



Medtronic Supplier SUCCESS Program

(Explanation of Savings Levers)

	Savings Lever	Explanation
Commercial Lever	Freight Reduction	Any cost reduction idea related to freight involving affected parts
	Tier 2 Supplier change	Ideas resulting from tier 2 supplier change that drives significant cost reduction
	Pricing Negotiation	Ideas related to supplier/Medtronic negotiations such as Growth/Volume incentives, payment term improvements, FX, etc.
	Vendor Rebates/ Material Discounts	Ideas specific to supplier proposed rebates and/or material discounts
Process Levers	Rework Reduction	Ideas resulting from significant rework reduction
	Yield Improvements/ Material Usage reductions	Ideas resulting in part yield improvements and related material usage reduction
	Equipment/ Maintenance/ OEE	Ideas related to supplier capital equipment, maintenance and OEE
	Labor Efficiency	Supplier efforts that result in labor reduction of affected parts and contribute as major cost down driver of idea generated
	OPC Reduction/ Burden Spend Reduction	Cost reduction ideas related to reduction in supplier Burden and Overhead
Design Levers	Value Analysis and Value Engineering (VAVE)	Ideas that constitute fit, form or function change of part including part redesign, material change, etc.