

Metaldyne chooses QAD for vendor-managed inventory

QAD supply visualization helps reduce inventory holdings and

speed replenishment of critical materials

QAD Inc. (NASDAQ: QADI), a leading provider of enterprise applications for global manufacturers, today announced that Metaldyne plans to expand its use of QAD Supply Visualization for vendor-managed inventory (VMI). A leading global designer and supplier of metal-based components, assemblies and modules for the automotive industry, Metaldyne has begun using QAD Supply Visualization to give its suppliers a secure, real-time view into its inventory, so that they can monitor and replenish stock automatically. The manufacturer also will begin testing QAD Kanban Visualization this month as part of its efforts to better synchronize suppliers deliveries and customers needs and minimize inventory holdings, for more efficient, cost-effective operations.

Our first installation of QAD Supply Visualization proved fast to deploy and easily accommodated legacy applications, said Richard R. LeFebvre, vice president and CIO, Metaldyne. QAD Supply Visualization has eliminated stock-outs and cut raw material inventory so that we are able to respond to our customers quickly, without paying for excess holdings.

Metaldyne was formed through the consolidation of three companies. It has 50 facilities in 11 countries that serve global automotive manufacturers and their top-tier suppliers, driving revenues in excess of \$1.4 billion. The company deployed QAD MFG/PRO at several plants, where its ability to automate manufacturing functions and to support multiple languages and currencies contribute to greater efficiency. Metaldyne sought to implement VMI processes to further minimize its operating costs and compete more effectively for increasingly outsourced module design, production and assembly contracts.

Supply chain efficiency is crucial to manufacturers ability to thrive in the fast-paced real-world business environment, and QAD Supply Visualization is helping Metaldyne achieve lean manufacturing standards," said Pamela Lopker, QAD president and chairman of the board. For more than two decades QAD has combined the best thinking in manufacturing theory and an understanding of real-world manufacturing conditions, to provide solutions that all trading partners can easily embrace for greater efficiency across the supply chain.

QAD Supply Visualization extracts data from multiple ERP systems and stores it securely on MFGx.net, a hosted exchange where authorized suppliers can access the data and initiate an EDI message that triggers the replenishment process. Because Metaldyne and its suppliers do not have to maintain inventory management applications on-site, the company expects successful adoption and minimized costs for training and maintenance. Metaldynes first installation of QAD Supply Visualization already has reduced raw material inventory by 20 percent and slashed inventory carrying costs.

Strong supplier relations are central to Metaldynes eBusiness practices and to our competitive advantage. QAD Supply Visualization will contribute significantly to reduction of total acquisition costs, said Douglas Grimm, vice president, quality and supply chain management at Metaldyne.

Metaldyne is testing QAD Kanban Visualization, a module designed to complement Supply Visualization with specific features for management of inventory produced through kanban methods. The status and quantity of kanbans are represented graphically so that suppliers can see when stock needs replenishing and print kanban cards immediately, instead of waiting for Metaldyne to send a copy. QAD Kanban Visualization will alert Metaldyne managers and suppliers to relevant inventory changes via their preferred device, whether phone, email or mobile device, so that they can respond quickly and ensure efficient replenishment.

About QAD

QAD enterprise applications leverage advances in Internet and enabling technologies to provide critical functionality for managing manufacturing resources and operations within and beyond the enterprise, enabling global manufacturers to collaborate with their customers, suppliers and partners to make and deliver the right product, at the right cost and at the right time. Manufacturers of automotive, consumer products, electronics, food and beverage, industrial and medical products use QAD applications at approximately 5,200 licensed sites in more than 80 countries and in as many as 26 languages. For more information about QAD, telephone +1 805 684 6614, or visit the QAD Web site at: www.qad.com. To receive any of QAD's press releases via facsimile, contact +1 800 356 0747, or outside the U.S. contact +1 213 253 5647.

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