OBSOLESCENCE & CLASSIFICATION

This word obsolescence implies a loss, and that is just what it is to us at Rayloc if we do not watch it closely.

Rayloc has an obligation to its customers to cover them on obsolete items. This obligation is extended for one year after the item is put in the obsolete category. However, it is to our advantage, and also, the customers' to watch the movement on items which are nearing this category and get them returned before the item actually becomes obsolete.

In view of the above, we should work closely with the Jobbers and Distribution Centers. Reminding them from time to time to watch their slow moving items and do not let them go obsolete before returning. They should review their cards frequently and weed out the cats and dogs unless they have a specific need for the unit.

Each and every part number is reviewed annually and a classification is established on the unit based on movement. Also, the potential movement on the unit is taken into consideration when establishing the classification. Work on classification is begun in July or August of each year and is completed and new sheets are ready for distribution in November. These sheets will be distributed to you as soon as available. Upon receipt of the classification sheet, you should review them and be in position to discuss them with Jobbers and to help them determine their stock level. Items that are going obsolete should be removed from the Jobber's stock by the

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