



## **AIAG Announces Global Materials Management Guidelines - Unified Guidelines Help Streamline, Standardize Supplier Assessment**

*The Automotive Industry Action Group (AIAG) and Odette International Limited announced the availability of a single set of global guidelines for materials management.*

SOUTHFIELD, MI and LONDON ([PRWEB](#)) April 9, 2004 - The Automotive Industry Action Group (AIAG) and Odette International Limited announced the availability of a single set of global guidelines for materials management.

The M-7: Global Materials Management Operations Guideline Logistics Evaluation (MMOG/LE) guidelines were developed to reduce the time and work required by suppliers and customers to determine materials process compliance. Improving these processes can lead to reductions in cost, cycle time and inventory.

The MMOG/LE guidelines give manufacturers the ability to build supplier development programs that contribute to lean operations, said Andrew J. Cummins, executive director of AIAG. The guidelines will help all companies in the supply chain to identify performance gaps and achieve benchmarks that are accepted throughout the industry.

AIAG's MMOG/LE document serves as a common materials management guide for all of North America and Europe.

Incorporating AIAG's Materials Management Operations Guidelines and Odette's Logistics Evaluation documents, as well as work group recommendations, the new guide sets a global logistics evaluation standard for gauging an organization's capabilities for materials processes.

John Canvin, general manager of Odette International added: "By being able to bring together two well-respected and established recommendations into one even more powerful tool for our industry, we have made a significant advancement towards globalization of business practices."

Automotive OEMs and suppliers can use this document for internal assessments, benchmarking current state best practices, driving continuous improvement, supplier development, evaluating supplier performance and improving supplier performance. MMOG/LE can lead to improvements in shipping and receiving, inventory control, material handling, scheduling, supply systems and document control.

Through implementation of the global standard, suppliers potentially could see up to an 85 percent reduction in premium freight and an 80 percent reduction in obsolete material. With the potential to decrease needed inventory space, suppliers could reap a 43 percent reduction in inventory carrying costs and a 20 percent reduction in data entry time.

Using the guidelines, suppliers complete a self-assessment and receive "A", "B", or "C" ratings based on their compliance. While deficiency in one or more critical areas automatically earns a "C" rating, the MMOG/LE guide automatically develops an action plan to allow companies to achieve the "A" rating. An optional section lets companies explain plans for future systems to meet customer requirements.



AIAG, Odette, Ford Motor Company, Odette Sweden (VOLVO), DaimlerChrysler Corporation, GALIA (PSA), The Gates Rubber Company, SMMT Industry Forum, American Axle & Manufacturing and VDA (Robert Bosch GmbH) participated in the joint work group to establish MMOG/LE content.

Materials suppliers who implement MMOG/LE also can use the guideline as a common self-assessment tool for multiple customers, allowing for new business opportunities from companies that require the global MMOG/LE, such as Ford and DaimlerChrysler.

MMOG/LE content is aligned with the ISO/TS 16949:2002 quality standard, including consistent numbering and terminology that make the guide useful as a materials planning and logistics auditing tool for manufacturers seeking continuous improvement, defect prevention and reduction of variation and waste in the supply chain.

#### Availability

MM-7: Global Materials Management Operations Guideline Logistics Evaluation (MMOG/LE) is available from AIAG's customer service department at (248) 358-3003. The cost is \$10 for members and \$50 for non-members. AIAG members will be able to download the document at no charge from the members-only portion of the organization's Web site at [www.aiag.org](http://www.aiag.org).

AIAG will hold training on MMOG/LE beginning in April. To register for the course: Using the Global MMOG/LE as a Continuous Improvement Tool Training, contact AIAG's customer service at (248) 358-3003.

#### About AIAG

Founded in 1982, AIAG is headquartered in Southfield, Mich. Its member companies include 1,600 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).

#### About Odette

Odette International is a not-for-profit organization, formed by the automotive industry, for the automotive industry. It sets the standards for electronic communications and logistics processes that link the 4,000 plus businesses in the European motor industry with their global trading partners. The members of Odette are national automotive associations, which in turn represent European motor manufacturers and suppliers.

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