MMOG/LE
Materials Management
Operations Guideline/Logistics Evaluation

July 2009
Agenda

• Why MMOG/LE?
• What is MMOG/LE?
• Completing the Self-Assessment
• Who is Requiring MMOG/LE?
• MMOG/LE Key Criteria
• AIAG/Odette MMOG/LE Benefits Survey
• Customer Success Stories
• Supporting Training and Documents Available
Why MMOG/LE?
Improving Supply Chain Delivery Performance

• Gain control of processes
  – Reduce line stoppages, inventory carrying costs, premium freight, rework, lead times
• Gain control of supply chain
  – Increase inventory visibility
  – Reduce supply chain risk
• Support continuous improvement
• Increase customer satisfaction
• Increase competitiveness
MMOG/LE Outside the Automotive Industry

- Other non-automotive industries
  - Hospitals
  - Construction
  - Aerospace
  - Chemical
  - Electronics
  - Industrial
  - Retail
- Universities
What is MMOG/LE?
Principles of Global MMOG/LE

• Recommended standard for materials and logistics
• Self-assessment tool for identifying gaps in processes
• Based on agreed business processes
  – By OEMs and suppliers
    • Ford, Chrysler, PSA, Renault, Volvo Car, Volvo Truck, Bosch, Johnson Controls, etc.

• Based on extensive, best practices
  – 6 chapters
  – 206 criteria

• Determine current level of plant performance
<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Level</td>
<td>Supplier is considered to be at or near “world class” standards (90% or higher).</td>
</tr>
<tr>
<td>B Level</td>
<td>Supplier is deficient in two or more aspects of a given category or multiple categories (75% &lt; 90%). An action plan should be put in place and the corrective action should not require a significant amount of time to implement.</td>
</tr>
<tr>
<td>C Level</td>
<td>Supplier is deficient in one or more critical or high impact aspects (75% or less). <strong>Action plans required to ensure deficiencies do not result in serious or prolonged issues to the customer.</strong></td>
</tr>
</tbody>
</table>
MMOG/LE Self Evaluation Categories

- Strategy and Improvement
- Work Organization
- Production and Capacity Planning
- Customer Interface
- Production and Product Control
- Supplier Interface
MMOG/LE Translations

- Available in 13 languages including:
  - English  French  German
  - Spanish  Portuguese  Chinese
  - Romanian  Czech  Russian
  - Turkish  Japanese  Slovene
  - Korean
What Does this Mean for Suppliers?

1. Attend AIAG/Odette MMOG/LE standard training
   • Understanding and building a team to complete assessment

2. Complete self-assessment
   • Complete internal team review
   • Develop gap analysis and action plan for customer, internal, and sub suppliers

3. Implement Action Plan
   • Internal processes and systems
   • Sub suppliers (e.g., Tier 2)

4. Customer certifies self-assessment score
Completing the Self-Assessment
## 1.4.2

There shall be a process to identify and take corrective actions on deficiencies and/or unstable processes found during internal assessments.

### Why?

For organizations to remain competitive and reduce costs, it is crucial to identify areas for improvement.

### Criteria:

Minimum requirement (Additional areas to be covered).

| F3 | Bottle neck processes. |

### FRENCH

Il doit exister un processus permettant de définir et de mettre en place des actions correctives pour les process défaillants identifiés lors d'audits internes.

**Pourquoi?**

Afin que l'entreprise reste compétitive et réduise ses coûts, il est essentiel d'identifier les zones d'amélioration.

**Criteria:**

LES CRITERES DECIRIS CI-APRES REPRESENTENT LA BASE MINIMUM POUR L'IDENTIFICATION DES AREAS À AMÉLIORER.

Des process complémentaires peuvent être mis en place pour répondre à des besoins clients spécifiques.

| F3 | Goulots d'étranglement. |

### CHINESE

必须有一个过程以对那些在内部评审期间所发现的不足和/或不稳定过程，进行识别并采取纠正措施。

**为什么?**

为了使组织保持竞争性并降低成本，需要识别要改进的特定区域。

**准则：**

最低要求（要包含特定顾客所要求的其他领域）。

| F3 | 瓶颈的过程。 |

### JAPANESE

内部評価の際に発見した不備や未整備のプロセスに関する業務がある。

**理由**

組織にとって競争力の保持とコストの削減は不可欠であり、問題箇所の特定が必要です。

**基準：**

最低限の要求事項（その他の領域は顧客個別の要求事項）。

| F3 | ポトルネック・プロセス |
www.odette.org
### 1.2 Objectives

**Objectives relative to the Materials Planning and Logistics function are defined, communicated and understood within the organization.**

**Why?**

Objectives allow departments and employees to focus on areas of importance to achieve customer satisfaction and the organization's Materials Planning and Logistics strategy.

---

### Criteria

<table>
<thead>
<tr>
<th>F2</th>
<th>All objectives are measurable and consistent with the organization's Materials Planning and Logistics strategy.</th>
<th>EQOS - Inventory accuracy is measured by the cycle count program, supplier delivery performance, customer delivery performance.</th>
</tr>
</thead>
<tbody>
<tr>
<td>F2</td>
<td>Objectives are accepted by all relevant functions and are clearly cascaded throughout the organization.</td>
<td>EQOS reviewed by operations and at staff meetings and posted monthly for all employees to review.</td>
</tr>
<tr>
<td>F2</td>
<td>Objectives are reviewed with senior management at planned intervals.</td>
<td>Populates the gap analysis tab</td>
</tr>
</tbody>
</table>
Each Criteria is Weighted

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>F3</td>
<td>A fundamental requirement of the organization's operations. If unmet, there is a high risk of interruption to the organization's and/or customer's operations and the likelihood of additional costs being incurred. There are 35 F3 criteria which represents approximately 30% of the total available score.</td>
<td>30%</td>
</tr>
<tr>
<td>F2</td>
<td>A process that has significant importance to the efficiency and effectiveness of the organization's operations. If unmet, the organization’s performance and customer satisfaction may be seriously affected. There are 75 F2 criteria which represents approximately 43% of the total available score.</td>
<td>43%</td>
</tr>
<tr>
<td>F1</td>
<td>A process that demonstrates ongoing control of operational processes contributing to the organization's overall competitiveness. If unmet, the organization’s long-term sustainability and competitiveness may be negatively impacted. There are 96 F1 criteria which represents approximately 27% of the total available score.</td>
<td>27%</td>
</tr>
</tbody>
</table>
Submit Scoring Summary

<table>
<thead>
<tr>
<th>Question number</th>
<th>Result criteria score</th>
<th>Weighting of criteria</th>
<th>Act. Score</th>
<th>Max Score</th>
<th>%self assessed</th>
<th>%verified assessed</th>
</tr>
</thead>
<tbody>
<tr>
<td>97</td>
<td>x</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>98</td>
<td>x</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>99</td>
<td>x</td>
<td>1</td>
<td>7</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td>x</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
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<tr>
<td>101</td>
<td>x</td>
<td>1</td>
<td>94</td>
<td>94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102</td>
<td>x</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL score**

- Maximum Score: 351
- %: 96%

<table>
<thead>
<tr>
<th>F3</th>
<th>F2</th>
<th>F1</th>
<th>Σ</th>
</tr>
</thead>
<tbody>
<tr>
<td>34</td>
<td>72</td>
<td>94</td>
<td>200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Σ</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
</tr>
</tbody>
</table>

**A, B or C**

C
<table>
<thead>
<tr>
<th>Element</th>
<th>Criteria</th>
<th>Question</th>
<th>Criteria Weight</th>
<th>Desired State</th>
<th>Current State</th>
<th>Gap</th>
<th>Action Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3 Measurement, Analysis and Action Plans</td>
<td>1.3.1</td>
<td>4)</td>
<td>F1</td>
<td>Graphical analysis tools, (e.g., Pareto graphs) displaying historical and trend data are used to track critical areas over time.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4 Continuous Improvement</td>
<td>1.4.1</td>
<td>1)</td>
<td>F1</td>
<td>A defined process supported by management for continuous improvement is used within the entire organization and with all supply chain partners.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Resource Planning</td>
<td>2.3.2</td>
<td>2)</td>
<td>F3</td>
<td>Personnel shall be trained in contingency procedures.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Communication</td>
<td>4.1.1</td>
<td>1)</td>
<td>F2</td>
<td>There are agreed contingency plans established between both parties to maintain permanent communication during bottle-neck situations.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Communication</td>
<td>4.1.1</td>
<td>2)</td>
<td>F2</td>
<td>The customers' goals regarding Materials Planning and Logistics performance are clearly defined (e.g., Customer delivery instructions/schedules), visualized and followed-up by the organization.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.5 Transportation</td>
<td>6.5.1</td>
<td>3)</td>
<td>F2</td>
<td>The organization has the ability to track and trace in-bound material from time of supplier shipment through to receipt of material. (e.g.: when shipments are delayed)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Who is requiring MMOG/LE?
<table>
<thead>
<tr>
<th>OEM</th>
<th>EMEA</th>
<th>North America</th>
<th>South America</th>
<th>Asia/Pacific</th>
<th>Frequency of Submission</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chrysler</td>
<td>Europe</td>
<td>Yes</td>
<td>TBD</td>
<td>Yes</td>
<td>Annually</td>
<td>Chrysler’s requirement for 2008 is that suppliers must complete the MMOG/LE document and have it available upon request.</td>
</tr>
<tr>
<td>Volvo Car</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Annually</td>
<td>Currently, all regions using MMOG for Q1 require Level A; exception for Europe: for current Q1 suppliers Level B is accepted for 2008 certification update period (May 1st - July 31st), changed to be communicated 2nd half of 2008.</td>
</tr>
<tr>
<td>PSA Peugeot Citroën</td>
<td>Western Europe and Central and Eastern Europe only</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
<td>New vehicle project</td>
<td>Strong involvement of the plant management is required in order to make sure that progress is in place.</td>
</tr>
<tr>
<td>Renault</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Required all suppliers</td>
<td></td>
</tr>
<tr>
<td>Volvo Group</td>
<td>Europe, a few suppliers in the Middle East</td>
<td>Yes</td>
<td>Yes, Brazil</td>
<td>India, China</td>
<td>Annually</td>
<td>Annually self-audit submission and follow-up to be implemented</td>
</tr>
<tr>
<td>OEM</td>
<td>Supplier Audit Policy</td>
<td></td>
<td></td>
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<tr>
<td>----------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chrysler</td>
<td>Supplier evaluations are completed by Chrysler personnel using the Supply Process Sign Off (SPSO) for new suppliers, new supplier locations, and problem suppliers. The SPSO encompasses elements inclusive of the MMOG self-assessment. Additional audits will be conducted on suppliers that have a significant variance in the self-assessment ranking and their actual Chrysler Supply performance rating.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ford</td>
<td>Potential suppliers, new suppliers, and problem suppliers. All suppliers will eventually get an audit. Major and problem suppliers will be prioritized.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSA Peugeot Citroen</td>
<td>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.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renault</td>
<td>New and problem suppliers.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volvo Car</td>
<td>An attempt is made to visit all new suppliers and big volume suppliers. For potential suppliers self-assessment is the first step.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volvo Group</td>
<td>Potential suppliers, new suppliers, and low performing suppliers.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
OEM Focus During MMOG/LE Audits

- **Strategy and Improvement**
  - Management commitment

- **Capacity and Production Planning**

- **Supplier Interface (Tier 2)**
  - Performance measurement
  - Sub-tier supplier communication
  - Sub-tier suppliers in emerging markets

- **Improvement Plan**

- **Self-Assessment Quality**
Key MMOG/LE Criteria
1. **Strategy and Improvement**
   Covers vision, strategy, objectives, KPIs, analysis, action plans, corrective and preventive actions, continuous improvement, supply chain development

2. **Work Organization**
   Covers organizational processes and procedures, contingency plans, work environment, employee certification and training, roles and responsibilities

3. **Production and Capacity Planning**
   Covers product realization, capacity planning, raw material, WIP, obsolesce, spare parts, production planning, and MRP (planning system)
4. **Customer Interface**
   Customer contact lists, EDI (forecast, schedules), packaging and labeling, returnable containers, shipping (ASNs), bar code labels, equipment calibration, transportation, and customer satisfaction and feedback

5. **Production and Product Control**
   Material identification, inventory tracking and accuracy, material flow optimization, phasing out inventory, inventory buffers, defective material handling, engineering change control, and traceability

6. **Supplier Interface**
   Sub supplier selection and evaluation, materials and logistics agreements, supplier contacts, communication, contingency planning sub tier electronic communications (releases, schedules, ASNs), packaging and labeling, transportation, and material receipt
MMOG/LE Results Identified by OEMS
Renault, Revoz Experience

MMOG/LE mandatory in project phase
New Twingo, Service Rate comparison, July 2007:

- New suppliers using Global MMOG/LE
  • Service Rate = 91 %
- ‘Old’ suppliers
  • Service Rate = 80 %
Ford and MMOG/LE
Delivery Rating Improvements

- 1641 suppliers in North America completed MMOG/LE
- As of December 31\textsuperscript{st}, 2007:
  - 90% of suppliers reporting MMOG/LE Level “A”
  - 90% of suppliers have a delivery rating > 80
  - 15% delivery improvement in the past 10 years
Ford and MMOG/LE
Benefits

• Improved Ford Delivery Ratings
  – ASN data accurate and timely
  – Up-to-schedule shipments
  – Correct packaging and labeling
  – Premium instances reduced

• Improved communication with the Ford customer locations

• Fewer Ford plant shut downs due to materials management issues

All of which lead to increased customer satisfaction!
Ford and MMOG/LE
Benefits

Feedback and observations from supplier onsite audits

- Cost reductions; specifically inventory carrying cost of raw material, WIP, and finished goods
- Optimization of inventory safety stock levels
- Improvement in floor space utilization
- Adherence to FIFO practices
- Accurate labeling of material
- Efficiencies in shipping and receiving areas with established window times
- Accurate part tracking
- Correct shipment being loaded on the truck
- Better understanding of material management system
- Visual organization – Plan For Every Part
Ford and MMOG/ LE
China Tier 1 Supplier’s Opinions

- Reduction in raw material, work-in-process and finished inventory
- More efficient process from receiving raw material to shipping inventory
- Visible signs on shop floor identifying manufacturing operations
- Use of metrics to capture failure in process
- Importance of appropriate packaging
- More organized warehouse: FIFO process used more effectively
- More control and accountability in the material ordering process
- More warehouse space
- Ease of production planning and scheduling process
- Ability to compare material received versus material shipped
- Ability to see ASN’s from tier 1’s and pay tier 1’s electronically
- Improved communications within the supply chain
- Less errors in delivery rating
Ford Otosan, Turkey

2008 Performances:
- Time Window: 99.4
- Delivery: 99.2
- Communication: 99.3
- ASN: 99.5
Chrysler and MMOG/LE
Delivery Score Improvements

• 600+ suppliers completed MMOG/LE in 2006/2007
• 54% improved in Chrysler delivery rating
• Average improvement in Chrysler rating = 30%
• 36% improved MMOG/LE score
• 85% are at “A” Level
Chrysler and MMOG/LE
MMOG Benefits

For Chrysler
• Improved Delivery Ratings in multiple categories:
  – Shipment data is improved
  – Maintained deliveries to schedule
  – Reduction in expedited freight
• Improved plant up-time
• Improved communication with plants
• Provides measurable, objective data for supplier improvement

For Suppliers
• Supports LEAN principles
• Reduction in material, inventory, safety stock
• Improved communications with customers
• Reduced downtime incidents
• Improved quality and efficiency of window time conformance
• Provides measurable, objective data for supplier improvement
Volvo Group and MMOG/LE
Benefits

- All new suppliers are requested to submit the document
- A Requirement for existing major and poor performing suppliers
- A Criteria of Volvo Group Key Elements Procedures, Logistics
- > 850 assessments received, > 230 verified with Volvo internal personnel (most often on location)
- Linked to supplier relationship development process
- **Example N-America**: Self-assessed 44% of suppliers on A-level
  After verification 37% of suppliers on A-level
- **Example S-America**: Adherence to supply instructions (Mar to Aug)
  - Total local suppliers average 89.0% correct day/quantity
  - Total self-assessed suppliers 86.7%
  - All verified level A-suppliers 96.7%
  - All verified level C-suppliers 85.8%

not included: Volvo Car Corporation
OEM Observed Improvements

• Supplier readiness and launch results
  – Delivery ratings reach 100%
  – ASNs are accurate and timely
  – Up-to-schedule shipments
  – Correct packaging and labeling
  – Premium instances minimized or reduced
• Supplier communications with customer improved
• Plant down time is minimized
• Better sourcing decisions for new and additional business
• Overall increased customer satisfaction
MMOG/LE Benefits and Success Stories from Suppliers
Location: Wixom, Michigan, United States

Company Description: Leading European automotive group focused on vehicle body structural assemblies, closure systems and comfort products for automotive OEMs and Tier I suppliers.

Challenges: Pass MMOG/LE audit and maintain Ford Q1 status or lose new business opportunities

Results:
Maintained Ford Q1 status and MP&L endorsement
Reduced inventory 26%
Reduced Stock to Sales ratio from 3.8% to 2.8%
Improved customer, supplier and intra-enterprise communication
Significantly improved supplier management, met supplier EDI requirements
Reduced scrap
Implementation from kickoff to live was four months
Location: Fuzhou, China

Company Description: Manufacturer of pistons and other aluminum-cast parts for cars, motorcycles, air compressors and diesel and outboard engines.

Challenges:
Needed to obtain Ford Q1

Solution: QAD Enterprise Applications

Results:
Awarded Ford Q1 status and became a Ford Tier 1 direct supplier
Achieved MMOG/LE Level A
Reduced inventory by 50 percent
Increased Ford SIM rating for quality and delivery by 20 percent
Improved Ford delivery rating from an average of 91 to 100
Attracted new customers based on new capabilities
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 and MMOG/LE Benefits

CUSTOMER DELIVERY PERFORMANCE
- On time shipping performance to customers in 2007 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 and MMOG/LE Benefits

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 $25k last year
Tier 1 Observed Improvements

• 25%-50% reduction in raw materials and finished goods
• Reduction in employee training time from 6 weeks to 1 week for new product launch site due to standardize process
• Monthly delivery rating scores going from 75 to 100
• Increased delivery performance with Tier 2
• Provides a common standard to benchmark poor performing supplier sites to high performing sites within the same supplier organization
• Better visibility into scrap issues and associated costs
• Increased data accuracy
Supporting Training and Documents Available
Harmonized Global Training

- 1-Day standardized global AIAG/Odette training

Odette/AIAG MMOG/LE Work Group

- Training Slides & Instructor Manual
- Participant Manual
- Implementation Toolkit
MMOG/LE Course Objectives

- Continuous Improvement Tool
- What is the MMOG/LE?
- Assessment
- Gap Analysis
- Implementation
MMOG/LE Training and Seminars World Wide

**America’s**
- United States of America: 760 people
- Canada: 220 people
- Mexico: 100 people
- Brazil: 100 people

**Europe**
- United Kingdom: 68 people
- Sweden: 299 people
- Germany: 50 people
- France: 727 people
- Spain: 177 people
- Czech Republic: 27 people
- Slovak Republic: 6 people
- Romania: 167 people
- Poland: 45 people
- Russian Federation: 21 people

**Others**
- China: 230 people
- Iran: 4 people
- Turkey: 132 people

- India (2009)
- E-learning class available through AIAG
AIAG e-Learning Available

- Available in English only
  - Investigating other translations
- Suppliers can avoid travel to take the class
- With e-learning, suppliers send multiple students

New in 2008
Related Guidelines and Best Practices

Available at [www.aiag.org](http://www.aiag.org) or [www.odette.org](http://www.odette.org)

- Key Performance Indicators for Global Materials Management and Logistics (KPI4GMML)
- Global Materials Management and Logistics Agreement
- Joint Automotive Industry Forum China B2B Recommendation
- EDI/XML Project Planner
- Global Evaluation for Carriers and Logistics Service Providers
2008 Global MMOG/LE Seminars
Over 1000+ Attendees

Germany
MMOG/LE Version 3
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
89+ Requests for Version 3

<table>
<thead>
<tr>
<th>#</th>
<th>Source</th>
<th>Recommended Changes</th>
<th>Voith</th>
<th>Bosch / Helma</th>
<th>Bosch/Stefan</th>
<th>Ford Europe</th>
<th>Renault</th>
<th>Position from French automotic supply chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chrysler</td>
<td>Customer owned returnable containers are not to be used for WIP.</td>
<td>Green</td>
<td>Agree with work group comment</td>
<td>Agree with the comment of the working group.</td>
<td>Red</td>
<td>No need to add something. This is a specific requirement to be detailed in logistic protocol</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Chrysler</td>
<td>Customer owned returnable containers are not to be used off WIP material or for shipment of material between Tier 2 and Tier 3 sources unless approved by the customer.</td>
<td>Green</td>
<td>Agree with work group comment</td>
<td>Agree with the comment of the working group.</td>
<td>Red</td>
<td>No need to add something. This is a specific requirement to be detailed in logistic protocol</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Chrysler</td>
<td>Supplier must include container type and quantity of containers being shipped on the part ASN.</td>
<td>Green</td>
<td>Agree with work group comment</td>
<td>Agree with the comment of the working group.</td>
<td>Red</td>
<td>No need to add something. This is a specific requirement to be detailed in logistic protocol</td>
<td></td>
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<tr>
<td>12</td>
<td>Chrysler</td>
<td>Supplier must monitor all customer-requested systems according to customer requirements (not just CDL, SMART and inventory systems – there are container systems, capacity systems, etc.)</td>
<td>Green</td>
<td>Agree with work group comment</td>
<td>Agree with the comment of the working group.</td>
<td>Red</td>
<td>OK</td>
<td>OK with work group comments</td>
</tr>
<tr>
<td>13</td>
<td>Chrysler</td>
<td>Supplier must clearly identify/label new parts as such in accordance given by engineering or the effect plant.</td>
<td>Green</td>
<td>Agree with work group comment</td>
<td>Agree with the comment of the working group.</td>
<td>Red</td>
<td>No need to add something. Already covered in 5.3</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Chrysler</td>
<td>If doesn't apply in PROTOOOL that suppliers have to apply root cause to delivery violations.</td>
<td>Green</td>
<td>Agree with the comment of the working group.</td>
<td>Agree with the comment of the working group.</td>
<td>Red</td>
<td>OK to add &quot;material and delivery&quot; in 1.3.1.5</td>
<td></td>
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<tr>
<td>15</td>
<td>Ford</td>
<td>Job descriptions plans should highlight customer specific responsibilities to better assist with candidate searches.</td>
<td>Green</td>
<td>Agree with work group comment</td>
<td>Agree with the comment of the working group.</td>
<td>Red</td>
<td>OK</td>
<td>OK</td>
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</table>
Analysis of Recommendations

Legend:

1) General Agreement - no action required - item closed 33
2) General Agreement - text change only - task to be assigned 33
3) General Agreement - technical change to be assigned 8
4) NO General Agreement - further discussion required 15

Total 89

Key Examples: Launch readiness document - 15 consolidated requests? Light Version?

Recommendation Analysis Team

- Bosch, Germany and UK
- Ford North America
- Ford Europe
- Renault
- Gates Canada
- QAD
- Volvo Truck
- VDA (Germany)
- Odette Spain
- Galia (France)
- AIAG (North America)
- SMMT (UK)
### 1.1 Vision and Strategy

The organization has a strategy that ensures the Materials Planning and Logistics (MP&L) vision is achieved.

For the MP&L process to be efficient and effective, the MP&L vision including MMOSEL needs to be acknowledged as an important part of the operation and receive adequate resources.

**Why?**

Good knowledge of long-term strategy is vital for employees to work consistently and be proactive.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Why?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) F2</td>
<td>A documented vision exists for the MP&amp;L function.</td>
</tr>
<tr>
<td>2) F2</td>
<td>A documented strategy exists with activities for implementing the MP&amp;L vision.</td>
</tr>
<tr>
<td>3) F2</td>
<td>The MP&amp;L vision and strategy is linked to the organization’s overall objectives, including customer requirements and continuous improvement.</td>
</tr>
<tr>
<td>4) F2</td>
<td>The MP&amp;L vision and strategy is communicated and understood within the organization.</td>
</tr>
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</table>

### 1.2 Objectives

Objectives relative to the MP&L function are defined, communicated and understood within the organization.

**Why?**

Objectives allow departments and employees to focus on areas of importance to achieve customer satisfaction and the organization’s MP&L strategy.

**Optional comments may be added here supporting the organization’s current progress.**

Test data to confirm links in GAP Analysis - Supplier comments for 1.1.1.1

Test data to confirm links in GAP Analysis - Supplier comments for 1.1.1.2

Test data to confirm links in GAP Analysis - Supplier comments for 1.1.1.3

Test data to confirm links in GAP Analysis - Supplier comments for 1.1.1.4
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<th>Criteria</th>
<th>Question #</th>
<th>Criteria Weight</th>
<th>Desired State</th>
<th>MMOG/LE Self-Assessment Comments</th>
</tr>
</thead>
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<td>1.1 Vision and Strategy</td>
<td>1.1.1</td>
<td>1)</td>
<td>F2</td>
<td>A documented vision exists for the MP&amp;L function.</td>
<td>Test data to confirm links in GAP Analysis - Supplier comments for 1.1.1.1</td>
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<td>1.1 Vision and Strategy</td>
<td>1.1.1</td>
<td>2)</td>
<td>F2</td>
<td>A documented strategy exists with activities for implementing the MP&amp;L vision.</td>
<td>Test data to confirm links in GAP Analysis - Supplier comments for 1.1.1.2</td>
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<td>3)</td>
<td>F2</td>
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<td>4)</td>
<td>F2</td>
<td>The MP&amp;L vision and strategy is communicated and understood within the organization.</td>
<td>Test data to confirm links in GAP Analysis - Supplier comments for 1.1.1.4</td>
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Radar Chart Views

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
Radar Chart Views
Radar Chart Views

1. Strategy and Improvement

2. Work Organization

3. Capacity and Production Planning

4. Customer Interface

1. Strategy and Improvement

2. Work Organization

3. Capacity and Production Planning

4. Customer Interface
New Chart: Progression Chart

Action plan Evolution

Date: [Date]
Signature of the plant manager: [Signature]
### Other Features

#### Switch to other tabs

- Click on the "Switch to other tabs" button to navigate to other tabs in the document.

#### Go back to criteria

- Click on the "Go back to criteria" button to return to the criteria section.

#### Highlight compliance

- Click on the "Highlight compliance" button to highlight compliance areas.

#### Highlight non-compliance

- Click on the "Highlight non-compliance" button to highlight non-compliance areas.