

BASF in Mexico Buys Industrial Evolution Services for Vendor-Managed Inventory

Telemetry units installed at customer sites communicate to central server where data is served via Web browser to BASF's logistics and sales personnel

PHOENIX, ARIZONA, December 20, 2001— Industrial Evolution is pleased to announce that it has received an order from BASF Mexicana to support their VMI (vendor-managed inventory) strategy.

BASF will refurbish tanks and install level gauges and telemetry units, as appropriate, at a number of their customer's sites. The telemetry units will transmit inventory data via phone line to Industrial Evolution's data center where it will be stored. Services running on the hosted database will provide users at BASF and BASF's customers access to a secure Web site where they will be able to view inventory in real-time. Additional features of the system which attracted BASF are its ability to send automated reports by email, and to alert users by exception to any changes or deviations in the level. Extended functionality includes automatic estimation of usage, and reconciliation of deliveries and receipts.

Prior to this project, it has been common for BASF's customers not to notice that a vital component is about to run out. BASF often has to bear the additional costs of more frequent (and urgent) customer support, as well as the additional cost associated with rush deliveries. It was clear to BASF that in fact both parties are incurring more cost than they needed to and taking too much business risk – the customer is always sailing close to the wind on inventories, and BASF is always just one batch away from losing the customer.

BASF was therefore seeking a technologically advanced and economic way of managing inventories for its customers and was willing to invest in the required data collection hardware and to provide a pro-active inventory monitoring service for their customers. In return, the customers are willing to commit to long term contracts and allow BASF to remotely access inventory measurements. In essence, the customer will now always use BASF products and BASF will ensure they never ran out, at no extra cost. This reduces the overall customer costs and provides BASF with an additional profit opportunity through better demand forecasting, optimal production planning and more efficient product dispatching.

For more information contact your local Industrial Evolution representative for additional information.

About Industrial Evolution

Industrial Evolution is the first company with its roots firmly planted in the process industries to bring a new collaborative approach to plant operations using the Internet. Industrial Evolution's AnyWhere™ and AnyTime™ services allow industrial customers to share operational data and production information with their customers, suppliers and outside experts via the Web, securely, and where and when needed.

Industrial Evolution is headquartered in Phoenix, Arizona, and also has operations in Edmonton, Alberta Canada. Additional information is available on the Internet at www.industrialevolution.com or call Simon Wright on +1 (602) 867-0416.