

Hydraulic Stock Position Change

SCP3 / SR16SC move to XCP3 / XR16SC

May 1, 2017

In our continuing efforts to provide our customers with the highest quality products, we are focusing inventory management on the Extended Life "X" cover hoses. This move towards standardization of will ensure that our best performing and competitively priced products have further influence in market. To support this effort, effective immediately both **SCP3** & **SR16SC** standard cover hydraulic hoses have been moved to a "non-stock" status.

What exactly does this mean to you?

Two things to take note of here. We're focusing production on "A" movers, primarily XR16SC above anything else. Secondly, if your customer is ordering the standard cover versions of these two products the lead time will be increasing. There will not be a minimum order requirement however it will take longer to build these specs as they will not have higher priority within the plant and also not built to stock in Moberly.

What should you do from here?

First, please communicate that this is happening. These key points should be addressed during your conversations:

1. Please offer your customer the opportunity to convert to the "Extended Life" cover hoses instead.
 - Both XR16SC & XCP3 are priced very similarly to their standard cover predecessors as well as extremely competitive in the market.
 - Both take manufacturing priority over "S" cover offerings.
2. Lead times will be increasing on all sizes of these two sku's
 - No minimum order requirement & nothing built to stock in Moberly.
3. This change increases plant efficiencies since they're building one type of hose with one cover spec; dramatically decreasing change-overs. Ultimately this creates faster throughput in the plant and allows us to increase our stock levels on our best products. This change will also give you another talking point with your customers about getting our best products in their hands.

Please contact your customer service representative if any changes need to be made to an existing order.

For any other questions concerning this update, *please contact **Chad Peters**, Hydraulic Product Specialist, at (Chad.Peters@contitech.us) Phone: 276.988.6809* or me at the below contact numbers. We look forward to continue to serve our customers as we implement these improvements. We appreciate your continued support for our hydraulic hose and fitting products.

Sincerely,



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