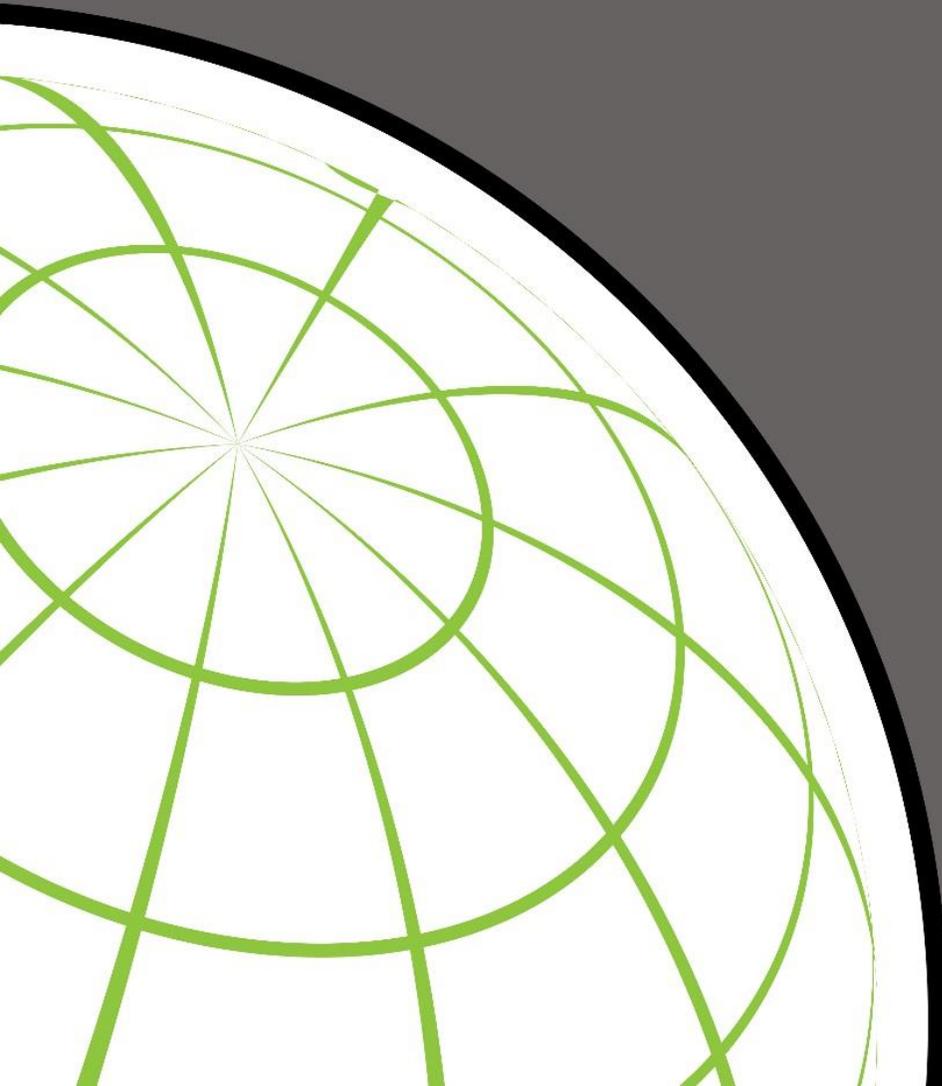


CONNECT ■ COMPETE ■ GROW



2016

GEOORGIA
LOGISTICS
SUMMIT

Roundtable 3c

Solutions for Risk Reduction





Jan Theissen
AGCO



Heiko Schwarz
riskmethods



Jack Rittenhouse
AGCO



Marc Hübner
Deufol



Tuan Pham
Case-Mate



Mark Robinson
UPS Capital



Felix Stellmaszek
Boston Consulting Group
MODERATOR

AGCO CORE BRANDS



AGCO purchasing has to deal with common trends & disasters, but also with various megatrends & industry specific challenges.

Natural disasters



Geopolitical situations



Financial markets



Agriculture equipment specific



Seasonality of product needs

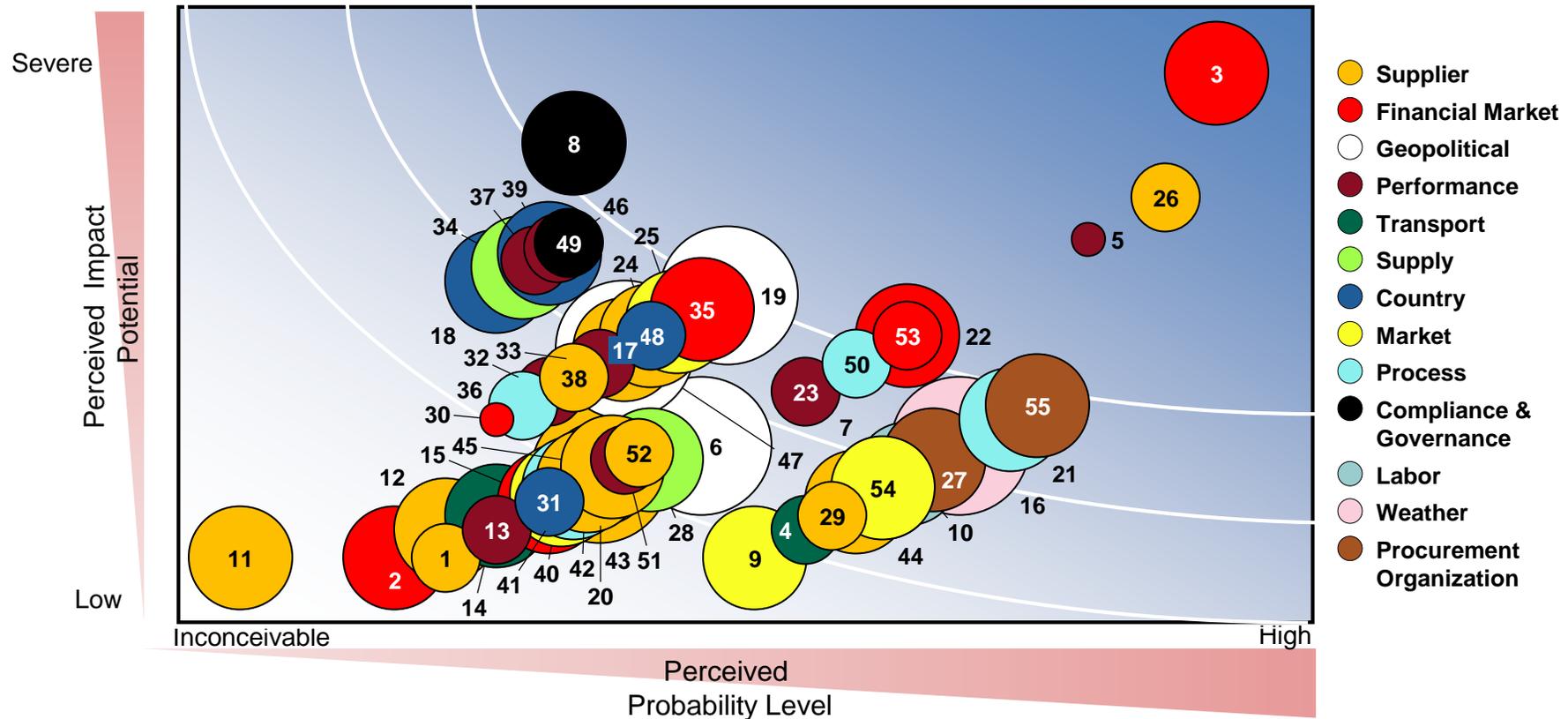


High customer requirements



Commodity price fluctuation

Create awareness & make Risk Management a company effort: Corporate & Supply Chain Risks were defined from several departments



Bubble size reflects perceived Risk Control in AGCO



The AGCO Way: Our unique integration approach from Strategy to Organization to Big Data and Internet of Things



Evaluate

The creation of the a risk management function with new processes and role profiles ensured full integration in AGCO's organization.

AGCO performed a global transformation, which was used to create a dedicated risk management competence center.

AGCO's purchasing organization was characterized by regional and brand heterogeneity.

The centrally-led AGCO purchasing organization combines dedicated resources and structural interfaces to ensure cross-functionality.

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“Clean your house”



Analyze

AGCO's supply chain with highly interconnected collaborations is exposed to various risks.

Supplier risks Customer risks

Bureaucratic risks Infrastructural risks Disaster risks

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“Understand your environment”

AGCO Supply Chain Risk Management

Integrated Freight Network and Control Towers

Globally Integrated TMS – Implementation Plan

Q3 2016 – Q1 2017 Q4 2013 – Q2 2015 Q1 2016 – Q4 2016 Q4 2016 – Q3 2017 2016 – Date Globally Integrated AGCO TMS

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AGCO's Supply Chain Risk Management approach & how it is linked to the Internet of Things / Industry 4.0.

APEX: Cost Management, Supplier Performance, Networking

D&B: geo targeting, Big Data, Digital Supply Chain, Intelligence

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AGCO's award winning approach to supply chain risk management is innovative, automated, and comprehensive, creating a competitive advantage for AGCO.

Risk Management @ AGCO

Supplier Monitoring	Supply Chain Transparency	Geopolitical Risks & more
<ul style="list-style-type: none"> Integrated 3rd party vendors provide detailed financial information Real-time visibility for AGCO's preferred suppliers Compliance with quality, delivery and performance 	<ul style="list-style-type: none"> Mapping AGCO's tier 1 supply chain Fast reaction, due to up to the minute information on natural disasters, FCPA violations, supplier disasters etc. 	<ul style="list-style-type: none"> Geopolitical, environmental, et al. risks Provides an overview of the ever changing global landscape

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“Enable your organization”



Adjust

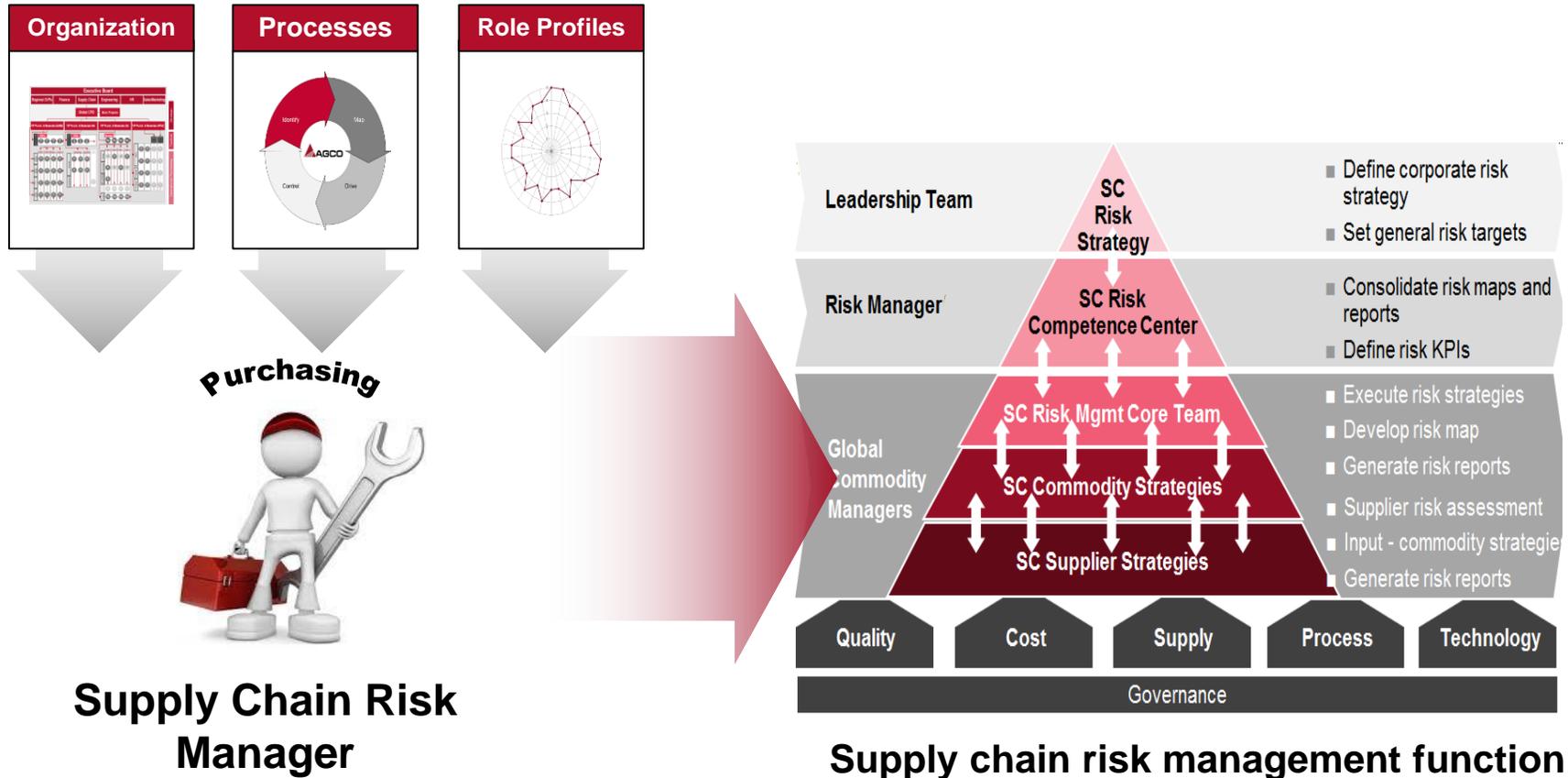
“Develop the future”



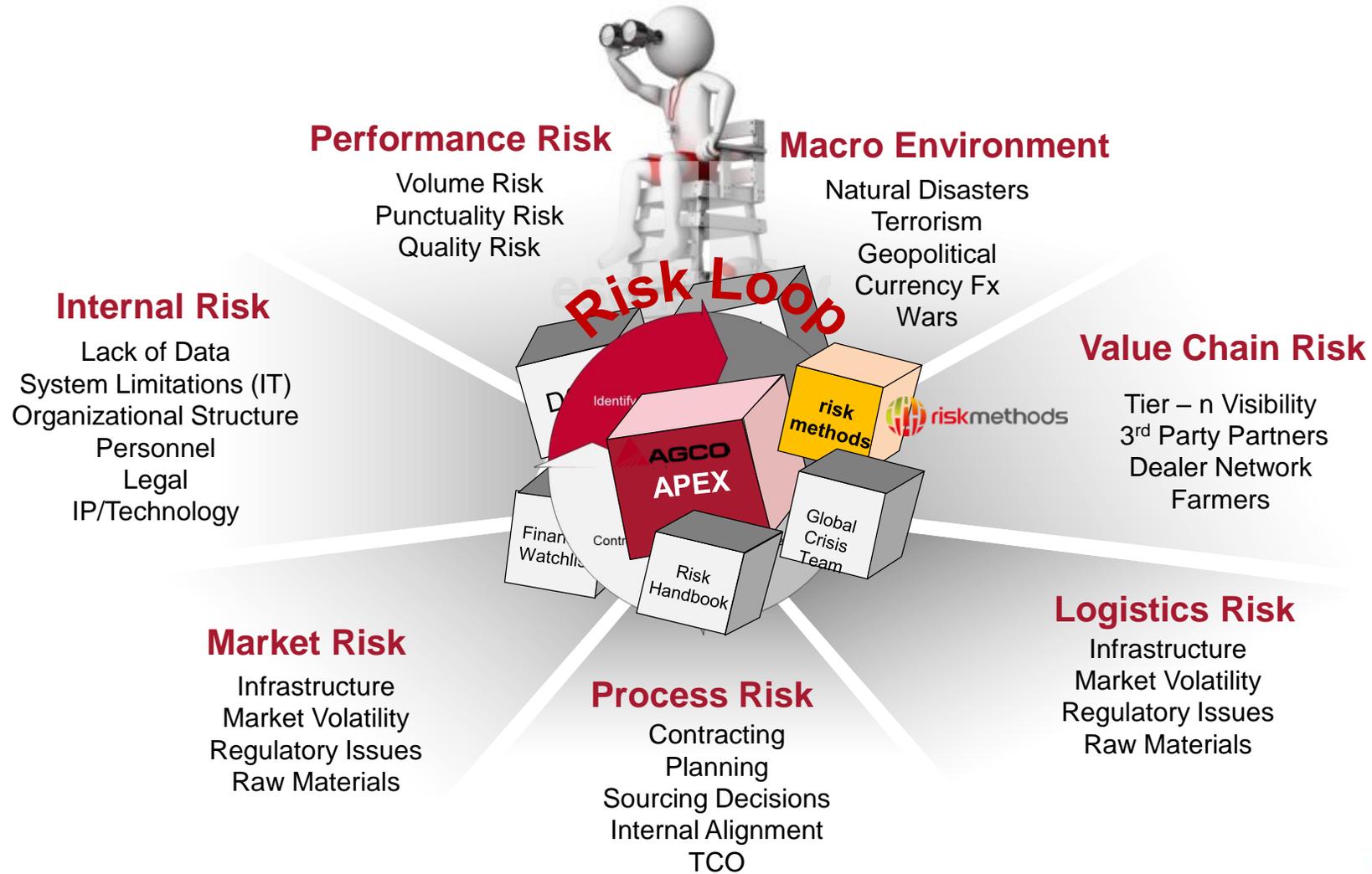
Advance



The creation of the a risk management function with new processes and role profiles ensured full integration in AGCO's organization.



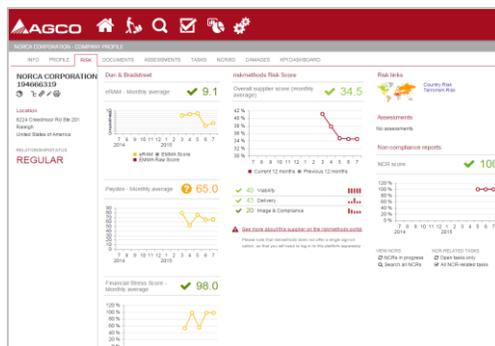
Managing the AGCO Supply Chain Risk universe



AGCO's award winning approach to SCRM is innovative, automated and comprehensive, creating a competitive advantage.

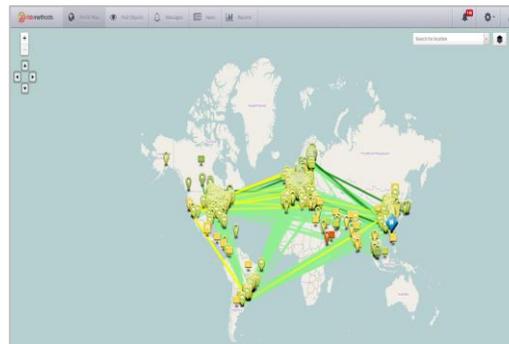
Risk Management @ AGCO

Supplier Monitoring



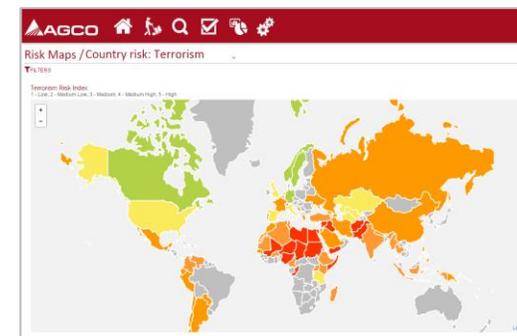
- Integrated 3rd party vendors provide detailed financial information
- Real-time visibility for AGCO's preferred suppliers
- Compliance with quality, delivery and performance

Supply Chain Transparency



- Mapping AGCO's **tier 1 & 2** supply chain
- Fast reaction, due to up to the minute information on natural disasters, FCPA violations, supplier disasters etc.

Geopolitical Risks & more



- Geopolitical, environmental, et al. risks
- Provides an overview of the ever changing global landscape

The global AGCO Supply Chain Risk network

The dashboard provides a comprehensive overview of supply chain risks for DEMOCORP INC. Key features include:

- Overview & Profile:** Navigation tabs for INFO, PROFILE, RISK PROFILE, DOCUMENTS, RESULTS, ASSESSMENTS, TASKS, DAMAGES, and PERFORMANCE.
- Country Risk Map:** A world map showing risk levels across different regions.
- riskmethods Risk Score:** A total risk score of 66.8, accompanied by a line chart comparing current and previous year performance from January to December.
- D&B Score:** A score of 87, with a corresponding line chart for the year 2012.
- Supplier Details:** Information for BRASR Rota Inc. (Brazil), including contact details and business units.
- Indicator Comparison:** A bar chart comparing various indicators (e.g., Country corruption, Country rating, Flooded, GDP per capita) across different suppliers.
- Global Map:** A world map with yellow pins indicating supply chain nodes and paths.
- Event Details:** A pop-up window for "Industrial disputes at location" in Mir-Bhayander, India, detailing major ports and location disputes.
- News & Alerts:** A section titled "FLOOD IS SOME PARTS OF JAKARTA, INDONESIA" with a "very high" proposed score and details about the flooding event.
- Affected Risk Objects:** A list of impacted supply paths, suppliers, locations, and countries.



Success Factors



Comprehensive methodology



Live in 1 day



Best practice included



Pre-connected risk data sources



Fun to use

THANK YOU!

Please contact us for further questions!



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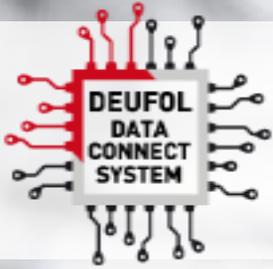
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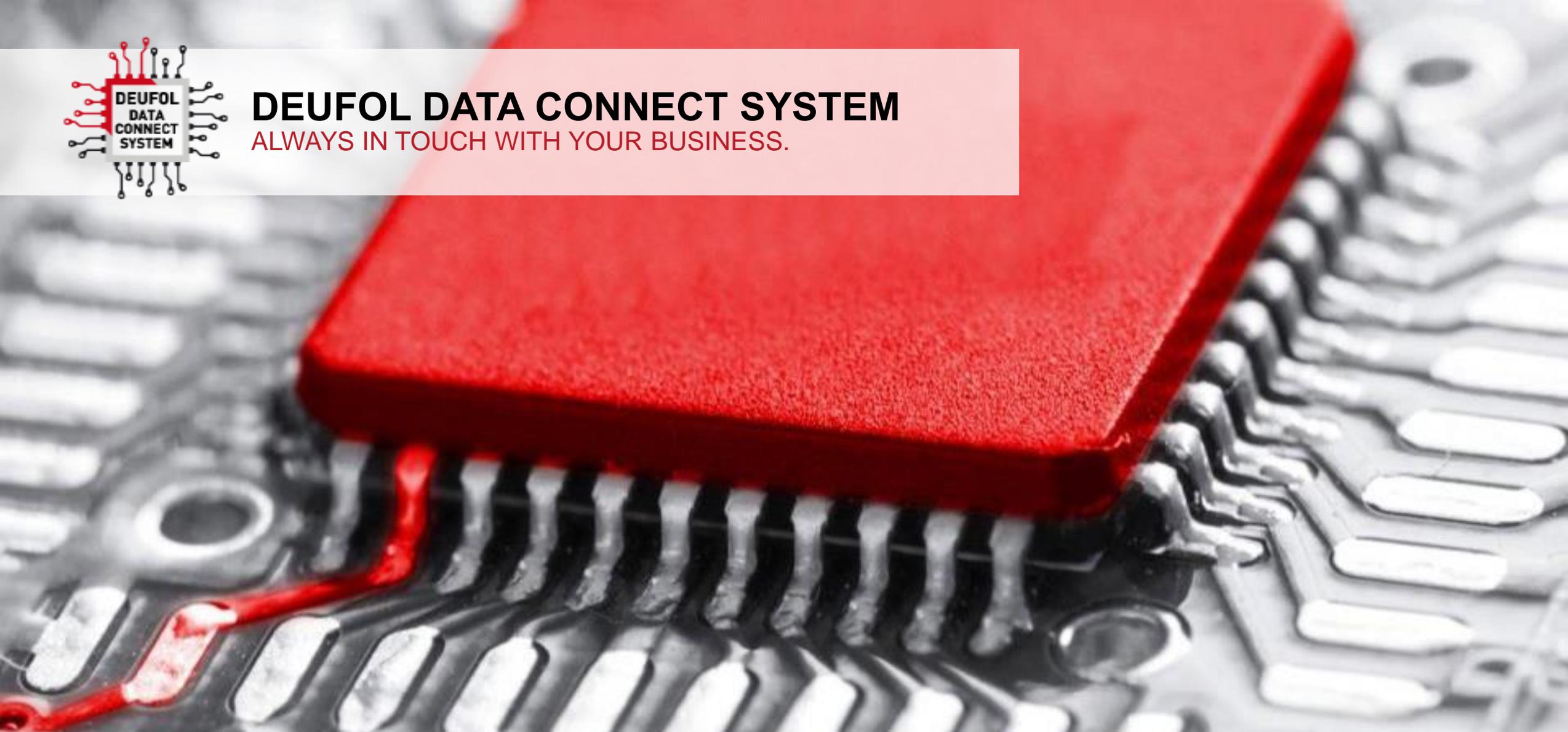


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MODERATOR



DEUFOL DATA CONNECT SYSTEM

ALWAYS IN TOUCH WITH YOUR BUSINESS.





LIVE-PACK CONTROL

GPS-TRACKER FOR YOUR GOODS.



- Constant Supervision of Packaging Status
- Total Control: Location, Temperature, Light, Humidity, Tilt and Shock
- Proactive Alarm system that alerts you when predefined parameters have reached that enable you to take immediate action.



Industry-Leading High Tech Solutions

Application Seeding & Tillage Replacement Parts

Hay Equipment Protein Production

Harvesting Storage & handling

Tractors



AGCO

Your Agriculture Company

Best-in-Class Ag Equipment Solutions



Challenger

Fendt

GSI

MASSEY FERGUSON®

VALTRA



Deufol Live-Pack Control – Assessing the Opportunities

Current applications:

- Fendt Cab Shipments (sensitive electronics / glass / mechanicals) shipped via Truckload between plants.
- China Packaging – Components shipped via FCL / LCL and Truckload to global plant assembly operations.



Potential applications being assessed:

- Engines / Drivetrains - High / heavy with high history of shifting (tilt / shock).
- Glass – LCL from China (shock)
- Cab Roofs – Sensitive electronics / headliner damage.
- Unpainted parts for internal painting (humidity).
- Whole Goods and Galvanized – TL salt spray in winter.
- Rail bump test parameters exceeded.
- Line stock outs (GPS tracking location).



Overview / Benefits

Overview

- Global Expansion of the Supply Base.
 - Longer lead times.
 - No ability to recover from damage or late delivery situations.
- More safety stock required as a hedge against potential shortfalls.
- Customized / build to order equipment.
- Spare parts / dealer service fill rates.
- Increased expedites.

Deufol Live - Pack Benefits:

- Increased global visibility of product location / condition.
- Live data facilitates re-routing / re-ordering / supply chain adaptiveness.
- Data analytics to address the source of the issue.
- Key input into packaging needs and solutions.
- Engineering product design improvements.
- Enabling global standards.
- Pro-active claim / damage reductions.



Mitigating Risk Across the Supply Chain



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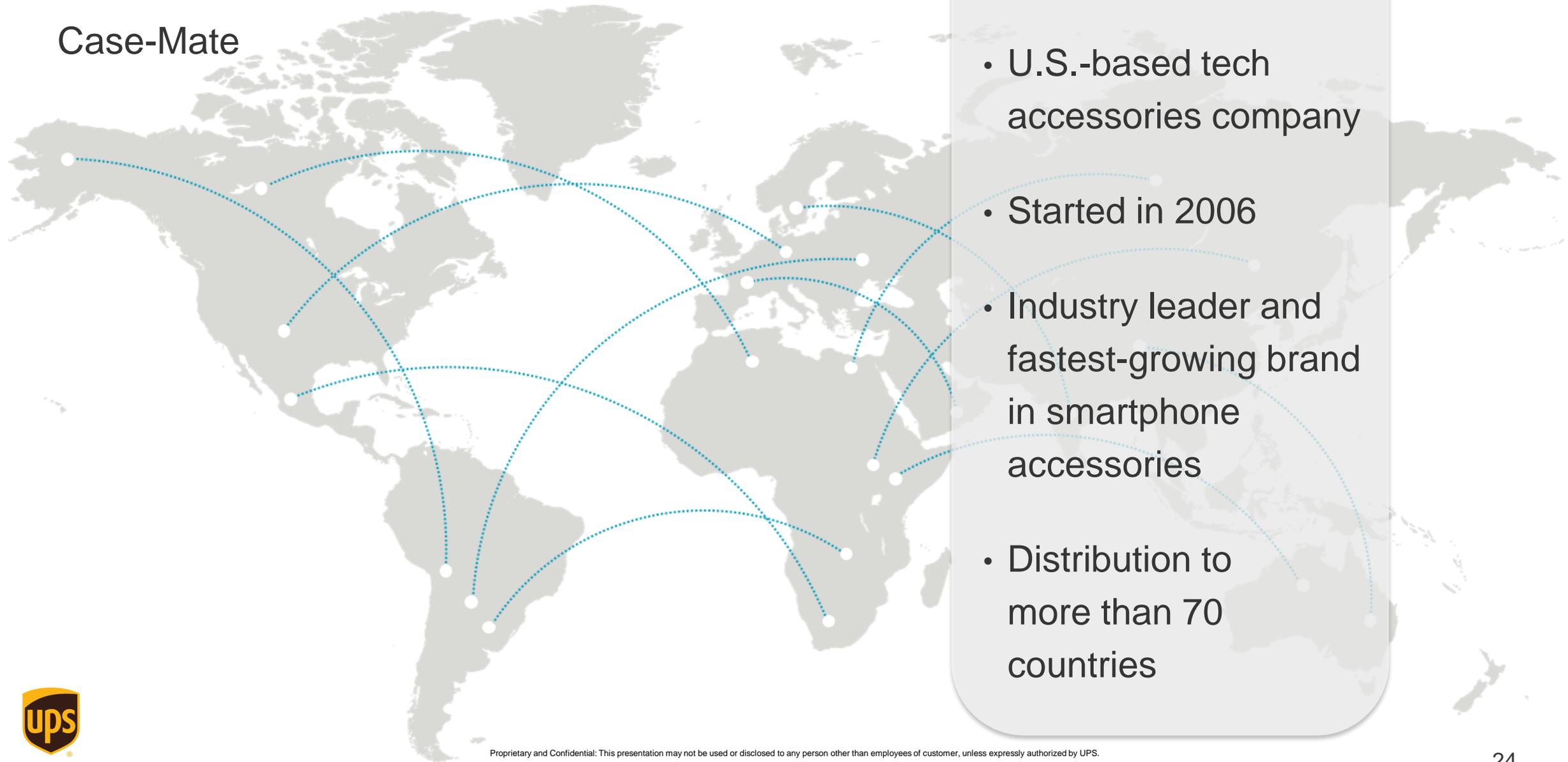
Georgia Logistics Summit

April 19, 2016



Introductions

Case-Mate

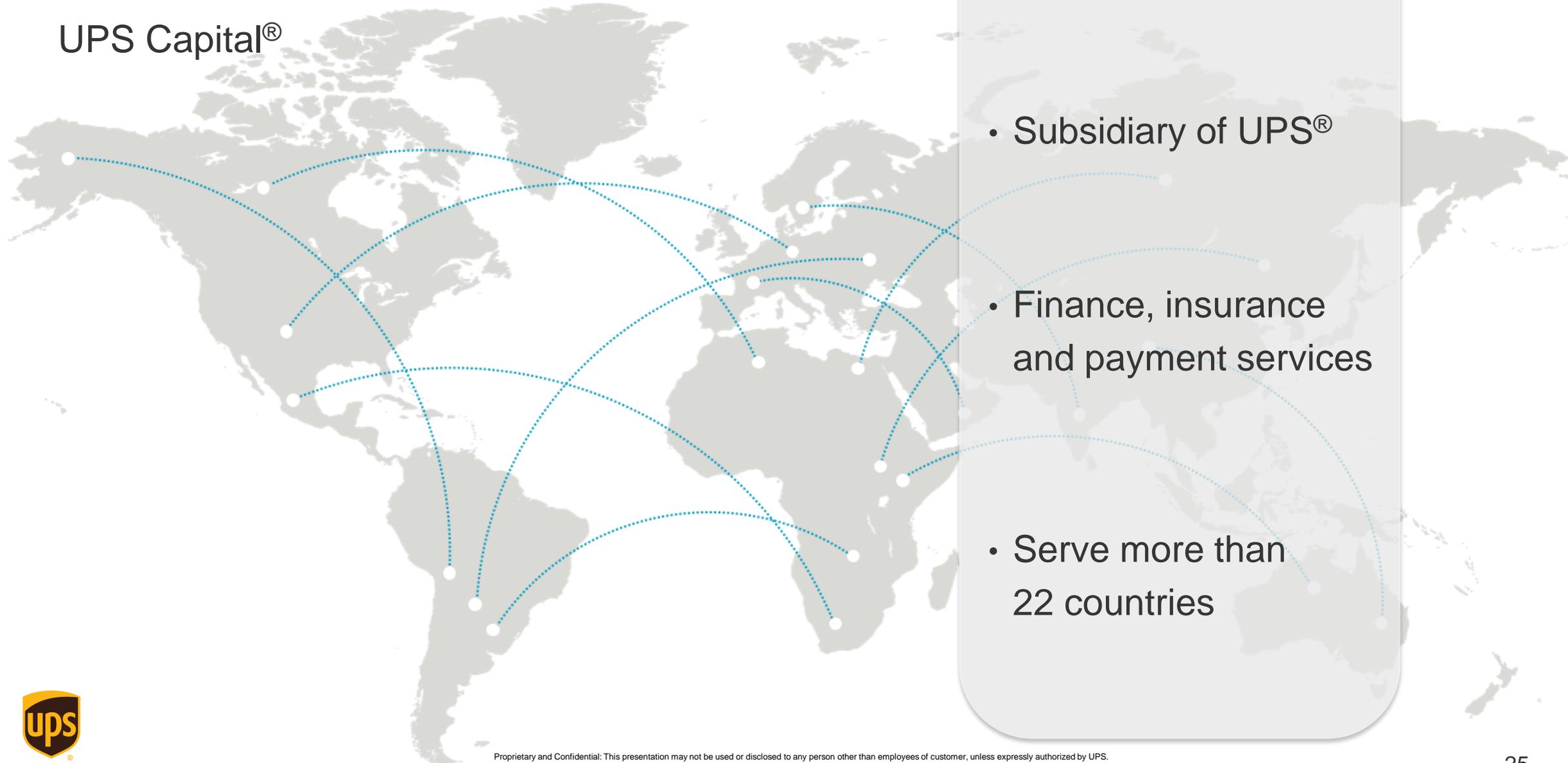


- U.S.-based tech accessories company
- Started in 2006
- Industry leader and fastest-growing brand in smartphone accessories
- Distribution to more than 70 countries



Introductions

UPS Capital®



- Subsidiary of UPS®
- Finance, insurance and payment services
- Serve more than 22 countries



Challenge

- Case-Mate has a complex, global supply chain
- Rapid speed to market and tight deadlines for product launches
- Manufacturing in and distribution from China
- Customers geographically dispersed across five continents
- Growing firm, global opportunities, tight cash flow



Solution

Cargo insurance policy through UPS Capital Insurance Agency, Inc.



Coverage



- Loss or damage up to the invoice value of the goods
- Inventory in the warehouse and in-transit
- All modes, all carriers



Solution

Global Asset-Based Lending

- Asset-based loan against domestic and in-transit inventory, foreign warehoused inventory and A/R
- Access to funds earlier in the supply chain mitigates stress on the cash conversion cycle



UPS Capital®

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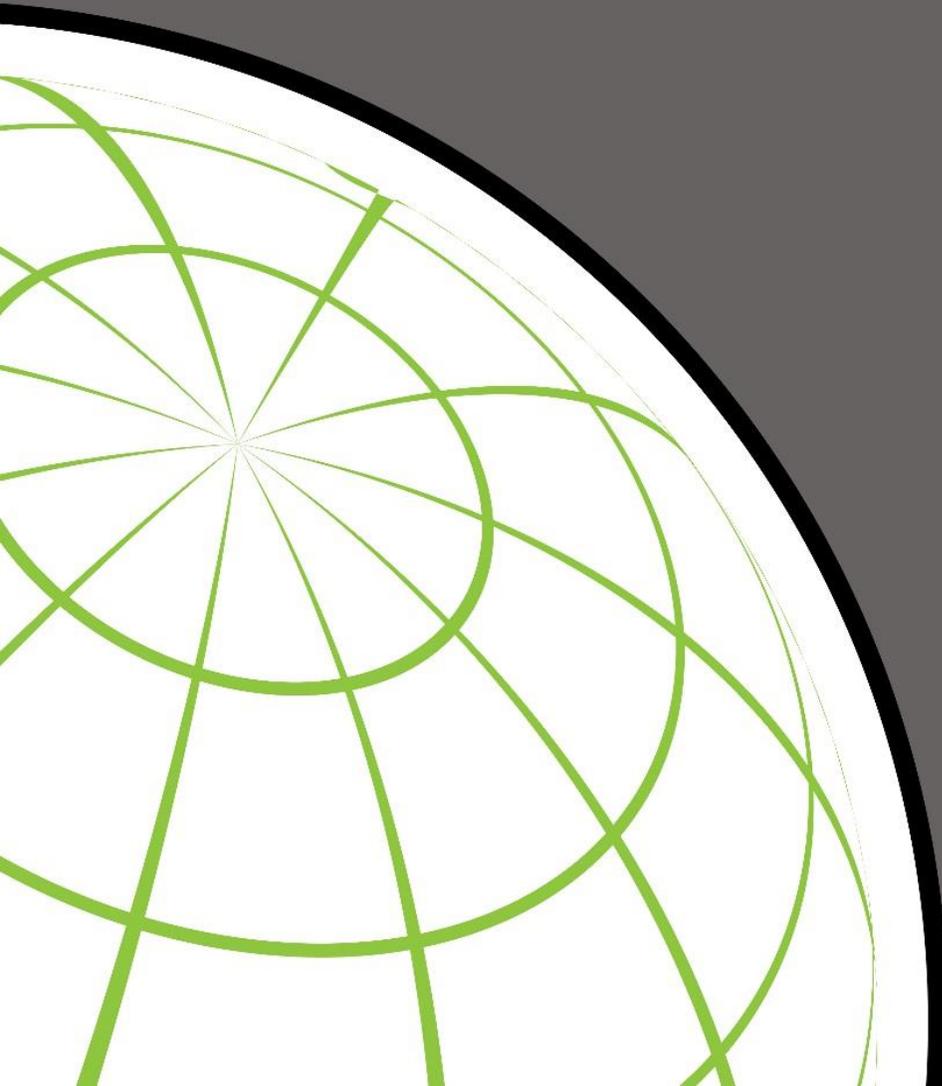
Though you've probably never thought of a UPS company for insurance services, our **more than 100 years** of global supply chain expertise uniquely positions us to help protect companies from risk in their supply chains.



Thank you



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