Introduction to MMOG/LE Version 5 and the New Platform

Terry Onica

Director, Automotive

tjo@qad.com

586-747-9495

Agenda

- Global MMOG/LE overview
- MMOG/LE Version 5 changes
- MMOG/LE New Platform (MMOG.np)
- Next steps
- Q&A

MMOG/LE Experience

Terry Onica, QAD
Director of Global Automotive

- MMOG/LE Author, Trainer
- Lead MMOG/LE trainer for global team delivering training globally for AIAG/Odette
- Consultant to suppliers for Ford Q1
- Speaker at AIAG, Odette, and OEM supply chain events
- Faculty for AIAG/Wayne State Purchasing and Supply Chain Certificate
  - ERP and MMOG/LE session instructor
- AIAG SC Steering Committee Co-chair

Introduction to MMOG/LE Version 5 and the New Platform

Global MMOG/LE Overview

Materials Management Operations Guideline/Logistic Evaluation

What is MMOG/LE?

- **M**aterials
- **M**anagement
- **O**perations
- **G**uideline
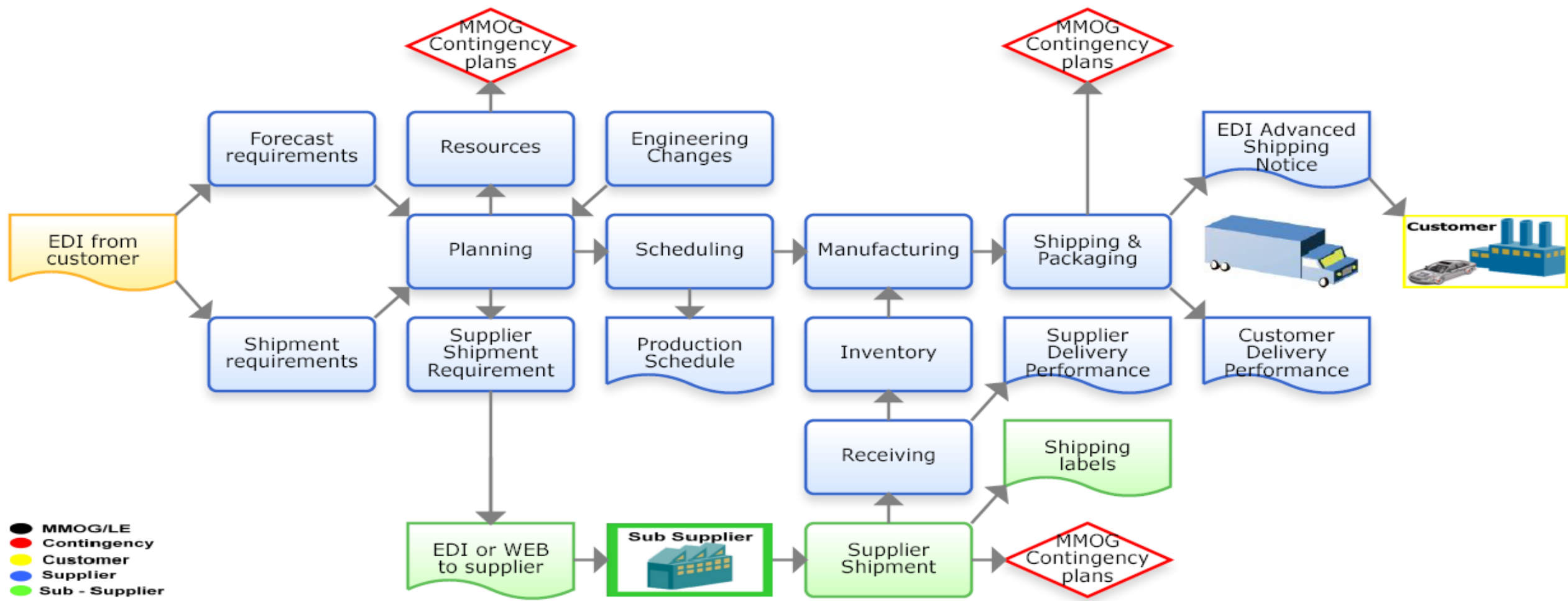- **L**ogistics
- **E**valuation

MMOG/LE = Delivery
IATF 16949 = Quality

What is MMOG/LE?

- Developed by AIAG/ Odette
  - OEMs
  - Suppliers
  - QAD
- Assessment tool to evaluate/select suppliers
  - Completed at the site level
  - Compare logistics capabilities against best practice
  - Used for production and after sales
- Determines level of plant performance
  - A, B, C (Full) or ZA, ZB, ZC (Basic)

Who Should Be Involved?

- ✓ Top Management
- ✓ Supply Chain
- ✓ Purchasing
- ✓ Production
- ✓ Engineering
- ✓ Program Manager
- ✓ Human Resources
- ✓ Quality
- ✓ IT
- ✓ Logistics
- ✓ Sales

MMOG/LE v5 Highlights

- Six chapters, **187** criteria
- Full and Basic assessment
- Answer responses: Yes, No, N/A
- Criteria weighting:

F3	F2	F1
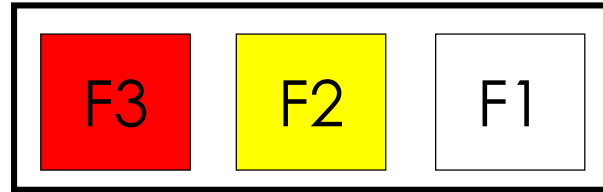
← Very important in v5!

- Scoring and classification Level A, B,C (Full) Level ZA, ZB, ZC (Basic)
- Translated into 11 languages
- **Nine new F3** questions added
- Overall score must be **95%** (from 90%)
- **84%** of the **F3 questions** are centered around ERP, EDI/Web, bar coding, and complementary QMS processes (e.g. correction actions, risk management, sub supplier management)

Two Assessments

Full

- **187** criteria
- Six Chapters
- **Used by OEM with Tier 1**
- A,B and C Levels
- **World Class**
- 43 F3 questions

Basic

- **102** criteria
- Six Chapters
- **Used with Tier 2-N**
- ZA, ZB and ZC Levels
- **SC fundamentals in place**
- 43 F3 questions

	F3	F2	F1	Total
Full	43	79	65	187
Basic	43	50	9	102

MMOG/LE Customer Usage with Suppliers

OEMs Using	Tier 1 Using	Tier 1 Using
Fiat Chrysler	Autoliv	Selzer Automotive
CNH – Latin America	Benteler	SNOP
FAW-VW	Beru	Valeo
Ford	Bosch	WABCO
GM (GM 1700)	Brose	ZF
Iveco	Continental	**Governments Promoting**
Jaguar/Land Rover	Faurecia	Korean Government
PSA	Gates	Mexican Government
Qoros	Johnson Controls	
Renault	Lear	**Under Review**
Tofas Fiat (Turkey)	Magna Powertrain	Fiat
Volvo Car	MGI Coutier	Honda, Toyota, Nissan NA
Volvo Truck	Pierburg	VW, BMW

Three Reasons OEMs Perform an MMOG/LE Audit

1. New business
2. Poor performing suppliers
3. New product launches

MMOG/LE Benefits

Customer Satisfaction
- Increased supplier rating by 8-20%
- Doubled sales in 2-3 years

Inventory
- Reduced inventory by 17-60%
- Increased available floor space

Collaboration with Tier 2
- Better aligned to customer demand
- Reduced premium freight by 18%

Operational Efficiencies
- Grew without adding inventory/people
- Reduced training by 50%

Introduction to MMOG/LE Version 5 and the New Platform

MMOG/LE v5 Changes

Materials Management Operations Guideline/Logistic Evaluation

MMOG/LE Six Chapters

CHAPTER 1 - STRATEGY AND IMPROVEMENT
- 1.1 Vision & Strategy
- 1.2 Objectives
- 1.3 Measurement, Analysis, and Action Plans
- 1.4 Continual Improvement
- 1.5 Supply Chain Development

CHAPTER 2 - WORK ORGANIZATION
- 2.1 Organizational Processes
- 2.2 Operating Procedures and Work Instructions
- 2.3 Resource Planning
- 2.4 Work Environment & Human Resources
- 2.5 Risk Assessment and Management

CHAPTER 3 – CAPACITY & PRODUCTION PLANNING
- 3.1 Product Realization
- 3.2 Capacity Planning
- 3.3 Production Planning
- 3.4 Systems Integration

CHAPTER 4 – CUSTOMER INTERFACE
- 4.1 Communication
- 4.2 Packaging & Labeling
- 4.3 Shipping
- 4.4 Transportation
- 4.5 Customer Satisfaction & Feedback

CHAPTER 5 – PRODUCTION & PRODUCT CONTROL
- 5.1 Material Identification
- 5.2 Inventory
- 5.3 Engineering Change Control
- 5.4 Traceability

CHAPTER 6 – SUPPLIER INTERFACE
- 6.1 Supplier Selection
- 6.2 Supply Chain Management Agreement
- 6.3 Communication
- 6.4 Packaging & Labeling
- 6.5 Transportation
- 6.6 Material Receipt
- 6.7 Supplier Assessment

MMOG/LE Chapters

CHAPTER 1 - STRATEGY AND IMPROVEMENT

1.1 Vision & Strategy

1.2 Objectives

1.3 Measurement, Analysis, and Action Plans

1.4 Continual Improvement

1.5 Supply Chain Development

- Aligning vision, strategy, objectives (promoted to F3)

- Corrective actions aligned to IATF 16949 (promoted to F3)

- Continuous improvement (promoted to F2)

- Process for continual improvement with all supply chain partners (promoted to F2)

- The organization leverages an advanced technology (e.g., IoT, machine learning, data lakes, augmented reality, blockchain) supply chain project (new F1)

MMOG/LE Chapters

CHAPTER 2 - WORK ORGANIZATION

2.1 Organizational Processes
2.2 Operating Procedures and Work Instructions
2.3 Resource Planning
2.4 Work Environment & Human Resources
2.5 Risk Assessment and Management

- Job descriptions for all SCM department members (promoted to F2)
- Standardized work sheets are made available for all SCM personnel
- Training management process in place
- Cybersecurity policy is in place (new F3)
- Prioritizing Risk using analytical tools(promoted to F2)
- Mapping of supply base (new F2)

MMOG/LE Chapters

CHAPTER 3 – CAPACITY & PRODUCTION PLANNING

3.1 Product Realization

3.2 Capacity Planning

3.3 Production Planning

3.4 Systems Integration

- Planning system integration (**no spreadsheets**)
  - The production planning and scheduling system shall **automatically integrate customer requirements when generating production schedules**.
  - **Operational parameters** (e.g. transport time, lead times, inventory levels, packaging) and internal production requirements (e.g. supplier constraints, scrap rates, set-up times)shall be **integrated** into the planning and production schedules.
  - **Impact of requirement changes on the production plan is reviewed in a timely manner**. (New F2)

CHAPTER 3 – CAPACITY & PRODUCTION PLANNING (continued)

- Planning system integration (no spreadsheets!)
  - The organization **automatically integrates** delivery forecasts into the planning system, The automatic integration includes all sites involved in the manufacturing and shipping process to the customer, including warehousing and 3rd party facilities.
  - The organization **automatically integrates** shipping schedules into the planning system, The automatic integration includes all sites involved in the manufacturing and shipping process to the customer, including warehousing and 3rd party facilities.
  - The production planning system **automatically generates** supplier schedules. (F2)
  - The organization sets the timing and frequency of the Material Requirements Planning (MRP) system process to **ensure most recent/optimum** customer requirements are used. (new F3)

MMOG/LE Chapters

CHAPTER 4 – CUSTOMER INTERFACE

4.1 Communication

4.2 Packaging & Labeling

4.3 Shipping

4.4 Transportation

4.5 Customer Satisfaction & Feedback

- Procedures and/or work instructions in place to notify the customer immediately to any situation that could negatively impact (aligned to IATF 16949)

MMOG/LE Chapters

> ## CHAPTER 5 – PRODUCTION & PRODUCT CONTROL
>
> 5.1 Material Identification
>
> 5.2 Inventory
>
> 5.3 Engineering Change Control
>
> 5.4 Traceability

- The disposal of material and any claims shall be in accordance with customer requirements (new F2)

- Documented information describing the results of the review a PPAP deviation are retained, including person(s) authorizing the deviation, and any necessary actions arising from the review (added to existing F3)

MMOG/LE Chapters

CHAPTER 6 – SUPPLIER INTERFACE

6.1 Supplier Selection
6.2 Supply Chain Management Agreement
6.3 Communication
6.4 Packaging & Labeling
6.5 Transportation
6.6 Material Receipt
6.7 Supplier Assessment

- Process for selecting suppliers (promoted to F3)

- Supplier metrics are a part of the selection process (promoted to F3)

- Organization requires suppliers to have a risk assessment process (promoted to F3)

- Organization requires suppliers to have contingency plans (promoted to F3)

CHAPTER 6 – SUPPLIER INTERFACE (continued)

- The SCM agreement includes procurement and inventory policies based on customer requirements for long lead time and critical components (new F2)

- Suppliers have procedures and/or work instructions in place to notify the organization immediately to any situation that could negatively impact (aligned to IATF 16949 and promoted to F3)

- The organization shall **strive to achieve electronic data exchange with 100%** of its' supply base and shall be in compliance with the customer's requirements (added to existing F3)

- Process to regularly measure and review supply chain performance of suppliers by the use of tools such as supplier scorecards**, risks**, **supplier assessments**, etc. The performance is regularly communicated to all relevant parties (e.g. suppliers, management, purchasing) and **considered in risk assessment.** (promoted to F3)
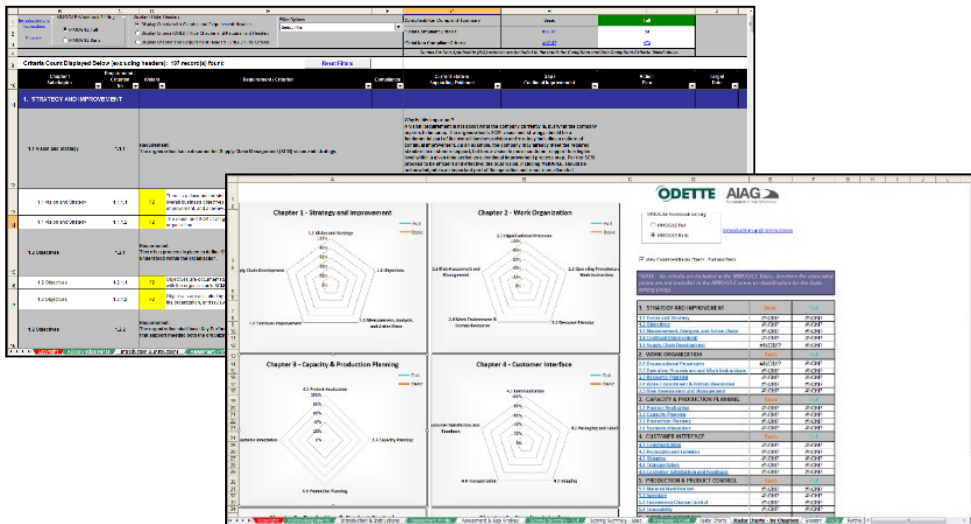
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MMOG/LE New Platform (MMOG.np)

Materials Management Operations Guideline/Logistic Evaluation
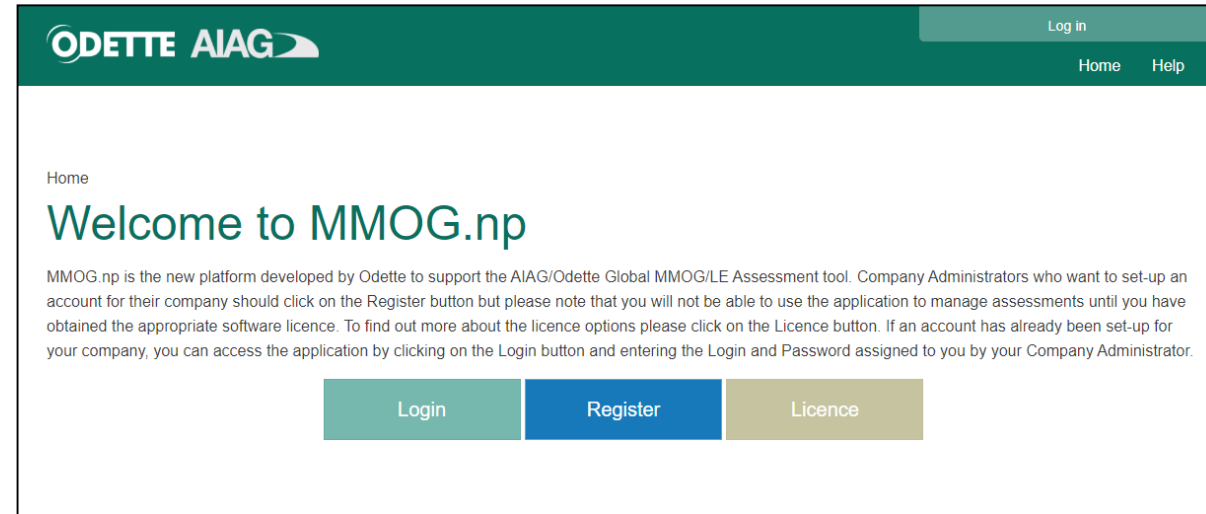
Introduction

- Replaces the current Excel based workbook
- Covers the complete prior Global MMOG/LE assessment workflow and more
- Allows the organization to manage assessments at a corporate level

Global MMOG/LE v5 and NP Timing

- Version 4 is the last assessment in Excel

- MMOG.np offers version 4 and 5

- Version 5 is offered only on MMOG.np

- Check customer bulletins/announcements for due dates on version 5 and MMOG.np

- Most OEMs will require it on your submission in 2020

- AIAG/Odette members receive discounted pricing

- Register at www.mmogle.com

ODETTE AIAG

Log in

Home   Help

Home

Welcome to MMOG.np

MMOG.np is the new platform developed by Odette to support the AIAG/Odette Global MMOG/LE Assessment tool. Company Administrators who want to set-up an account for their company should click on the Register button but please note that you will not be able to use the application to manage assessments until you have obtained the appropriate software licence. To find out more about the licence options please click on the Licence button. If an account has already been set-up for your company, you can access the application by clicking on the Login button and entering the Login and Password assigned to you by your Company Administrator.

Login   Register   Licence

www.mmogle.com

Introduction to MMOG/LE Version 5 and the New Platform

Next Steps

Materials Management Operations Guideline/Logistic Evaluation

In Summary: Steps for Suppliers

- Review changes between version 4 and version 5
- Register your organization on mmogle.com
  - Determine corporate level or site level
- Obtain customer-specific requirements
- Attend AIAG/Odette MMOG/LE training (optional)
- Complete MMOG/LE v5 assessment on mmogle.com
- Submit/complete annual MMOG/LE assessment to customer
- OEM audit (based on triggers)

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