

VOLVO

MMOG/LE version 3

Meeting October 26th



Henry Rostén

Volume, Program & Order Manager

VOLVO Innovation and Growth



MMOG/LE version 3 (Logistikbedömning) den 26 oktober kl 13.00 – 14.00

Vad är nytt i version 3?

Vilken roll har MMOG/LE inom industrin?

Hur används verktyget inom AB Volvo?

Henry Rostén, Volvo Powertrain

Global MMOG/LE Version 3 Team

Back: Gates, Odette Spain, SMMT (UK), AIAG, QAD, Bosch, Volvo Truck, VDA (Germany), Galia (France), and Chrysler. Front: Ford and Odette Spain



130+ Proposals for Change

Microsoft Excel - Proposed Changes - All for V3 with JT analysis.xls

Type a question for help

Tahoma 14 No need to add something. This is a specific requirement

#	Source	Recommended Changes	Volvo	Bosch / Helena	Bosch/Stefan	Ford Europe	Renault	Position from French automoti supply chain
9	Chrysler	Customer owned returnable containers are not to be used for WIP.	Agree with work group comment	covered by 4.2.1.1 "rules for use", add example?	Agree with the comment of the working group.		No need to add something. This is a specific requirement	No need to add something. This is a specific requirement to be detailed in logistic protocol
10	Chrysler	Customer owned returnable containers are not to be used for WIP material or for shipment of material between Tier 2 and Tier 3 sources unless approved by the customer.	Agree with work group comment	covered by 4.2.1.1 "rules for use", add example?	Agree with the comment of the working group.		No need to add something. This is a specific requirement	No need to add something. This is a specific requirement to be detailed in logistic protocol
11	Chrysler	Supplier must include container type and quantity of containers being shipped on the part ASN.	Agree with work group comment	ok	Agree with the comment of the working group.		OK	OK with work group comments
12	Chrysler	Suppliers must monitor all customer requested systems according to customer requirements (not just DDL, SMART and inventory systems – there are container systems, capacity systems, etc.)	No need of update as the systems are referred to as examples	ok	Agree with the comment of the working group.		OK	NO, EVEN IF WE AGREE to add 3 examples in 3 different criteria the 1st VMI, the 2nd Container management and the 3rd Capacity management, the weight of each criteria(F1,F2,F3) shall be decided within the work group
13	Chrysler	Supplier must clearly identify/label new level parts as such in accordance given by engineering or the effect plant.	Agree with work group comment	ok	Agree with the comment of the working group.		No need to add something. Already covered in 5.3	No need to add something. Already covered in 5.3
14	Chrysler	It doesn't specify in MMOG/LE that suppliers have to apply root cause to delivery violations.	No need of update, could be added as example of issues	ok	Agree with the comment of the working group.		OK to add "material and delivery" in 1.3.1.3	NO keep the sentence and brackets add some examples i.e.(material, delivery,...)
15	Ford	Job descriptions plans should highlight customer specific responsibilities to better assist with candidate searches.	Agree with work group comment	ok	Agree with the comment of the working group.		OK	OK

Sheet1 Sheet2 Sheet3

Ready NUM

Start C:\Documents a... C:\Documents a... Terry Onica - In... Inside QAD > Ho... MMSC Update on... MMOGLE Update... Microsoft Excel... 7:33 AM

What Remains Unchanged in Version 3

- 6 Chapters
- 206 Total Criteria
- Criteria Weighting
 - ❖ 96 - F1 criteria
 - ❖ 75 - F2 criteria
 - ❖ 35 - F3 criteria

Summary of Changes/Enhancements

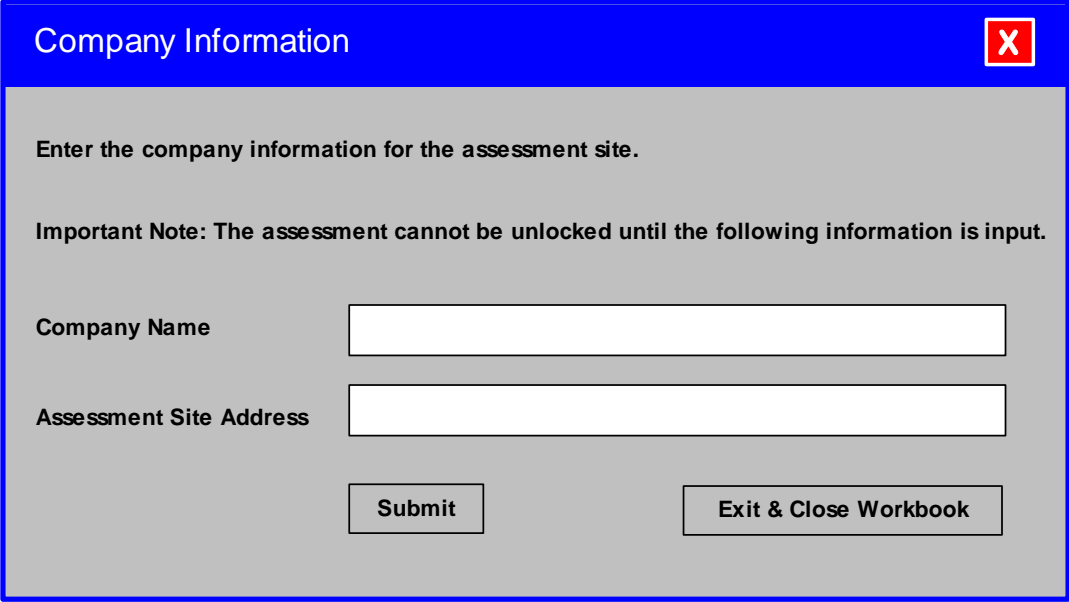
- Document Security
- Introduction and Instructions
- Assessment
- Scoring Summary
- Gap Analysis
- Radar Charts
- Progression Chart
- FAQ
- Further Information

Document Security

- Need to resolve uncontrolled distribution of Global MMOG/LE
- Typical issues include:
 - ❖ users acquiring “old” versions
 - ❖ OEM’s placing MMOG/LE on their websites
 - ❖ control of updates

Document Security

- New process introduced:
 - ❖ After download, Company name and site address must be input before MMOG/LE will operate



Company Information

Enter the company information for the assessment site.

Important Note: The assessment cannot be unlocked until the following information is input.

Company Name

Assessment Site Address

Submit Exit & Close Workbook

- ❖ The information is transferred automatically into the Scoring Summary
- ❖ The information cannot be deleted or overwritten

Introduction and Instructions

- MMOG/LE – more explanation regarding:
 - ❖ Compatibility with ISO/TS 16949
 - ❖ Alignment with Lean Principles
 - ❖ Audit process requirements
 - ❖ Use of a “light” version of MMOG/LE with sub suppliers
- Instructions for new features
 - ❖ Charts
 - ❖ Navigation

Assessment

- Reviewed all 206 criteria
 - ❖ More definition and greater clarity of meaning for each of the criteria to avoid misunderstanding and misinterpretation
- Reviewed all “Sub Chapter” and “Why” statements
 - ❖ Strengthened further by providing additional explanation of the benefits to the organization
(e.g. cost and waste reduction)
- Addition of Comment section for each criteria

Undertaking MMOG/LE V3

- Read through the entire Introduction and Instructions section
- Be sure to read carefully through **ALL** Assessment Statements, Whys and Criteria



New Compliance Symbol

Version 2:



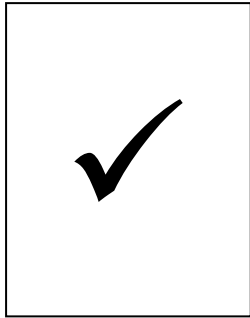
= compliance / yes

Version 3:

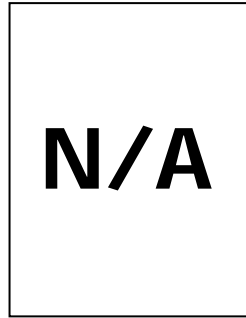


= compliance / yes

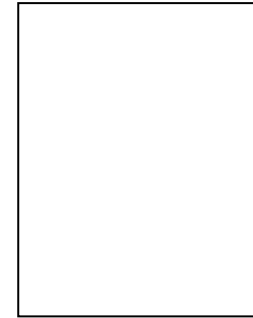
Response Options for Assessment



Compliant



**Non
Applicable**



**Non
Compliant**

Comments Box Added for all Criteria

Microsoft Excel - M-7 MMOG LE v3 (2009-10-29).xls

File Edit View Insert Format Tools Data Window Help

Type a question for help

G281 Reference ISO/TS Procedure SOP54321.

Go to Worksheet Assessment Go to Chapter [Select Chapter or Subchapter]

Toggle	Current Score			
2)	F1	✓	A process exists that uses forecast demand in the design of the pull system (e.g. kanban loop and lot sizes) and the parameters are reviewed at appropriate intervals.	Reference ISO/TS Procedure SOP01234.
3)	F1	✓	The pull planning process extends to suppliers.	Reference ISO/TS Procedure SOP54321.
3.4 Systems Integration				
3.4.1 Customer order information shall be transferred and integrated automatically into the organization's planning and scheduling systems.				
Direct electronic transfer of data improves the efficiency and speed of communication and reduces the possibility of error throughout the supply chain. Centralizing data provides the means for a single source of information that can be accessed and used by relevant functions to streamline the production planning process and facilitate decision making.				
Why?				
Criterion:				
1)	F3	N/A	Customer order information as well as internal production requirements shall be automatically integrated into the organization's planning and scheduling systems including error checking/validation (e.g. invalid part number, purchase order or customer site, cumulative quantity disagreement, incorrect customer set-up).	"Customer X" does not send releases electronically. Releases are received via email requiring manual entry into our MRP. This criterion was reviewed with Jane Doe on 11/03/2009.
3.4.2 The organization sets the timing of the Material Requirements Planning (MRP) system process to coincide with the receipt of the expected customer				
The MRP system should calculate schedules (e.g. production, shipping, supplier) based on the most current information available from the customer to ensure that any changes are processed in a timely manner.				
Why?				
Criterion:				
1)	F2	✓	The most current customer requirements are integrated into the material planning process as soon as possible.	Release are input into the MRP weekly upon receipt from the customer. Reference ISO/TS Procedure SOP12345.

4. CUSTOMER INTERFACE

Acknowledgements Introduction & Instructions Assessment Scoring Summary Gap Analysis Radar

Ready NUM

Scoring Summary

- Classification/grade/level will not be shown until Company Name, Site Address, Assessor Name and Assessment date are input
- Better visualization and management of N/A criteria
- Color-coding to highlight problem areas

Scoring Summary: Score NOT Displaying

Microsoft Excel - M-7 MMOG LE v3 (2009-10-29).xls

File Edit View Insert Format Tools Data Window Help

Type a question for help

Assessment...

Go to Worksheet Scoring Summary

Go to Chapter [Select Chapter or Subchapter]

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	Z	AA	
1	Toggle	Current Score	View Non Applicable																					
120	SUMMARY																							
121																								
122																								
123	TOTAL score			333					F3	F2	F1	Σ	Classification											
124	Maximum Score			351					Compliant	34	69	93	196											
125	%			94%					Non Compliant	0	4	0	4											
126									Non Applicable	1	2	3	6											
127									Σ	35	75	96	206											
128																								
129	*Note: The Company Name, Site Address, Assessor, and Assessment Date must all be entered in order for the classification to be displayed.																							
130	*Company Name: Company X																							
131	*Site Address 12345 Civic Center Dr., Southfield, MI 48033																							
132	Supplier Code(s)																							
134	*Assessor: Verifying Assessor:																							
136	*Assessment Date: Verification Date:																							
137	Signature : Signature :																							
138																								
139	Customer Approval for Non Applicable Criteria																							
140	There are 6 criteria that have been assessed as non applicable (N/A). All N/A criteria shall be reviewed with the customer for approval. The reason why each criterion has been waived should be recorded on the Assessment worksheet in the corresponding 'Comment' cell.																							
141	Customer approval for N/A criteria was obtained from:																							
142																								
143																								

ReadyNUM

Assessor Name and Assessment Date must all be input

Scoring Summary: Score displaying

Microsoft Excel - M-7 MMOG LE v3 (2009-10-29).xls

File Edit View Insert Format Tools Data Window Help

Assessment... f

Go to Worksheet: Scoring Summary Go to Chapter: [Select Chapter or Subchapter]

SUMMARY

TOTAL score	333	F3	F2	F1	Σ	
Maximum Score	351	Compliant	34	69	93	196
%	94%	Non Compliant	0	4	0	4
		Non Applicable	1	2	3	6
		Σ	35	75	96	206

Classification: **C**

*Note: The Company Name, Site Address, Assessor, and Assessment Date must all be entered in order for the classification to be displayed.

*Company Name: Company X

*Site Address: 12345 Civic Center Dr., Southfield, MI 48033

Supplier Code(s):

*Assessor: Jane Doe

*Assessment Date: 10/1/2009

Verifying Assessor:

Verification Date:

Signature:

Customer Approval for Non Applicable Criteria

There are 6 criteria that have been assessed as non applicable (N/A). All N/A criteria shall be reviewed with the customer for approval. The reason why each criterion has been waived should be recorded on the Assessment worksheet in the corresponding 'Comment' cell.

Customer approval for N/A criteria was obtained from:

Acknowledgements Introduction & Instructions Assessment Scoring Summary Gap Analysis Radar

Ready NUM

Classification is displayed on the "Scoring Summary" and "Radar Chart" worksheets when the required fields are input.

Scoring Summary

N/A NOT Approved by the Customer

Microsoft Excel - M-7 MMOG LE v3 (2009-10-29).xls

File Edit View Insert Format Tools Data Window Help

Assessment... f

Type a question for help

Go to Worksheet: Scoring Summary Go to Chapter: [Select Chapter or Subchapter]

SUMMARY

TOTAL score	333	F3	F2	F1	Σ	
Maximum Score	351	Compliant	34	69	93	196
%	94%	Non Compliant	0	4	0	4
		Non Applicable	1	2	3	6
		Σ	35	75	96	206

Classification

C

*Note: The Company Name, Site Address, Assessor, and Assessment Date must all be entered in order for the classification to be displayed.

*Company Name: Company X

*Site Address: 12345 Civic Center Dr., Southfield, MI 48033

*Supplier Code(s):

*Assessor: Jane Doe Verifying Assessor:

*Assessment Date: 10/1/2009 Verification Date:

Signature: Signature:

Customer Approval for Non Applicable Criteria

There are 6 criteria that have been assessed as non applicable (N/A). All N/A criteria shall be reviewed with the customer for approval. The reason why each criterion has been waived should be recorded on the Assessment worksheet in the corresponding 'Comment' cell.

Customer approval for N/A criteria was obtained from:

There are 6 criteria assessed as **Non Applicable**, but not approved by the customer.

N/A criteria are considered as "Non Compliant" until customer approval is obtained and recorded in the "Scoring Summary".

The scoring and resulting classification do not include the points associated with the N/A criteria.

Scoring Summary

N/A with Customer Approval

Microsoft Excel - M-7 MMOG LE v3 (2009-10-29).xls

File Edit View Insert Format Tools Data Window Help

CustomerApp... f

Toggle Current Score View Non Applicable Go to Worksheet Scoring Summary Go to Chapter [Select Chapter or Subchapter]

	F3	F2	F1	Σ
TOTAL score	343			
Maximum Score	351			
%	97%			

	F3	F2	F1	Σ
Compliant	34	69	93	196
Non Compliant	0	4	0	4
Non Applicable	1	2	3	6
Σ	35	75	96	206

Classification

A

***Note:** The Company Name, Site Address, Assessor, and Assessment Date must all be entered in order for the classification to be displayed.

***Company Name:** Company X

***Site Address** 12345 Civic Center Dr., Southfield, MI 48033

Supplier Code(s)

***Assessor:** Jane Doe **Verifying Assessor:**

***Assessment Date:** 10/1/2009 **Verification Date:**

Signature : **Signature :**

Customer Approval for Non Applicable Criteria

There are 6 criteria that have been assessed as non applicable (N/A). All N/A criteria shall be reviewed with the customer for approval. The reason why each criterion has been waived should be recorded on the Assessment worksheet in the corresponding 'Comment' cell.

Customer approval for N/A criteria was obtained from: JOHN DOE

Scoring : ☒ = Compliant Criteria
(blank) = Non Compliant Criteria

Acknowledgements Introduction & Instructions Assessment Scoring Summary Gap Analysis Radar

Ready NUM

6 criteria assessed as **Non Applicable**, and approved by the customer.

The scoring and resulting classification include the points associated with each of the N/A criteria.

Gap Analysis with Comments

File Edit View Insert Format Tools Data Window Help

Type a question for help

A6

Select Filter Option All Criteria

Go to Worksheet Gap Analysis

Toggle

Current Score

Create Progression Chart

MMOG/LE

Total Compliant Criteria 196

Total Non Compliant Criteria 4

Non Applicable Criteria 6

Click the 'Create Progression Chart' button to create a Progression Chart that shows the organization's Scoring and Classification progress according to the Target Dates in the Gap Analysis.

[Click here for additional instructions on how to use the Gap Analysis and create a Progression Chart](#)

ODETT

Compliance	Element	Criteria	Question #	Criteria Weight	Desired State	Assessment Comments	Current State	Gap	Action Plan	Target Date	Completion Date	Responsibility
✓	3.3 Production Planning	3.3.2	2)	F1	A process exists that uses forecast demand in the design of the pull system (e.g. kanban loop and lot sizes) and the parameters are reviewed at appropriate intervals.	Reference ISO/TS Procedure SOP01234.						
✓	3.3 Production Planning	3.3.2	3)	F1	The pull planning process extends to suppliers.	Reference ISO/TS Procedure SOP54321.						
N/A	3.4 Systems Integration	3.4.1	1)	F3	Customer order information as well as internal production requirements shall be automatically integrated into the organization's planning and scheduling systems including error checking/validation (e.g. invalid part number, purchase order or customer site, cumulative quantity disagreement, incorrect customer set-up).	"Customer X" does not send releases electronically. Releases are received via email requiring manual entry into our MRP. This criterion was reviewed with Jane Doe on 11/03/2009.						
✓	3.4 Systems Integration	3.4.2	1)	F2	The most current customer requirements are integrated into the material planning process as soon as possible.	Release are input into the MRP weekly upon receipt from the customer. Reference ISO/TS Procedure SOP12345.						
N/A	4.1 Communication	4.1.1	1)	F2	There is a documented process that defines the level, frequency, and content of communication with the customer.	Criterion 4.1.1 Q1 is non applicable because of XYZ. was reviewed and approved by Jane Doe on 11/3/2009.						
N/A	4.1 Communication	4.1.1	2)	F2	The customer's expectations and requirements regarding MP&L are understood (e.g. schedule adherence, routing instructions, ASN performance), reviewed regularly, and communicated to the appropriate personnel.	Criterion 4.1.1 Q1 is non applicable because of XYZ. was reviewed and approved by Jane Doe on 11/3/2009.						

The comment for each criterion in the "Assessment" is displayed in the "Gap Analysis".

Acknowledgements Introduction & Instructions Assessment Scoring Summary Gap Analysis Radar Chart Radar Charts - Subchart

Ready

NUM

Gap Analysis: User-friendly functions

Select Filter Option F1 Criteria **Go to Worksheet** Gap Analysis **Toggle** **Current Score** **Create Progression Chart**

MMOG/LE

Total Compliant Criteria 185
Total Non Compliant Criteria 19
Non Applicable Criteria 2

Click the 'Create Progression Chart' button to create a Progression Chart that shows the organization's Scoring and Classification progress according to the Target Dates in the Gap Analysis.
[Click here for additional instructions on how to use the Gap Analysis and create a Progression Chart](#)

Compliance	Element	Criteria	Question #	Criteria Weight	Desired State	Assessment Comments	Current State	Gap
✓	1.2 Objectives	12.2						
✓	1.3 Measurement, Analysis and Action Plans	13.1						
	1.4 Continual Improvement	14.1						
	1.4 Continual Improvement	14.1						
	1.4 Continual Improvement	14.1						
✓	1.4 Continual Improvement	14.2						

Scoring Summary

F3 Compliant: 31
F3 Non Compliant: 1
F3 Non Applicable: 3

F2 Compliant: 67
F2 Non Compliant: 6
F2 Non Applicable: 2

F1 Compliant: 96
F1 Non Compliant: 0
F1 Non Applicable: 0

Total Compliant: 194
Total Non Compliant: 7
Total Non Applicable: 5

Total Score: 336 (95%)
Classification: C

OK

- Compliant
- Non Compliant
- Hyperlinks to criteria
- 15 Pre-defined Filters
- Go to Worksheet
- Toggle
- Current Score
- Create Progression Chart

Gap Analysis Radar Chart

Chart Chart Data Sheet1 Chart Data 2 Glossary FAC

Create Progression Chart

Microsoft Excel - M-7 MMOG LE v3 (2009-10-29).xls

File Edit View Insert Format Tools Data Window Help

Name Box: A6

Select Filter Option: Missing Target Date

Go to Worksheet: Gap Analysis

Toggle

Current Score

Create Progression Chart

Click the 'Create Progression Chart' button to create a Progression Chart that shows the organization's Scoring and Classification progress according to the Target Dates in the Gap Analysis.

[Click here for additional instructions on how to use the Gap Analysis and create a Progression Chart](#)

MMOG/LE

Total Compliant Criteria	196
Total Non Compliant Criteria	4
Non Applicable Criteria	6

Compliance	Element	Criteria	Question #	Criteria Weight	Desired State	Assessment Comments	Current State	Gap	Action Plan	Target Date	Completion Date
	1.1 Vision and				A documented vision is in place for the MP&L function.						
					A documented strategy is in place for delivery of the MP&L vision.						
					The MP&L vision and strategy is a fundamental part of the organization's overall business objectives, including customer requirements and continual improvement.						
					The MP&L vision and strategy are communicated to and understood by all employees within the organization.						

Before creating a Progression Chart, it is important that Completion Dates, Target Dates, and Action Plans are accurate and up to date.

Missing or invalid data must be corrected prior to creating a Progression Chart.

There are several pre-defined filters to assist in identifying issues that require attention.

The Progression Chart is primarily driven by the Target Dates entered in the Gap Analysis.

The Progression Chart will be created when all the required data is properly recorded.

When additional information or confirmation is necessary, a prompt panel is shown that describes the issue, the specific criterion involved, and the choice of actions for the user.

Progression Chart

Toggle

Current
Score

Go to Worksheet

Progression Chart

Go to Chapter

[Select Chapter or Subchapter]

Update
Chart Data

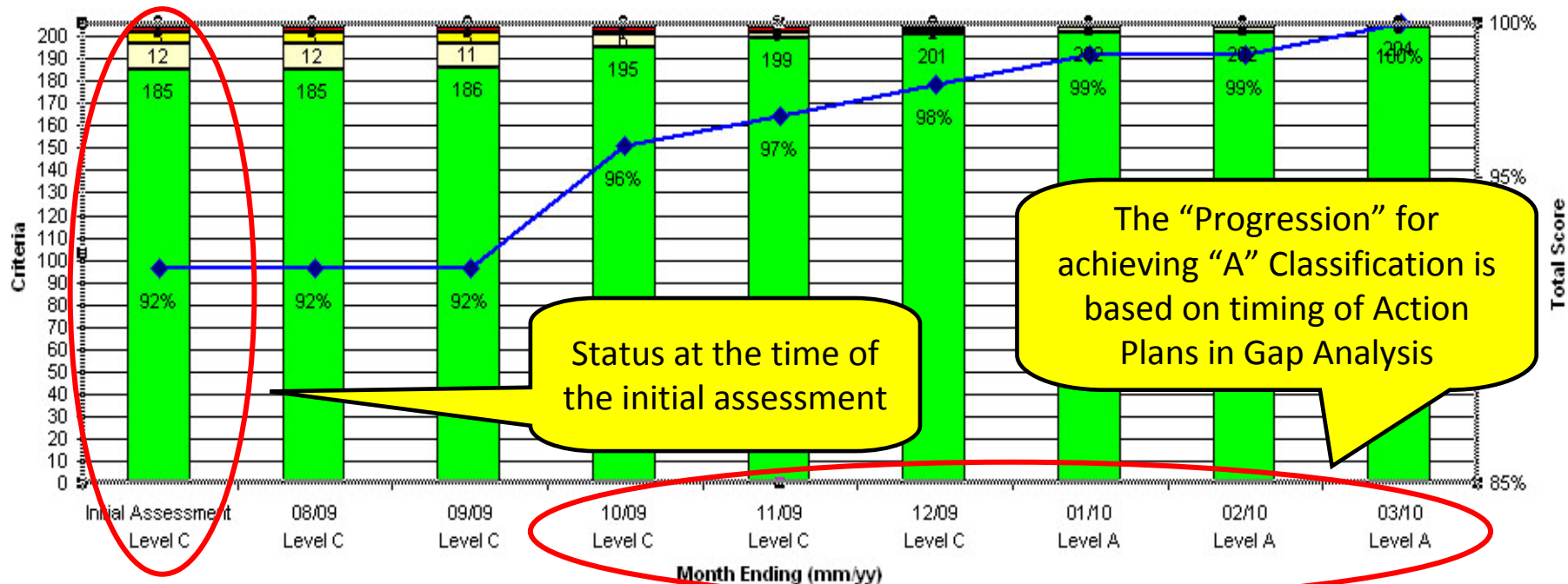
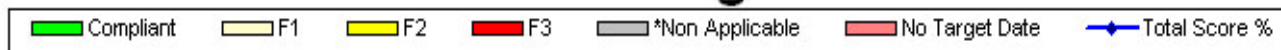
View
Chart Data

The Progression Chart was last updated on: 9/9/2009

Note: The formatting of the chart may require some adjustment by the user where there is a high level of information being displayed.

[Click here for additional instructions on how to create and/or interpret the Progression Chart](#)

MMOG/LE Progression Chart



*There are 2 N/A criteria that have been approved by the customer.

View Chart Data

Month Ending	Initial Assessment	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
Compliant	185	185	186	195	199	201	202	202	206
NonCompliant (F1)	12	12	11	6	3	2	2	2	0
NonCompliant (F2)	5	5	5	1	0	0	0	0	0
NonCompliant (F3)	2	2	2	2	2	1	0	0	0
*Non Applicable	2	2	2	2	2	2	2	2	2
No Target Date	0	0	0	0	0	0	0	0	0
Total Score %	92%	92%	92%	96%	97%	98%	99%	99%	100%
Classification	C	C	C	C	C	C	A	A	A

No Target Date	Initial Assessment	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
No Target Date (F1)	0	0	0	0	0	0	0	0	0
No Target Date (F2)	0	0	0	0	0	0	0	0	0
No Target Date (F3)	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

**There are 2 N/A criteria that have been approved by the customer.*

Radar Chart Views

Toggle

Go to Worksheet

Radar Charts

Go to Chapter

[Select Chapter or Subchapter]

Global MMOG/LE



CHAPTER ONE	STRATEGY AND IMPROVEMENT	71%
CHAPTER TWO	WORK ORGANIZATION	100%
CHAPTER THREE	CAPACITY & PRODUCTION PLANNING	100%
CHAPTER FOUR	CUSTOMER INTERFACE	100%
CHAPTER FIVE	PRODUCTION & PRODUCT CONTROL	100%
CHAPTER SIX	SUPPLIER INTERFACE	100%

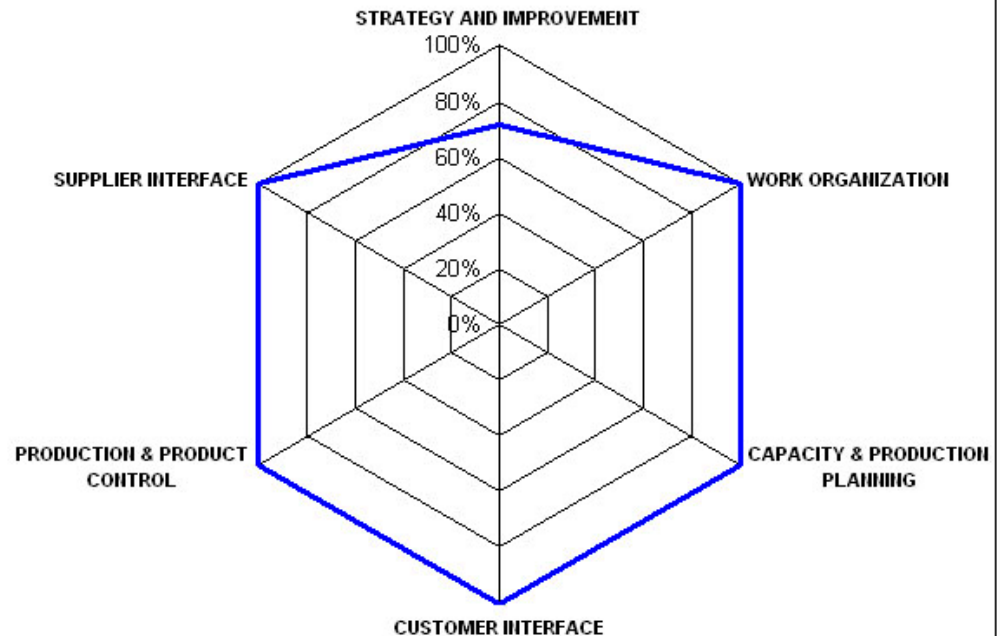
SCORE %

94%

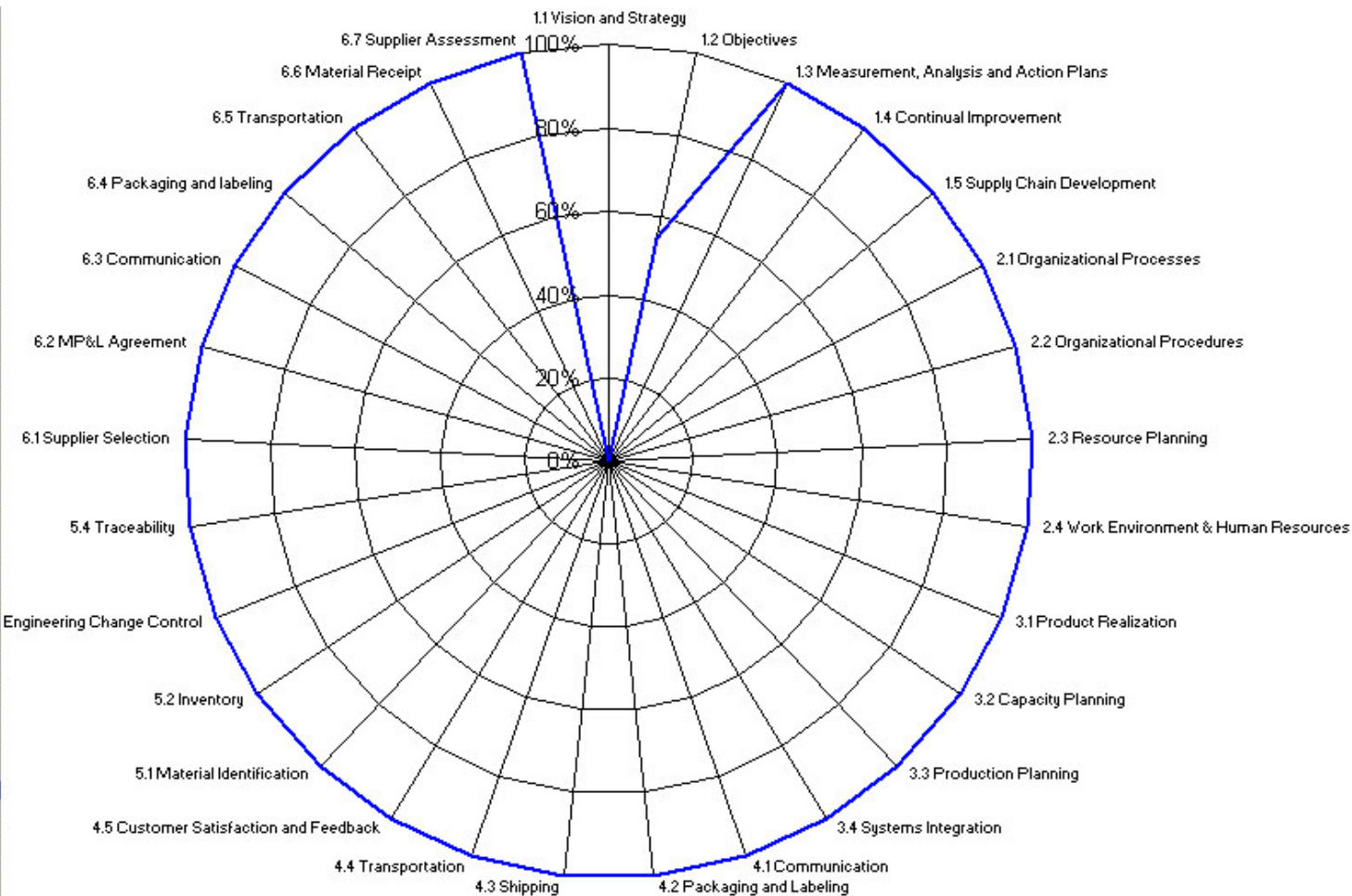
CLASSIFICATION

B

Scoring Summary Results

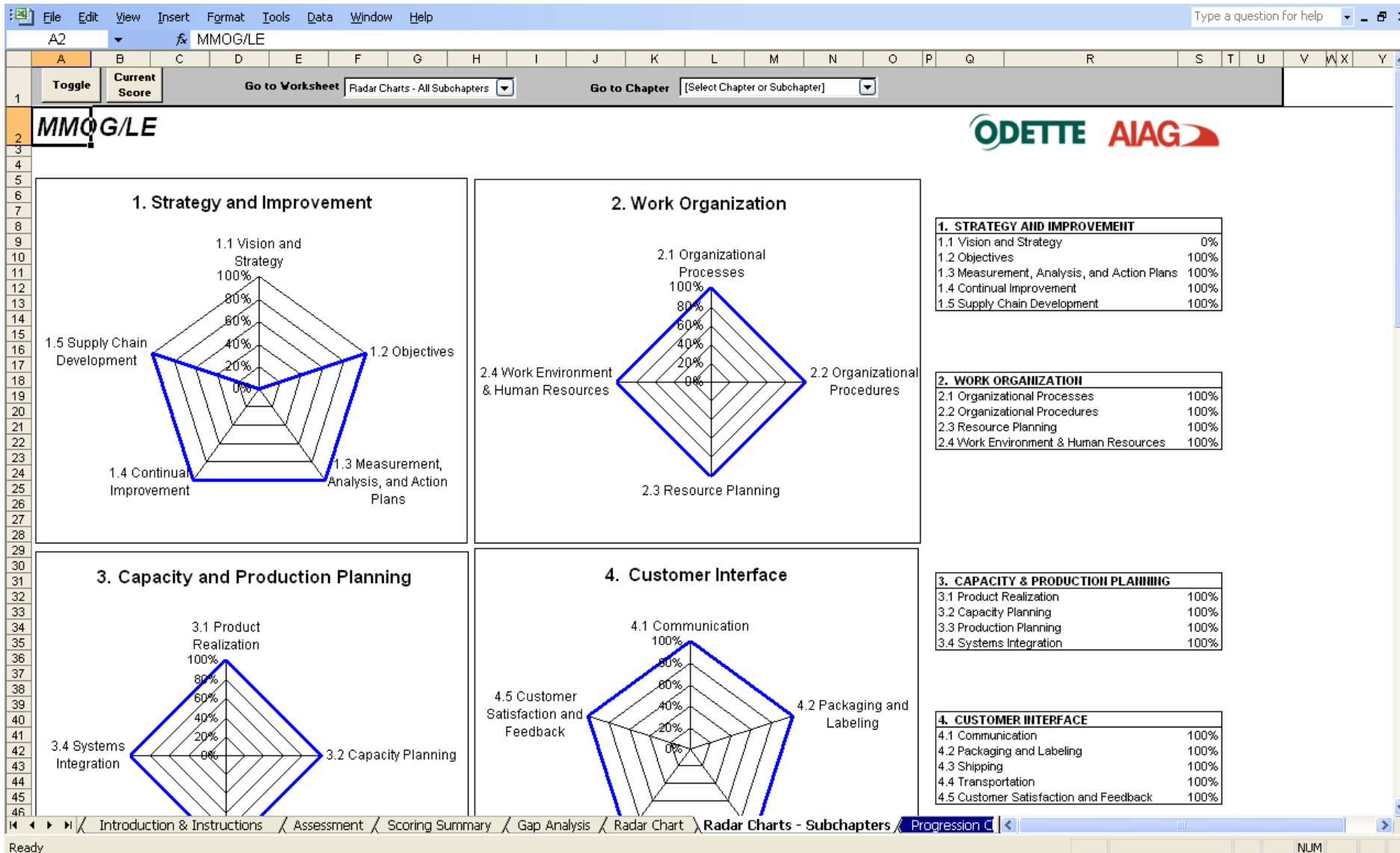


Radar Chart Views



ALL SUB-CHAPTERS	
1.1 Vision and Strategy	0%
1.2 Objectives	55%
1.3 Measurement, Analysis and Action Plans	100%
1.4 Continual Improvement	100%
1.5 Supply Chain Development	100%
2.1 Organizational Processes	100%
2.2 Organizational Procedures	100%
2.3 Resource Planning	100%
2.4 Work Environment & Human Resources	100%
3.1 Product Realization	100%
3.2 Capacity Planning	100%
3.3 Production Planning	100%
3.4 Systems Integration	100%
4.1 Communication	100%
4.2 Packaging and Labeling	100%
4.3 Shipping	100%
4.4 Transportation	100%
4.5 Customer Satisfaction and Feedback	100%
5.1 Material Identification	100%
5.2 Inventory	100%
5.3 Engineering Change Control	100%
5.4 Traceability	100%
6.1 Supplier Selection	100%
6.2 MP&L Agreement	100%
6.3 Communication	100%
6.4 Packaging and labeling	100%
6.5 Transportation	100%
6.6 Material Receipt	100%
6.7 Supplier Assessment	100%

Radar Chart Views

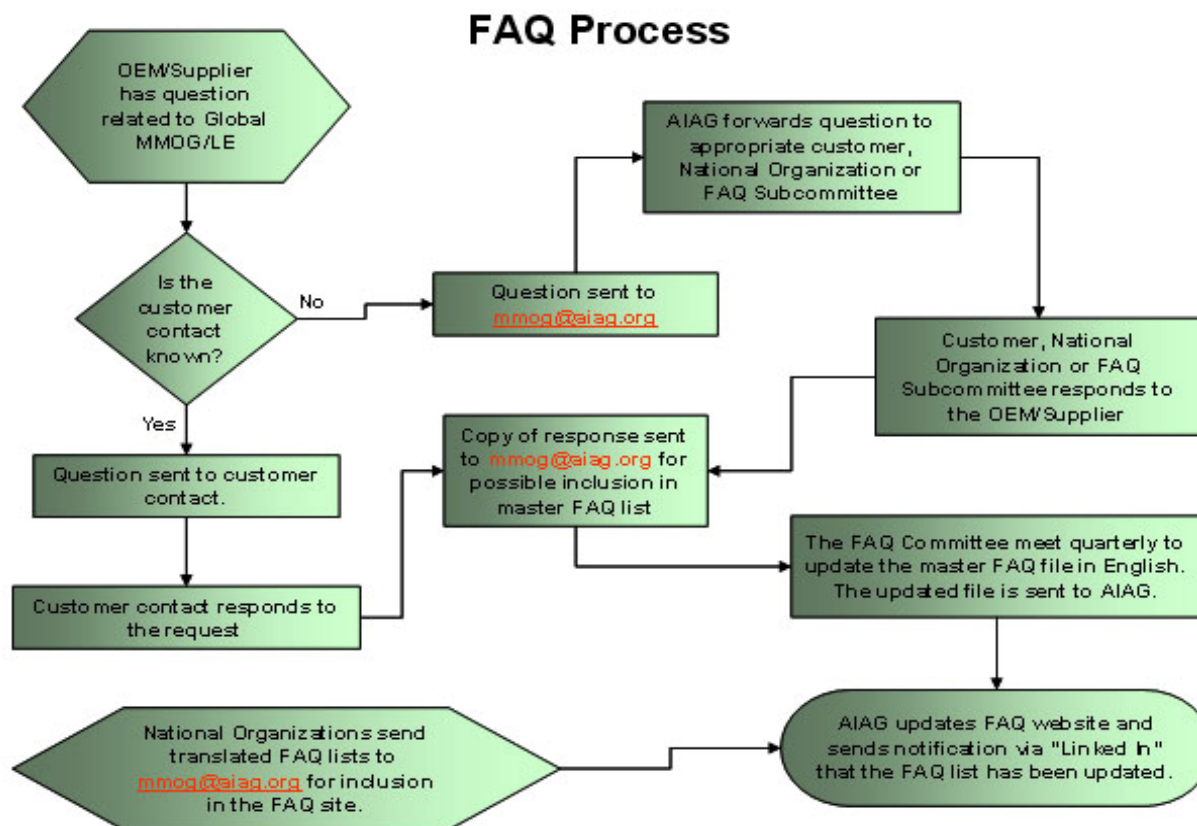


FAQ Section

MMOG/LE



The FAQ process flowchart is shown below.



Further Information Section

Toggle

Go to Worksheet Further Information

MMOG LE



To obtain related publications as identified in the Global Best Practice Suite in the Introduction Section:

AIAG <http://www.aiag.org>
Odette <http://www.odette.org>

Other MMOG/LE associated websites

MMOG/LE "Linked In" site http://www.linkedin.com/groups?gid=1783522&trk=hb_side_g
AIAG Corporate Responsibility site <http://cr.aiag.org/index.cfm>

Where to go to obtain further information on translated versions of MMOG/LE or to inquire about training:

Belgium	Odette Benelux	www.odettebenelux.org
Canada	AIAG	www.aiag.org
China	AIAG	www.aiag.org
Czech Republic	Odette Czech	www.odette.cz
France	GALIA	www.galia.com
Germany	VDA	www.vda.de
Japan	AIAG	www.aiag.org
Korea	AIAG	www.aiag.org
Luxembourg	Odette Benelux	www.odettebenelux.org
Mexico	AIAG	www.aiag.org
Netherlands	Odette Benelux	www.odettebenelux.org
Portuguese	Odette	www.odette.org
Romania	Odette Romania	www.acarom.ro
Russia	AIAG	www.aiag.org
Slovenia	Odette	www.odette.org
Spain	Odette Spain	www.odette.es
Sweden	Odette Sweden	www.odette.se
United States	AIAG	www.aiag.org

► ► Gap Analysis Radar Chart Radar Charts - Subchapters Progression Chart Chart Data Glossary FAQs Further Information Ma

New MMOG/LE Translations

- Available in 12 languages including:

English

French

German

Spanish

Portuguese

Chinese

Romanian

Czech

Turkish

Slovene

Korean

Italian



MMOG/LE version 3 (Logistikbedömning) den 26 oktober kl 13.00 – 14.00






Vad är nytt i version 3?

Vilken roll har MMOG/LE inom industrin?


Hur används verktyget inom AB Volvo?






Henry Rostén, Volvo Powertrain


OEM Usage Chart

OEM	EMEA	North America	South America	Asia/Pacific	Frequency of Submission	Comments
	Yes	Yes	Yes	Yes	Annually. This is a requirement for Q1.	Currently, all regions using Global MMOG/LE for Q1 require Level A;
PSA PEUGEOT CITROËN 	Western Central and Eastern Europe only		Yes		New vehicle project	Strong involvement of the plant management is required in order to make sure that progress is in place.
 RENAULT	Yes	Yes	Yes	Yes	Required all suppliers	
 Volvo Car	Yes	Yes	Yes	Yes	Annually. This is a requirement for Q1	
 Volvo Group	Yes	Yes	Yes	Yes	When selecting new suppliers. Annually for existing suppliers.	MMOG/LE is part of the supplier selection process. Volvo Group requests their suppliers to use the MMOG/LE with their suppliers.

OEM Usage Chart

OEM	EMEA	North America	South America	Asia/Pacific	Frequency of Submission	Comments
	Yes	Yes	Yes	Yes	<p>Annually; all suppliers.</p> <p>For 2010, by 12/31/10 (unless otherwise directed).</p> <p>For 2011, by March 31 (unless otherwise directed)</p>	<ul style="list-style-type: none"> Chrysler's requirement for 2010 is: <ul style="list-style-type: none"> Suppliers must complete the MMOG/LE v3 self-assessment; Have the completed self-assessment available upon request, and Enter specific MMOG/LE result information into Chrysler's DRIVE system (Note: DRIVE enhancement is under construction; interim process will be manual collection via Chrysler established template). Completion will be part of the Suppliers Delivery Performance Rating. Level requirement will be established for 2011 CY.

OEM	Supplier Audit Policy
	<p>Potential suppliers, new suppliers, and problem suppliers. All suppliers will eventually get an audit. Major and problem suppliers will be prioritized.</p>
	<p>Suppliers are consulted on the Global MMOG/LE in the Project Phase. Annual audits are not required annually, only during the project phase. In the Trial phase, evaluations are carried out if there are problems with the supplier.</p>
	<p>New and problem suppliers.</p>
 Volvo Car	<p>An attempt is made to visit all new suppliers and big volume suppliers. For potential suppliers self-assessment is the first step.</p>
 Volvo Group	<p>Potential suppliers, new suppliers, low performing suppliers and existing suppliers.</p>

OEM	Supplier Audit Policy
	<ul style="list-style-type: none"> Chrysler personnel will review the MMOG/LE v3 self-assessment score detail and, where available, compare that information to a Supplier's Delivery Performance (as measured via the DRIVE system), identifying potential process gaps. Additional audits will be conducted of suppliers that have a significant variance in the MMOG/LE self-assessment score detail and their actual Chrysler Delivery Performance Rating. Additional Chrysler specific system / process assessments via a Supplier Delivery Capability Assessment (SDCA) will be conducted as necessary for new suppliers, new supplier locations, and problem suppliers.

New Interests in Using MMOG/LE

- Iveco
- German Vehicle Manufacturers and Suppliers
- GM
- Avtovaz
- Ikea

Renault Revoz, Slovenia Experience

MMOG/LE mandatory in project phase

New Twingo, Service Rate comparison, July 2007:

New suppliers (**Emerging market**) using MMOG/LE

- Service Rate = 91 %

'Old' suppliers (**Western/mature Market**):

- Service Rate = 80 %

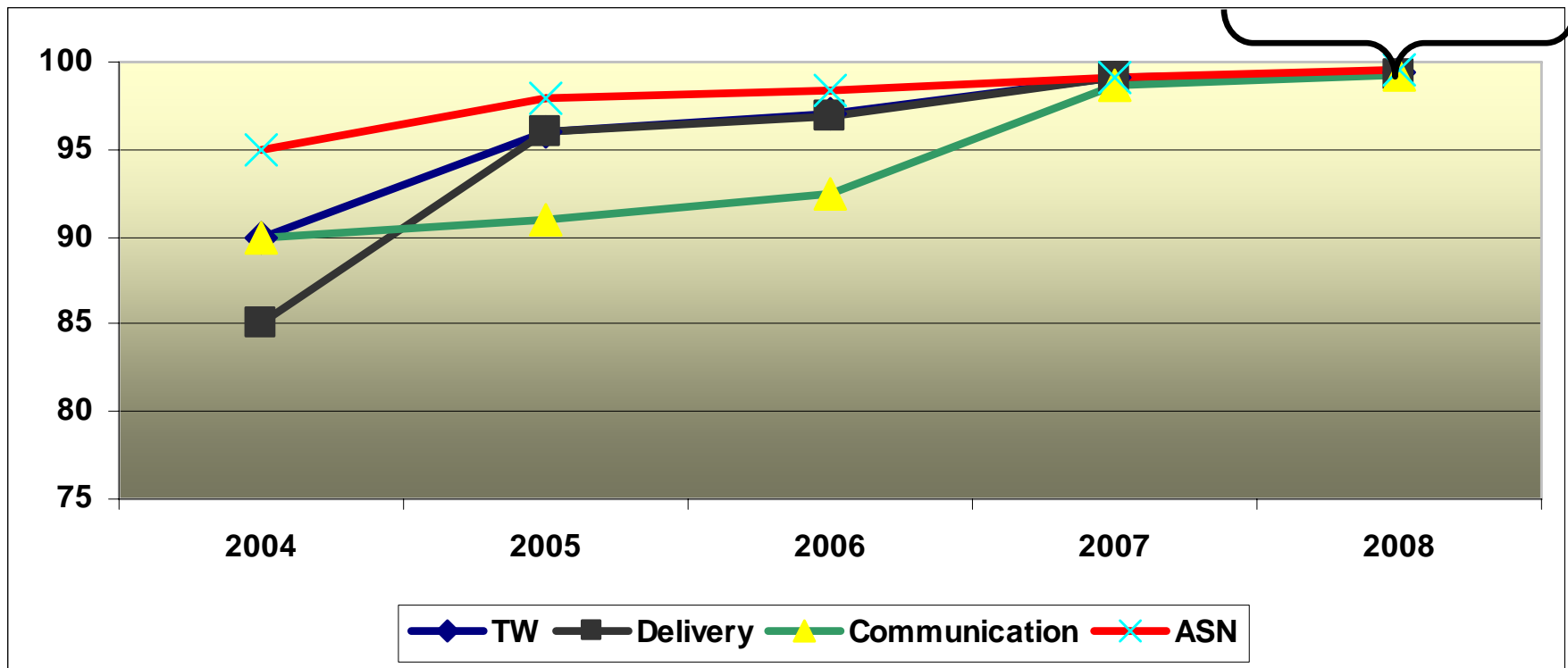


Suppliers Logistics KPIs (2004-2008)

Ford Otosan, Turkey

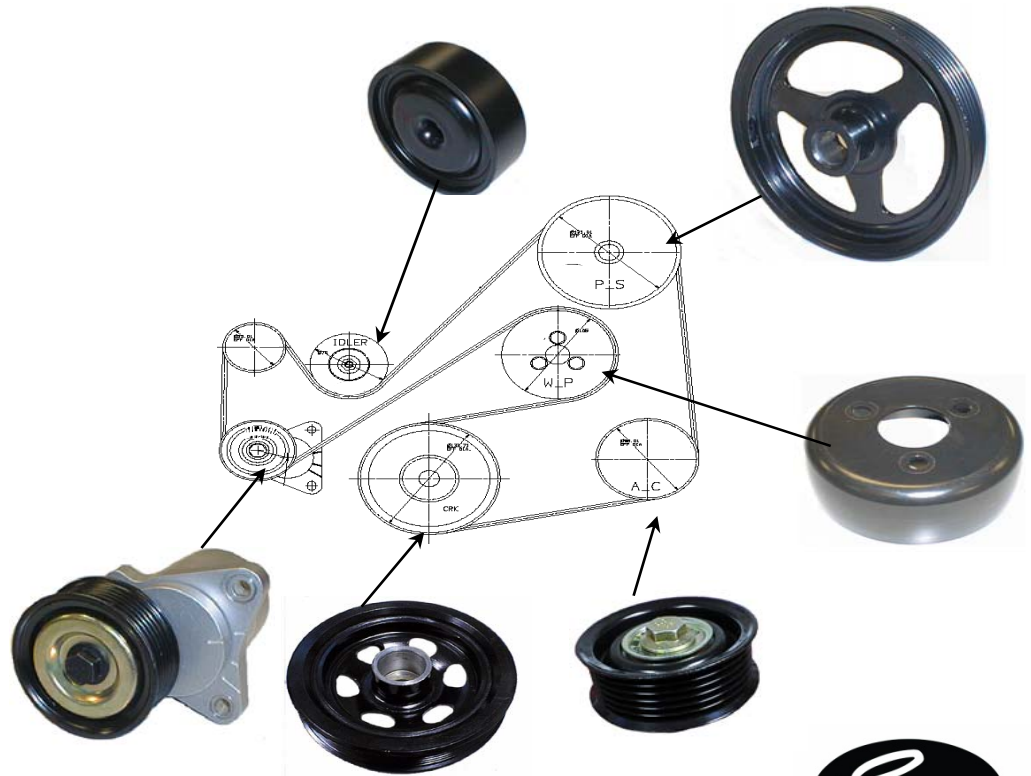
2008 Performances:

Time Window :	99,4
Delivery :	99,2
Communication :	99,3
ASN :	99,5



GATES – London Operations

- Products manufactured include pulleys, dampers and idlers.
- Approx \$55 million in sales (medium size)
- Supplies to both OEMs and major Tier 1's
 - Ford, General Motors, Nissan, Automotive Component Holdings (Visteon)



GATES

CUSTOMER DELIVERY PERFORMANCE

- On time shipping performance to customers in 2009 was 99%
- Delivery ratings to customers providing feedback is 100

SUPPLIER PERFORMANCE

- On time delivery from suppliers is 100% on date required
- 97% of material requirements are communicated electronically to suppliers
- 95% of incoming material shipments are transmitted via ASNs

GATES

PHYSICAL INVENTORY

- As accuracy improved, reduced from 12 to 1 a year
 - Estimated cost for a physical inventory is \$15-20K (overtime wages, equipment rental, inventory tags, etc.)

INVENTORY VALUE

- Reduction of approx. 50% since 2001
 - Since 2001 sales have increased by 20%

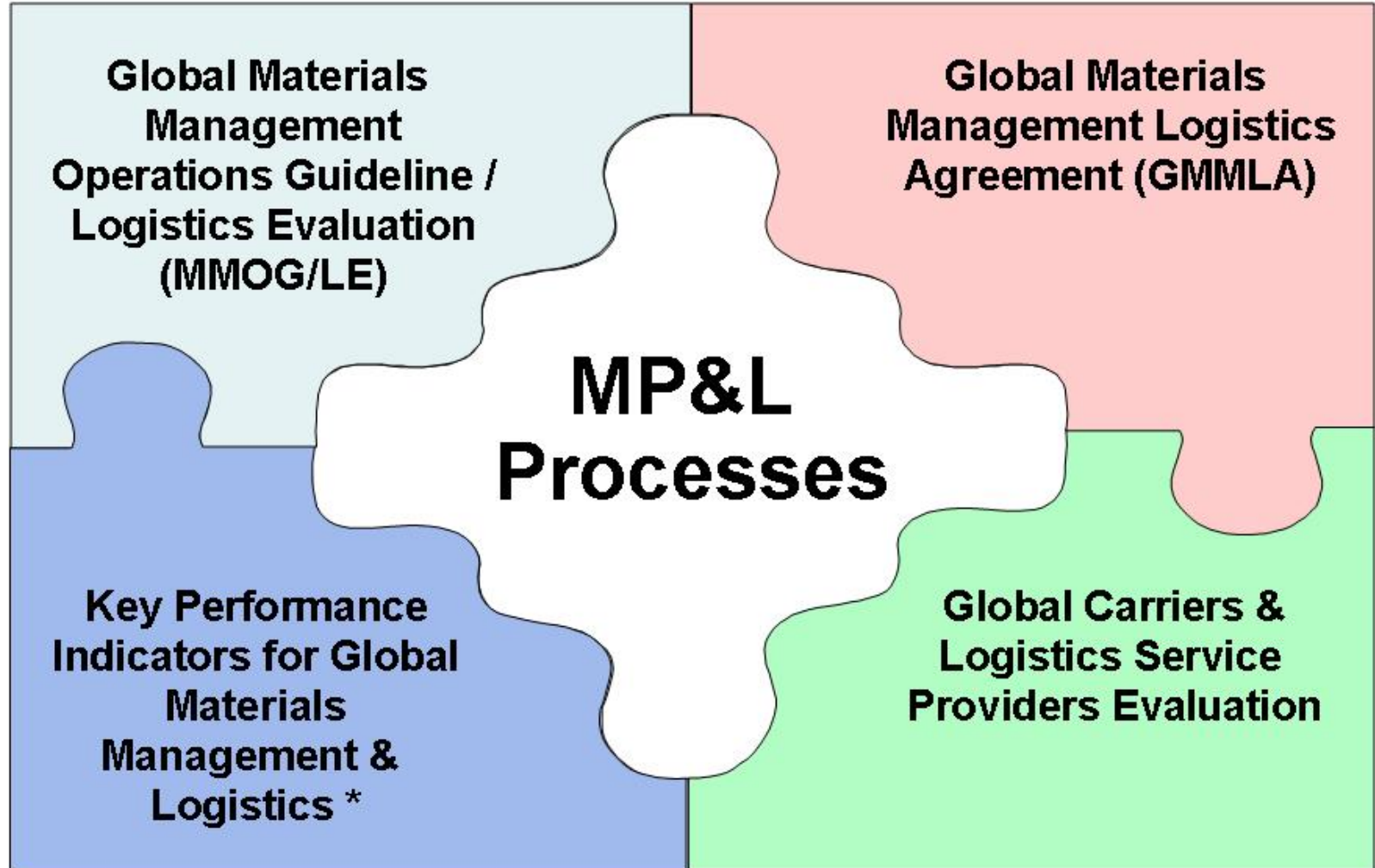
EXPEDITED SHIPMENTS

- Premium freight on inbound/outbound material has gone from \$180K in 2002 less than \$5k last year

GATES

- Suppliers are encouraged to use MMOG/LE as basis for developing a robust materials management process.
- Supplier partnership manual addresses 'high impact' questions.
- Supplier Quality System Assessments measure effectiveness of materials management processes.

Global Best Practice Suite



*KPI for Carriers/LSPs is currently available only as an Odette document

GLOBAL MATERIALS MANAGEMENT LOGISTICS AGREEMENT (GMMLA)

- Published in 2008
 - Odette Logistics agreement 2003
- Provide recommendations and advice regarding format and content of a logistics agreement
- Relationships between the parties are documented and clearly understood

GLOBAL CARRIERS & LOGISTICS SERVICE PROVIDERS EVALUATION

- Published in 2008
- Transportation plays an increasingly important role
- Based on the MMOG/LE
 - Focus on best practices of Carriers and Logistics Service Providers (LSPs)

KEY PERFORMANCE INDICATORS for GLOBAL MATERIALS MANAGEMENT & LOGISTICS

- Published in 2006
 - Based on Odette Logistics Key Performance Indicators and AIAG Supplier Delivery Performance Metrics Guidelines
- Define standard key performance indicators
 - Common to the industry and understood by Suppliers and customers

VOLVO