

CUSTOM GRC FRAMEWORK – FOR SATU BUMI DISTRIBUTORS

■ Background

Satu Bumi provides a custom quotation, product engineering, and manufacturing service for GRC planters and GRC street furniture for its Distributors, at no additional charge, to increase the distributors' chances of winning commercial projects. This service includes: -

- Quotations for custom GRC projects
- Product engineering for custom GRC designs
- Shop drawings for custom GRC designs
- Manufacturing of custom GRC designs

■ Key Issues in Providing a Custom GRC Service from Satu Bumi's Perspective

In providing a custom GRC development service, Satu Bumi needs to address the following key issues: -

The Maintenance of Confidentiality

Satu Bumi has several different distributor and supply arrangements with companies that may at times be competing. Therefore, to maintain its integrity, Satu Bumi cannot share confidential information supplied by any of these companies with any other company.

The Efficient Use of Resources

The provision of a Custom GRC service is expensive because it generally includes the use of resources from each of Satu Bumi's estimating, product engineering and factory production teams. Therefore, to justify the allocation of these resources at no additional charge, Satu Bumi needs cooperation from its distributors on the provision of the appropriate information to enable it to operate efficiently.

■ Framework for the Custom GRC Service

Accordingly, the framework within which Satu Bumi's custom GRC service is provided to its distributors is as follows: -

Satu Bumi will not Share Project Information

Satu Bumi will work cooperatively with its distributors to assist in the provision of a professional custom GRC service for the distributors' customers. However, it will not share any detailed information relating to any specific project that has been provided by any other commercial customer unless that information is freely available in the market from other sources. Therefore, when required, it is up to the distributors to liaise with their customers, or prospective customers, to collect all the appropriate information needed to enable Satu Bumi to prepare accurate shop drawings as a basis for custom quotations.

Distributors must provide a Bill of Quantities (BOQ)

Satu Bumi does not charge its distributors for its custom GRC service and it also provides them with significant product discounts to enable them to achieve realistic margins for managing the customer relationships and selling process on custom projects. However, it is the responsibility of the distributors to liaise appropriately with their prospective customers to obtain a BOQ for the projects upon which they want Satu Bumi to provide a custom quotation. Satu Bumi's estimating team does not supply a quantities gathering service based on a review of a project's architectural or landscaping plans as a replacement for a distributor supplied BOQ.

Distributors must Manage Discounting

Since the effective manufacturing margins on custom GRC projects are low, Satu Bumi will not share in any discounting arrangements the distributors feel they need to make with their customers.

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