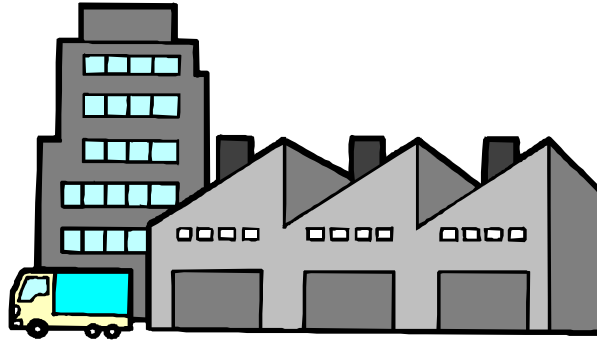


**DELPHI**

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### *Vendor Managed Inventory (VMI)*



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*Supplier Training*

A VMI is a locally-based operation set up to better service customers with the availability for inventory and responsiveness to customer scheduling changes.

Some of the benefits of a VMI include multiple deliveries per day, cost avoidance, reduction of premium freight, and inventory consolidation.

### **DELPHI**

### Vendor Managed Inventory (VMI)

- ◆ VMI providers are currently servicing
  - Matamoros
  - Reynosa
  - Kokomo
  - Flint
- ◆ VMI is an extension of supplier operations
  - Supplier must provide VMI with Manufacturing DUNs information (for ASN)
  - Delphi is not responsible for EDI between the Supplier and the VMI
  - Supplier is ultimately responsible for VMI execution

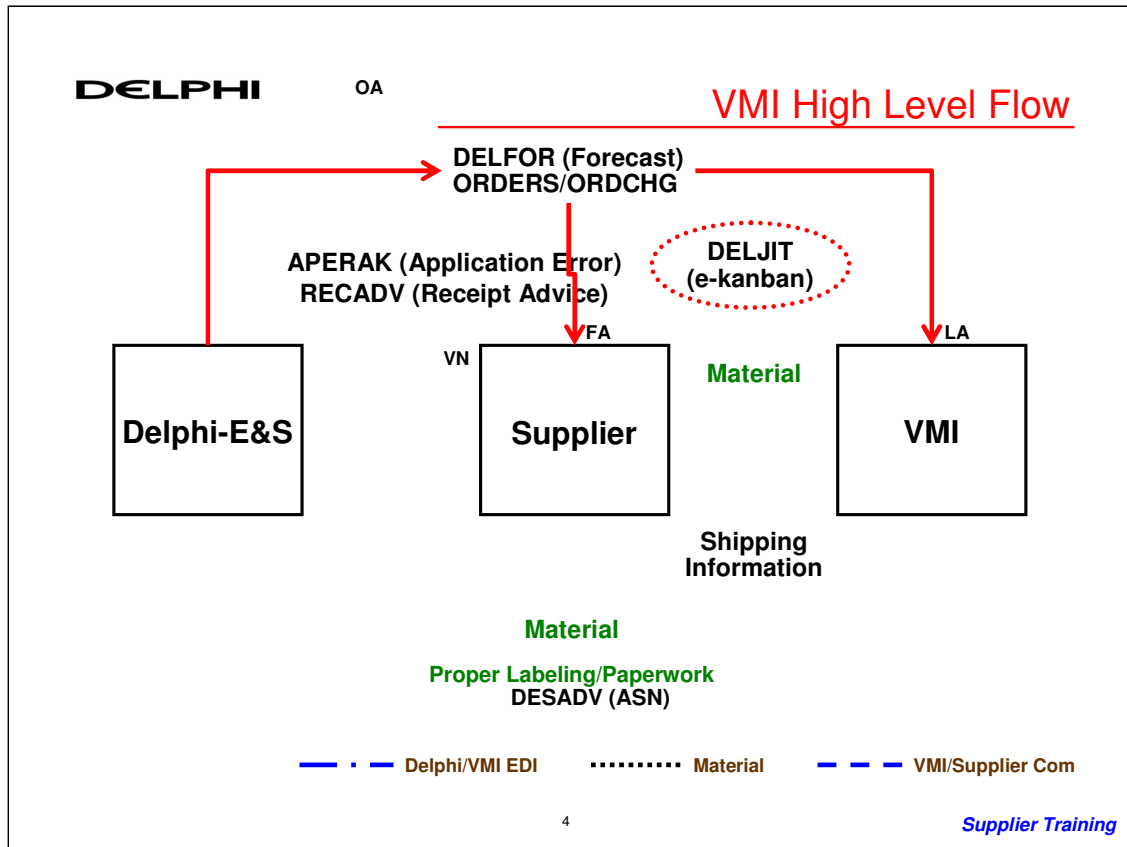
VMI suppliers must follow the same processes for certification as non-VMI suppliers.

### **DELPHI**

### Vendor Managed Inventory (VMI)

- ◆ VMI Suppliers required to follow normal SAP certification process
  - EDI
  - Pallet/Container Labeling & Packing Slip
- ◆ Why the need for certification?
  - Delphi-E&S must be able to receive material direct from supplier under emergency conditions
- ◆ Suppliers on VMI do not receive DELJITs (only DELFOR)

VMI suppliers must follow the same processes for certification as non-VMI suppliers.



This flow chart depicts the flow of information utilizing VMI. Delphi-E&S will send a DELFOR to the supplier (FA partner function) and the VMI (LA partner function). The supplier will receive the same format DELFOR for VMI and non-VMI material.

Delphi-E&S is not involved in the relationship between the supplier and VMI as far as the material flow from the supplier to VMI. Delphi-E&S is only concerned that material is available at the VMI when needed.

Depending on the VMI, when material is needed a DELJIT is issued to VMI or a "home grown" electronic *kanban* system will be used, which is independent of SAP.

Material will be received under the normal processes, just as if it were coming directly from the supplier's site. This means all normal SAP processes must be followed.

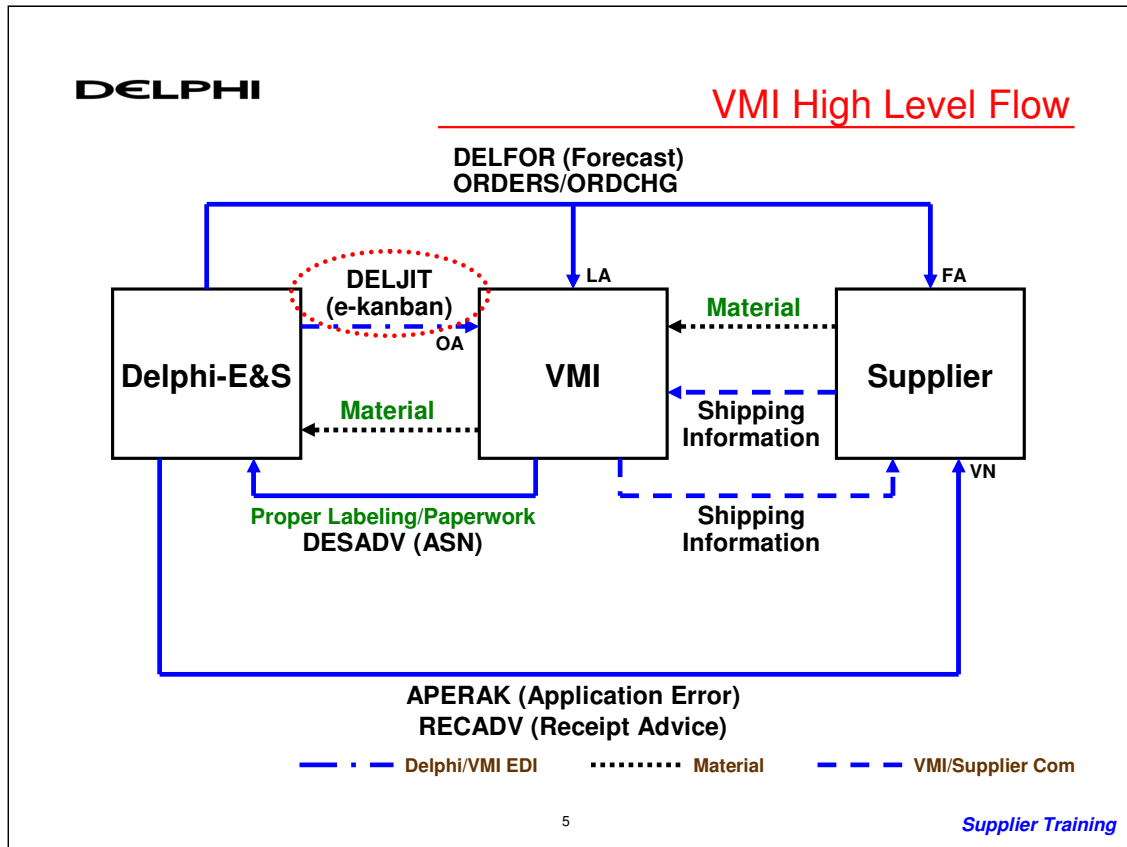
When material has been shipped to Delphi-E&S, the VMI *must* immediately send the DESADV (ASN) to Delphi-E&S. The DESADV (ASN) *must* arrive prior to the receipt of goods.

Upon receipt of material, Delphi-E&S will send a RECADV to the supplier. It will contain a unique SID number assigned by VMI.

The supplier and VMI should have a process in place to send information from the VMI to the supplier whenever material has been sent to Delphi-E&S.

If a supplier receives an APERAK, they must get with the VMI provider to resolve issues.

Delphi-E&S is not involved in this relationship between the supplier and VMI.



This flow chart depicts the flow of information utilizing VMI. Delphi-E&S will send a DELFOR to the VMI (LA partner function) and the supplier (FA partner function). The supplier will receive the same format DELFOR for VMI and non-VMI material (part) numbers.

The VMI will receive a copy of the material (part) numbers for the supplier's VMI sites. This will include only the VMI's part numbers.

Delphi-E&S is not involved in the relationship between the supplier and VMI as far as the material flow from the supplier to VMI. Delphi-E&S is only concerned that material is available at the VMI when needed.

Depending on the VMI in use when material is needed, a DELJIT is issued to VMI or a "home grown" electronic *kanban* system will be used, which is independent of Vega 2. This electronic *kanban* is a flat file and does not refer to the material pull system as you may know it. Material will be received under the normal processes, just as if it were coming directly from the supplier's site. This means all normal Vega 2 processes must be followed.

When material has been shipped to Delphi-E&S, the VMI *must* immediately send the DESADV (ASN) to Delphi-E&S. The DESADV (ASN) *must* arrive prior to the receipt of goods.

Upon receipt of material, Delphi-E&S will send a RECADV to the supplier. It will contain a unique SID number assigned at VMI.

The supplier and VMI should have a process in place to send information from the VMI to the supplier whenever material has been sent to Delphi-E&S.

If a supplier receives an APERAK, they must get with the VMI provider to resolve issues.

Delphi-E&S is not involved in this relationship between the supplier and VMI.

**DELPHI**

# **Questions and Answers**

If you have additional questions regarding Vega 2 after the training session, please contact the Delphi Electronics & Safety Vega Support Team:  
**[delco.Vega.support.kokomo@delphi.com](mailto:delco.Vega.support.kokomo@delphi.com)**



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***Supplier Training***