

BACHMAN MACHINE COMPANY		DATE: 01/31/11	PAGE 1 OF 2
	GENERAL INSTRUCTIONS	PREPARED BY: MFG. MGR.	
	APPROVED BY: PRESIDENT	REVISION: B	GI-M3
TITLE: BMC QUOTING PROCESS			

## 1.0 PURPOSE

The purpose of this procedure is to describe our method for coordinating, developing, review and follow-up on quotes.

## 2.0 SCOPE

This procedure begins with a customer's request for quote, illustrates a multi-disciplined approach to collecting data, creating the pricing structure, delivering the quote to the customer, as well as obtaining feed back through follow-up customer contact.

## 3.0 RESPONSIBILITY

The overall quote process is the responsibility of the Department Manager most closely related to the work opportunity. The follow-up designee will be determined by the Process Owner.

## 4.0 DEFINITIONS

RFQ = Request for Quote

Process Owner = The designated Dept. Manager coordinating the activities associated with a specific quote project.

## 5.0 REFERENCE DOCUMENTS

Quote Log = An electronic (Excel) file to store relevant information.

FM91 = Sales Follow-up Guide Sheet

## 6.0 PROCEDURE *(See attached model for an illustration this procedure)*

1. When an RFQ is received, the applicable department manager is notified, i.e. the Production Manager, NC Manager, Design Manager, or Tool Room Manager. This is dependent on the type of work being considered. In many cases, the work opportunity may overlap departments and a decision will be made as to the most appropriate "process owner".

2. The process owner, or designee will enter the RFQ into the Quote Log which initiates a corresponding number for identification purposes and recall. The Quote Log enables us to exchange information, track the status, record follow-up data and provides a historical record. The Quote log shall be updated and maintained by the process owner or an appointed designee.
3. Each RFQ is then reviewed for feasibility by the process owner and other Dept. Managers and personnel as appropriate. Any concerns are reviewed with the customer, and a disposition of feasibility is made. If a decision is made that the work opportunity is not feasible, the RFQ is categorized as "No Quote" and appropriate notification is sent to the customer.
4. Once the work opportunity is deemed feasible, the process owner and staff will work to obtain a collection of all the associated costs. For example:
  - a. **Stamping (production only)** = machine cost, Die maintenance, set-up, materials, finishing (i.e. plating, heat treat, etc), packaging, freight, etc.
  - b. **Tooling only** = All associated costs for design, build, labor and materials.
  - c. **Stamping (production with tooling)** = All of above two categories.
  - d. **NC machining** = Machine cost, fixtures, gauging, materials, etc.
5. The process owner will collect all appropriate data, establish a quote records folder and enter specific data into a "Quote Summary Sheet", which calculates and displays the final pricing structure.

**Note: The "Quote Summary Sheet" is a proprietary electronic file, for internal use only. Its format and content may be different depending on the associated department.**
6. The process owner will then review the Quote Summary, as well as other details in the quote folder with others as appropriate. Final adjustments, if any, will be made at this time and a collective agreement on the accuracy of the pricing structure.
7. The process owner will see that a formal quotation letter is generated including the final piece part price and/or tooling price as appropriate. The letter is then sent to the customer (via fax, mail, e-mail, hand delivered, etc.).
8. The final package is bundled and filed for future reference.
9. **(Steps 9 & 10 are discretionary, based on many variables);** In general, the follow-up designee, (usually our salesman), will contact the customer within two weeks of quote submission\*. When appropriate, the conversation should be consistent with form FM91 "Sales Follow-up Guide Sheet". The information obtained, must be shared with the Process Owner to enter into the Quote Log for future reference. The information can be exchanged with the completed form FM91, or other means as appropriate.

**\* Note: Our follow-up designee will use proper discretion with regard to contact frequency, so as not to alienate the customer, but this information is critical for future success.**
10. A second, third...etc follow-up may be necessary, each of which should be documented individually in the Quote Log for future reference.

# BMC Quoting Process

