



MMOG-LE Webinar

3rd March 2014

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Industry Forum

- During presentations (11:00 – 11:30) everyone will be muted so that only the presenter will be heard.
- The presentation will be followed by a Q&A session. Click on the hand symbol to show that you have a question or type your question in the question box.
- Recording will be made available after the webinar on the Industry Forum website.
- If you are experiencing any technical problems please call us on 0121 717 6620 1611 or 07881 316483.

The Role of Industry Forum



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Agenda

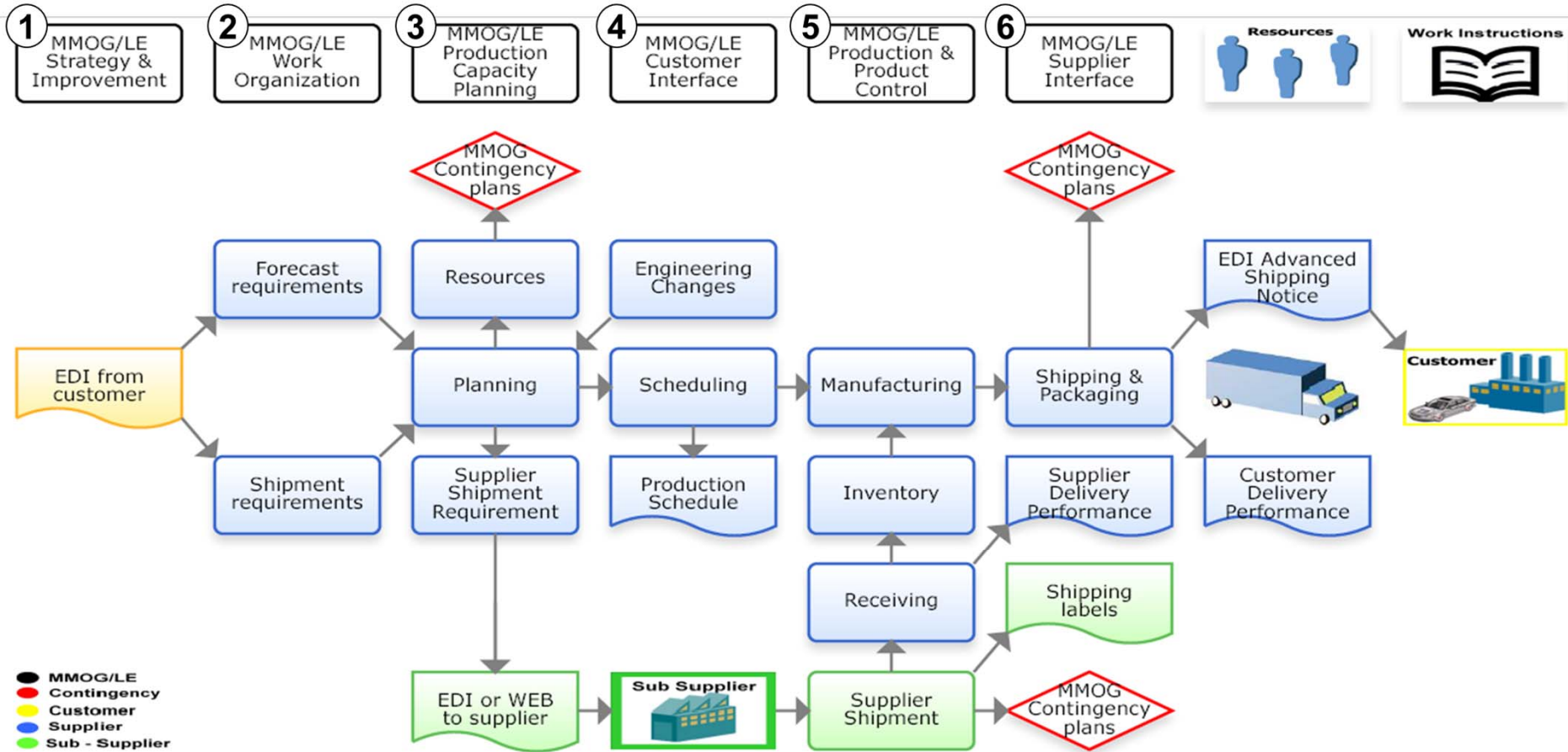
- What is MMOG-LE?
- Who are the users?
- What are the changes proposed in the 4th edition?
- What is the assessment process?
- What are the benefits?
- Next steps?
- Questions

What is MMOG-LE?

Materials Management Operations Guideline / Logistics Evaluation

- MMOG-LE is a global standard of industry best practice for supply chain management processes
- Self assessment and continuous improvement tool

Scope of MMOG-LE



Who are the users?

OEMs Using	Tier 1 Using	Tier 1 Using (cont)
Chrysler	Autoliv	SNOP
CNH – Latin America	Benteler	Valeo
Ford	Beru	Wabco
GM	Bosch	ZF
Iveco	Brose	
Jaguar/Land Rover	Continental	
PSA	Gates	
Renault	Johnson Controls	Under Review
Tofas Fiat (Turkey)	Lear	BMW
Volvo Car	MGI Coutier	Daimler
Volvo Truck	Pierburg	Honda NA
VW (US Pilot)	Selzer Automotive	VW

and non-automotive use

Globally recognised



GMMOG/LE Czech



GMMOG/LE English



GMMOG/LE French



GMMOG/LE German



GMMOG/LE Italian



GMMOG/LE Korean



GMMOG/LE Portuguese



GMMOG/LE Romanian



GMMOG/LE Russian



GMMOG/LE Serbian



GMMOG/LE Slovenian



GMMOG/LE Spanish



GMMOG/LE Turkish

Change process

- Current version: 3rd edition
- MMOG/LE Global Workgroup, composed of AIAG, Odette, GALIA, OEMs, service providers and suppliers have been working for over a year on an updated version of Global MMOG/LE
- 4th edition due for publication in April 2014

Key drivers for change

- Three year review process taking into account user feedback
- Use of MMOG-LE cascading down supply chain to smaller suppliers
- Need for an entry-level version while still retaining the focus on the core fundamentals of best practice

What are the changes proposed?

4th edition will:

- Consists of two assessments in one:
A “Full” and a “Basic” assessment.
- The new Full assessment contains 197 criteria
(compared to 206 criteria in Version 3)
- The Basic assessment contains 106 of the 197
criteria used in the Full assessment
- **Consultant your customers to see which
version is required!**

Select full or basic criteria

MMOG/LE Workbook Setting

- MMOG/LE Full
- MMOG/LE Basic

What are the changes proposed?

- New criteria added on “Risk Management” - expanding beyond the existing “contingency planning”. “Risk Assessment and Management” becomes a new, specific sub-chapter
- Assessment response symbols have been changed from ✓ , blank, and N/A to O, X, and N/A

Chapter 2.5

Risk assessment and Management

Requirement

Back up/contingency plans for high risk SCM processes are in place to ensure continuity of supply and return to normal operations

2.5 Risk Assessment and Management	2.5.2.1	F3	The organization's contingency / backup plans shall be documented and shall include, as a minimum, key internal / external contacts, containment actions, recovery steps to return to normal operations, and the identification of key personnel responsible for execution.	O
2.5 Risk Assessment and Management	2.5.2.2	F3	The organization periodically reviews, tests and validates its contingency / backup plans or procedures and all relevant personnel are trained to ensure a successful execution.	X
2.5 Risk Assessment and Management	2.5.2.3	F2	In the event that a deviation or disruption occurs the organization evaluates the effectiveness of the contingency/backup plans and incorporates lessons learned as necessary.	N/A
2.5 Risk Assessment and Management	2.5.2.4	F1	The organization has a process to identify, document, review and update key SCM processes that require specific instructions to be communicated to its suppliers on how to respond to deviations or disruptions from normal business processes (e.g., alternative transportation, packaging, labeling instructions).	O

Question ranking

F3 criteria	3 points per question	A key SCM process that is a fundamental requirement of the organization's operations. If an F3 criterion is not met, there is a high risk of interruption and/or incurring increased costs to the organization's and/or customer's operations.
F2 criteria	2 points per question	Although most of the fundamentals of supply chain management are demonstrated, the organization is deficient in several areas that compromises the efficiency of internal performance and may impact its ability to support the needs of the customer. An action plan should be developed and implemented in a timeframe that meets the needs of the business and its customer(s).
F1 criteria	1 point per question	A Supply Chain Management (SCM) process that demonstrates an additional level of control of operational processes, contributing to the organization's overall competitiveness. Complying with F1 criteria contributes to the organization's long-term sustainability and/or competitiveness.

Scoring summary example (full)

	F3	F2	F1	Σ
Compliant	32	74	78	184
Non Compliant	2	9	2	13
Non Applicable - Approved	0	0	0	0
Non Applicable - Not Approved	0	0	0	0
Σ	34	83	80	197

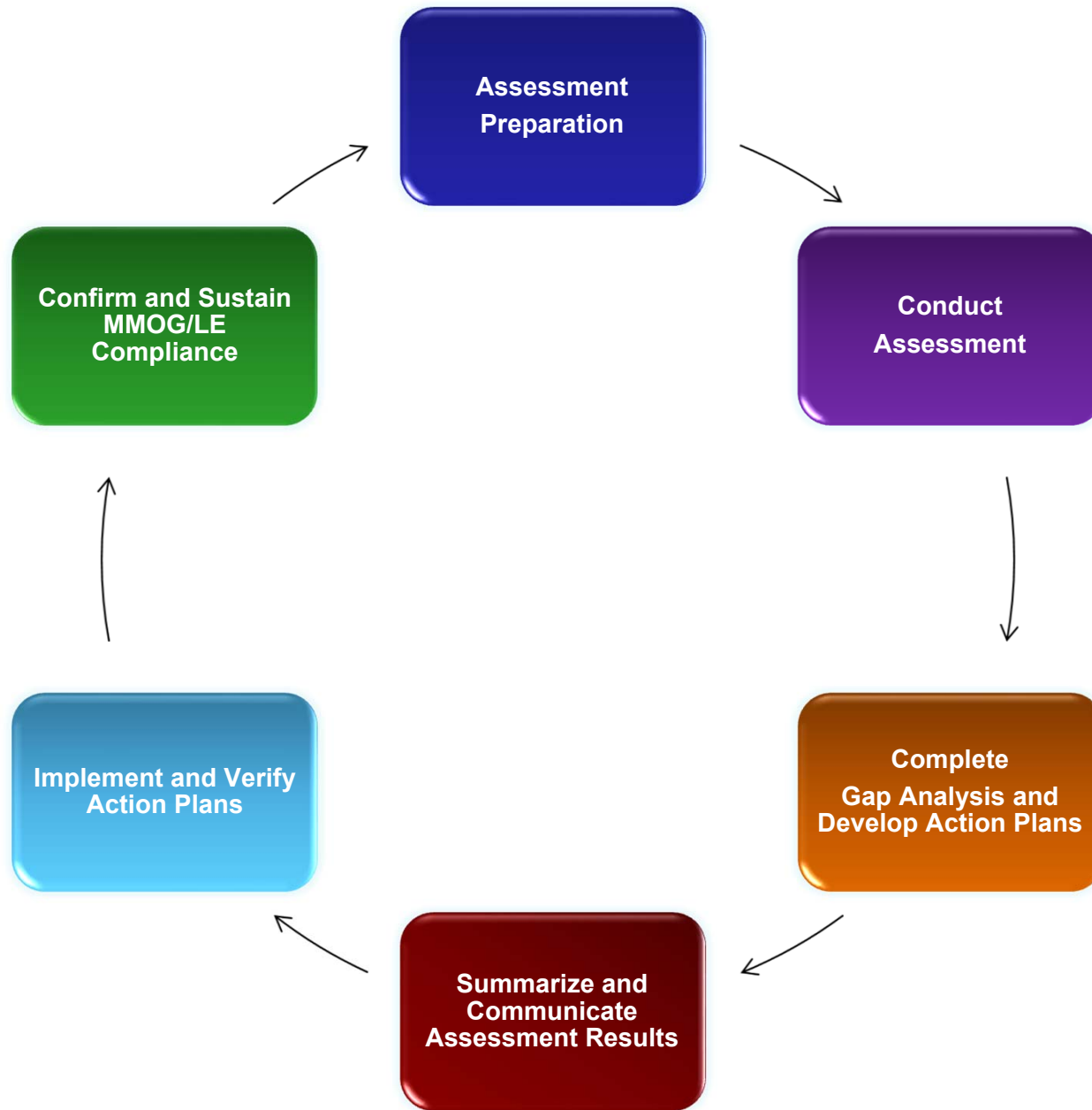
Total score 322
 Maximum Score 348
 % 92%

Summary rating (full)

Classifications:	A	<ol style="list-style-type: none">1) Compliance to all F3 criteria, and2) Non-compliance to fewer than 10 F2 criteria, and3) A total score of 90% or higher
	B	<ol style="list-style-type: none">1) Compliance to all F3 criteria, and2) Non-compliance of 10 to 15 F2 criteria, and3) A total score greater than or equal to 75% and less than 90%
	C	<ol style="list-style-type: none">1) Non-compliance to any F3 criterion, or2) Non-compliance to 16 or more F2 criteria, or3) A total score less than 75%

Assessment process

- Self assessment
- Should be led by MP and L not Quality!
- Takes time to fully evaluate
- Essential that detailed objective evidence of compliance maintained
- Should be undertaken in spirit of identifying areas of improvement not just compliance



Benefits of MMOG

- Gain control of supply chain processes
- Reduce inventory carrying costs, premium freight, rework, line stoppages, lead times
- Increase inventory visibility
- Reduce supply chain risk
- Increase customer satisfaction
- Support continuous improvement
- Increase competitiveness

Next steps

Purchase MMOG-LE 4th edition when available:

<http://www.odette.org/publications/category/global-mmog-le>

Free to Odette members

Next steps

Official Odette approved training

1day MMOG-LE awareness training: 14th April

2 day MMOG-LE practitioner training: 15-16th April

For more information visit

www.industryforum.co.uk

Thank you for attending

