

BUSINESS MEETINGPRODUCTION - Contd.Cost - Contd.  
(Key Strategy #4)

A project to install an MRP system at Ilion was approved in September 1979. The MRP program will assist production in planning and scheduling material procurements based on anticipated customer demand. The program is currently being pilot tested, using the Nylon 66. Remaining models will be incorporated into the system by March, 1981.

Major benefits expected to result from MRP are:

- o Improves our ability to meet customer demand on both product type and delivery schedule, thus improving customer service;
- o Reduces material costs by increasing lead time for Purchasing to negotiate prices, and eliminates the need to expedite late deliveries;
- o Improves productivity through improved manpower scheduling;
- o Reduces obsolescence costs through improved coordination during phase-in of major design changes, and/or new models;
- o Provides a common data base for interfacing other plant systems, such as Cost Control and Inventory Control;
- o Reduces work-in-process inventories through improved scheduling.

Product  
(Key Strategy #5)

Production's comments regarding the status of Models 7400, 7600, Four and Six are included in the Regular Agenda portion of the Minutes.