



## **Automotive Crisis Management Process Could Save Millions**

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([PRWEB](#)) January 23, 2004 -- AUTOMOTIVE CRISIS MANAGEMENT PROCESS COULD SAVE MILLIONS

DETROIT, Mich (PRWEB) January 23 2004--DaimlerChrysler, Ford and General Motors in cooperation with auto industry suppliers have created a crisis management process designed to help the auto industry save millions of dollars annually.

Developed under the auspices of the Automotive Industry Action Group (AIAG), the crisis management guidelines are intended to reduce production losses caused by natural disasters, fires, plant accidents or acts of terrorism.

“Events such as the recent electrical blackout in Canada and the United States can have a devastating impact on North America’s automotive supply chain and lead to millions of dollars in lost wages and production,” said Andrew J. Cummins, executive director of Southfield, Mich., based AIAG. “This initiative will help manufacturers and suppliers establish their own crisis management programs.”

He pointed out that last year’s power outage affected automotive manufacturers and suppliers throughout the United States and Canada and resulted in an estimated production loss of 35,000 vehicles, the temporary layoff of more than 100,000 workers and more than \$1 billion in lost wages and production.

Speaking at an Automotive Press Association media luncheon in Detroit to announce AIAG’s crisis management initiative, Cummins said that “We are urging all suppliers to have a crisis management plan in place by the end of 2004. Our objective is 100 percent participation.”

Cummins noted that a committee representing DaimlerChrysler, Ford, General Motors and nine auto suppliers was formed after the 9/11 disaster to develop industry guidelines for crisis management.

Press conference participants also included Col. Tad Sturdivant, director of the Michigan State Police and Michigan Homeland Security; Cam Hill, DaimlerChrysler’s Special Security Services; Rick Dufour, General Motors’s Global Security, and Rolf Sletten, Ford Motor Company’s Executive Operations.

Automotive suppliers involved in developing the AIAG guidelines included: Alps Automotive, American Axle & Manufacturing, Armada Rubber Manufacturing, Cross Hueller (North America), Dana Corporation, Federal-Mogul Corporation, Kaiser Aluminum & Chemical Corporation, Key Plastics and Robert Bosch.

Cummins said a recent study conducted by Michigan State University indicated that approximately 50 percent of small- to medium-sized businesses that experience a fire, major theft or similar disaster will go out of business within two years.



Equally disturbing is the fact that more than 40 percent of the companies that lose business records in a disaster are never able to resume business, Cummins added. A crisis management program may not be an auto-industry requirement for suppliers, but a viable program definitely can make a difference between staying in business and going under.

The AIAG guidelines are designed to help companies:

- Maximize protection for employees and company assets,
- Rapidly respond to incidents that might interrupt business operations,
- Minimize the impact of major incidents on their ability to conduct business,
- Provide for an immediate recovery of critical business processes, and
- Reduce the potential for critical incidents through training and preventive planning.

The 52-page AIAG report will assist automotive suppliers of any size in their preparation for critical incidents or business interruptions. It outlines key elements of crisis management, including the development of:

- Emergency Coordination Teams,
- Emergency Command Centers,
- Emergency Response Plans,
- Business Resumption (Recovery) Plans, and
- Validation and Training Plans

AIAG's M-12: Crisis Management For The Automotive Supply Chain is available online and free of charge to the organization's 1,600 member companies. Printed copies also are available for \$10 to members and \$50 to non-members by calling AIAG's customer service department at (248) 358-3003.

Founded in 1982, AIAG is headquartered in Southfield, Mich. Its member companies include North American, European and Asia-Pacific OEMs and suppliers to the automotive industry with combined annual sales of more than \$600 billion. A not-for-profit association, AIAG's primary goals are to reduce cost and complexity within the automotive supply chain and to improve speed-to-market, product quality, employee health-and-safety and the environment. Additional information is available on the Internet at [www.aiag.org](http://www.aiag.org).

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