



2015 Supply Chain Communications Plan

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Background

Cummins' supply chain is the system of people, activities, information and resources we use to move our products from suppliers and services to customers. An effective supply chain is about speed, dependability and efficiency – delivering the product or material to its destination on time, doing it dependably, and doing it in a way that makes the best use of time and resources.

Cummins is in the midst of making fundamental changes to how its supply chains function – to be driven now by the market and customer demands. As our Company grows rapidly over the next several years, we no longer can function as we did when we were primarily a North American business manufacturing diesel engines. We are one company doing business in more than 190 countries and our supply chains must function across business units, ABOs and functional areas in order for us to meet these growth goals and thrive in this highly competitive global marketplace. Without an effective supply chain strategy, we limit our growth potential, jeopardize our competitive advantage and more importantly, disappoint our customers.

To help communicate the importance of the supply chain transformation, we've developed a vision: to establish reliable, market driven supply chains to enable profitable growth. As one of Cummins' five key growth accelerators, achieving supply chain excellence is important to the Company's success and future growth in that it creates a greater experience for our stakeholders – customers, suppliers and employees.

Supply chain transformation affects everyone in the business starting with our customers and suppliers. It continues on to our internal processes from engineering to marketing. This is just one reason why winning at the hand-offs and getting our supply chain to operate efficiently is critical to the Company.

Supply Chain teams are working through 12 strategies with the goal of achieving supply chain excellence:

- Select and Manage Suppliers to Enable Market-Focused Supply Chains
- Use Simulation and Analytics in Supply Chain Design
- Develop Cost-to-Serve Models for Each Supply Chain
- Use Common Supply Chain Models Across Our Businesses
- Optimize Transportation, Freight and Duty
- Synchronize Warehousing Activities – Inbound and Outbound
- Elevate Materials Planning Capability
- Create Flexible Manufacturing Networks Optimized for Throughput
- Build Global Enterprise Planning and Centralize Demand Planning
- Create Responsiveness with End-to End Supply Chain Visibility
- Develop Product Differentiation Approach
- Develop Our People to Create Supply Chain Expertise

Critical to the success of supply chain transformation will be alignment and integration of this transformation with other transformations currently underway at Cummins to include Envision Cummins and the IT transformation.

Communications Goals

- Continue to communicate the relevancy of supply chain transformation in the context of Cummins aggressive growth targets



- Continue to communicate the creation or design of supply chain (four major functions now comprising corporate supply chain).
- Use communications to help facilitate the collaboration and interaction of corporate supply chain with supply chain in the ABOs and BUs. It is important that these inter organizational relationships are aligned in communications, both from a strategy and messaging perspective.
- Utilize communications to engage employees through storytelling around current best practices and/or real world examples.
- Leverage diverse communication channels to help bring the supply chain transformation to life.
- Use communications to help drive a common understanding of supply chain transformation by providing access to high level versions of the 12 Supply Chain Transformation Strategies and their underlying white papers.
- Use communications to drive the campaign to become a world class safety organization
- Provide recognition for the successful supply chain transformation integration work and project.
- Align supply chain messaging with other critical transformations currently underway at Cummins to include Envision Cummins and the IT transformation.

Target Audience(s)

Ultimately, the goal is to inform, educate and change the way *all* Cummins employees view and understand why supply transformation is critical to the Company's growth strategy, profitability and future success.

We need to concentrate our efforts on several primary audiences who are most directly affected and are in a position to affect the work in positive or negative ways. The primary audiences include:

1. Supply chain professionals. Employees in these areas have jobs that are part of the supply chain in some manner. Our challenge is how to reach them with targeted messages, activities and training.

Primary

- BU
- ABO
- Region
- Function
- Plant
- Corporate Supply chain staff
- HSE Leads

Secondary

- Distributors
- Joint Ventures

2. Leadership. This is an important audience to communicate with in order to drive the transformation across the Company. This is the group to baseline in order to measure progress, then target with messaging, training and activities.
 - CLT/COT/CET
 - BU presidents and direct reports
 - BU supply chain leaders



- Plant managers
- Functional leaders
- ABO leaders
- ORM Leadership
- MLC members

Other audiences include:

- New CMI & Supply Chain employees – On-boarding
- Customers
- Suppliers

Key Messages (from message triangle)

Cummins must establish reliable market driven supply chains to enable profitable growth.

Our businesses require supply chain excellence.

- The better we are at delivering to our own internal Cummins business partners, the better we will be at delivering to our external customers.
- Strengthening the communication and business processes between our businesses will improve performance, reduce redundancies and increase the speed, dependability and efficiency with which we deliver to our customers.

We need employees to act as supply chain champions.

- We have to strengthen the understanding of and connection between the Supply Chain transformation, IT transformation and Envision Cummins work
- We must invest in people, processes and systems to improve our performance in key supply chain areas where we have not traditionally focused.
- We need to create a team of skilled professionals who think global (CMI and strategic goals of supply chain) and act local (understand local supply chain issues to meet customer needs).

We must deliver supply chain excellence to meet our customers' demands.

- Cummins supply chain is the system of people, activities, information and resources we use to move our products from suppliers and services to customers.
- Flexibility is crucial to being able to respond to customers when they need Cummins.
- We must create supply chain processes that recognize the unique needs of customers and consistently/reliably deliver, taking into account lead-time, responsiveness and flexibility.
- We will continue to embrace the Winning at the Hand-offs theme.

Date	Audience	Message/Task	Channel	Responsibility
Jan. 20-21, then monthly	COT, CLT	Lisa's review of SC progress	In person meeting	
Jan.19	SC employees	Thank you for CR commitment	Letter as part of CR Quarterly newsletter/Corp SC CR Community	Colleen
Jan. 19	CMI employees	Review of 2014 China ABO Supplier Conf, highlight speakers and awards	Purchasing community blog and Cummins News and Announcements	Colleen
Jan. 20	CMI employees	Lisa 2014 year-end recap and 2015 preview blog	SCTX community blog	Colleen
February	CMI employees	China ABO Purchasing Reorganization Announcement	Purchasing community blog and Cummins News and Announcements	Colleen



Jan./Feb	CMI employees	Supply Chain highlights for 2014	Tom's 2014 year in review video	Colleen, Amberly, Blair W.
Monthly	Top 500 SC Leaders	Review and update materials for 2015 sessions of Supply Chain Transformation Experience (SCTX)	In-person meeting	Colleen
TBD	CMI employees	Introduction and implementation of first annual "Winning at the Hand-off" award	<ul style="list-style-type: none"> • Cummins News and Announcements • Supply Chain Transformation community • Email 	Stan, Colleen, Amberly
?	CMI leaders completing certification training	Award designed for the recognition of leaders completing multiple levels of SBP/GEP certification (Oliver Wight training)	Recognition plaque presented at in-person meeting	Colleen, Annie, Amberly
Feb. 18-19,	SC employees	Employee Business Review WebEx designed to provide SC and business highlights for Q4 and 2014 yearly business results	2014 Q4 EBR slide deck	Colleen
TBD	CMI employees	High level overview of the 12 Supply Chain Transformation Strategies	Series of narrated PowerPoints placed in SCT community	Colleen and Amberly
TBD	Quality College attendees	Lisa's introduction and 2015 themed message	Develop a brief PowerPoint deck, narrated by Lisa, offering an introduction to 2015 Quality College	Colleen
TBD	SA ABO SC leaders	12 SA ABO SC Leaders plus others will be trained	SCTX Training Session	Colleen
March	SC employees - China ABO	General Supply Chain Transformation Update, Safety	Town Hall type meeting with Q & A	
March 16	Gartner members, external	Lisa discussing: The Art of Supply Chain: Creative Solutions for the Next Generation.	Video	Colleen, Jim, Amberly, John Forte
April 24	Purdue University - Supply Chain students	Special invitation to present. Theme of conference "Collaboration: Strengthening the Links In Your Supply Chain."	Intro to Cummins and slide deck with speaking notes for presenter - general overview of SC (and potential opportunities for TM)	Colleen
May	CMI employees and external stakeholders	Supply Chain progress/success story	Annual shareholders meeting	Amberly, Colleen, Laurel



May	CMI employees	Supply Chain progress/success story	Mid-year video	Amberly, Colleen, Laurel
May	SC employees	Results/progress/recognition	EBR Q1 slide deck	
June	EMEA SC leaders	SCTX Training Session	In-person training	Tim Millwood
June 22-26	UK SC employees	General SC Update	Town Hall meeting at selected locations. Present 2015 General slide deck with Q & A session	
August	SC employees	Results/progress/recognition	EBR Q2 slide deck	
Oct. 5-9	South Africa employees	General SC Update	Town Hall meeting presenting 2015 SC Genl Deck with Q & A session (Also any affinity groups as requested)	
November	SC employees	Results/progress/recognition	EBR Q3 slide deck	
Nov. 16-20	SA ABO SC	General SC Update	Town Hall meeting - 2015 Genl Deck (**used at SCTX with leaders) with Q & A Session - (also any Affinity Group requests)	
December	CMI employees	Supply Chain progress/success story	Year-end memo	Amberly, Colleen, Laurel
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Communications Alignment with EC and IT

- Develop integrated story that aligns EC, IT and supply chain transformation stories (Rubik's cube)
 - Fact sheet
 - Examples/case studies
 - One page summary
 - Tom/Rich/Lisa intro
 - FAQ
 - Standard power point

Approvers

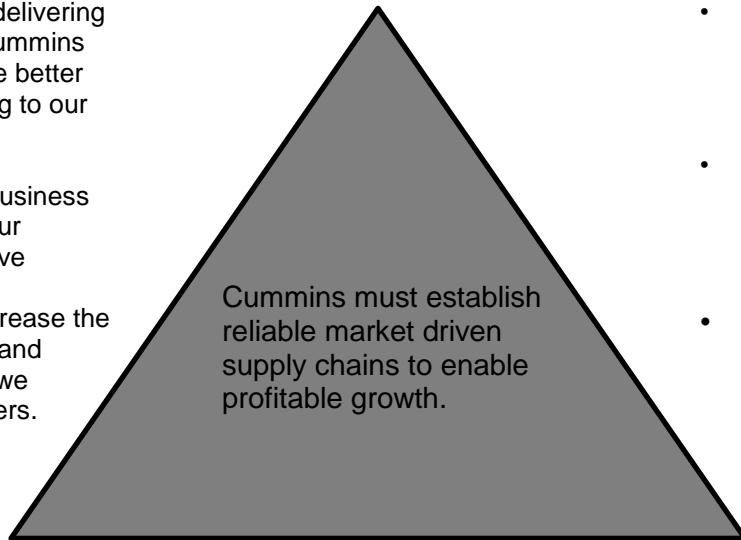
- Colleen Hahn
- Lisa Yoder



Message Triangle

Our businesses require supply chain excellence.

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