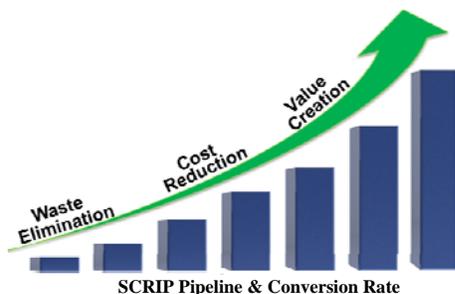
- Utilize Supplier's expertise in their products to help remove waste from value chain, product and manufacturing process
- Mutually beneficial for both Supplier and Oshkosh
- Promotes continuous improvement & Oshkosh Operating System (OOS) practices

3. What factors are critical for success in using SCRIP?

- Positive Oshkosh – Supplier relationships
- Willingness to pursue opportunities that improve the product, process and/or design
- Engineering resources dedicated to SCRIP
- Program traction and visibility

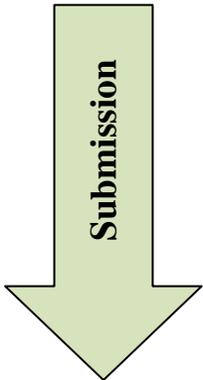
4. Expectations

- Each Supplier will have a cost reduction target, communicated by the Oshkosh Global Commodity Council, and be required to propose improvement ideas for approval
- Performance will be measured
- SCRIP performance WILL affect future sourcing decisions



Oshkosh Corporation

5. How does SCRIP work?



1. Supplier fills out Supplier Change Request (located on the OSN portal at <https://osn.oshkoshcorp.com>)

2. Supplier emails completed form to: scripsubmissionform@oshkoshcorp.com
Global Commodity Manager
Segment Purchasing Representative

**For Defense related ideas upload documents to the FTP site and send email notification to the address above*

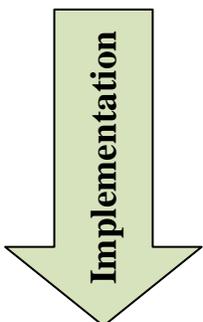


3. Corporate Global Procurement & Supply Chain (GPSC) Analysts enter SCRIP idea into the Cost Savings Database (GCTS) and idea owner is identified

4. SCRIP Idea Owner reviews idea



5. SCRIP Idea Owner makes final idea decision and GPSC Analysts notifies Supplier and Global Commodity Manager (GCM). A Project Leader is then assigned



6. Project Leader, with Segment resources, will update and maintain project in cost savings database through idea implementation

Process Tools