

84th Annual International Management Conference – PIMA

New York City, New York

June 29 – July 2, 2003

-- End Users' Panel --

Mark Eisner -- Hachette Filipacchi Media US Inc.

Review of the Marketplace by the End User



Mark Eisner

Director, Paper Purchasing

- **Hachette Filipacchi Media US Inc.**
 - ✓ **US Subsidiary of Hachette Filipacchi Médias**
 - ✓ **Largest Global Magazine Publisher**



Supplier Evaluation Categories

- **Quality**
- **Service**
- **Price**

Quality

- **Optical Properties**
- **Print Properties**
- **Run Properties**
- **Basis Weight Variance**



Service

- **Quantity Ordered**
- **Delivery Compliance**
- **Invoice Accuracy**



Price

- **Basis Weight Adjusted Price**
- **Variance to Lowest Price**

Supplier Characteristics

- **Quality**
- **Communication**
- **Standardization**
- **Continuous Improvement**
- **Capital Investment**
- **Environmental Standards**
- **Productivity Improvements**
- **Response Time**



Quality

- Design Quality
- Comformance Quality
- *Quality should be built in -- not inspected in.*

Defects

Iron Law of 10

The cost to find & fix a defect is approximately 10 times the initial cost



Communication

- **Timing**
- **Frequency**

Standardization

- **Fixed and Exact Specifications**
- **Precisely the same from all sources**

Standardization

- Promotes Competition
- Increases Efficiency
- Decreases Waste
- Increases Productivity



Branding

- **Minimal variation in quality**
- **Variation destroys reputation**

Continuous Improvement

- **Product Quality**
- **Decrease Standard Deviation**
- **Added Value Solutions**
- **Six Sigma**



Capital Investment

- **Technology Leader**



Environmental Standards

- **MACT Title V (EPA)**
- **SFI, FSC, CSA, PEFC**
- **Third Party Certification**



Productivity Improvements

- **Process Improvements**
- **Increase Output per Unit of Material**
- **Increase Output per Unit of Energy**
- **Increase Output per Unit of Manufacturing Time**



Response Time

- **JIT Deliveries**
- **Quick Response**



Supplier Rating Criteria

[Purchasing Magazine]

- **Quality**
- **On-time Delivery**
- **Price/Total Cost**
- **Service/Technical Support**
- **Technology**



World Class Suppliers

- **Continuous Improvement**
- **Technology and Innovation**
- **Adaptability**



THE CONSUMER ECONOMY



PIMA End Users' Panel – Open Forum – Q&A Session

***Review of the
Marketplace by
the End User –
Customers/
End Users/
Buyers Define
Value***

**Rod Young
President
RISI**



84th Annual International Management Conference – PIMA

New York City, New York

June 29 – July 2, 2003

-- End Users' Panel --

*Review of the Marketplace by the
End User*

