



Automotive Supplier Excellence Australia Newsletter

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Inside this Issue:

Director's Message	1
Industry Forum #8	3
ASEA Team Meeting	3
South Australian Update	4
Best Practice Visit	4



Director's Message



The first round of the Automotive Supply Chain Development Program (ASCDP) has now concluded, and we are moving rapidly into round two.

During round one, comprehensive company-wide assessments were conducted on 65 different companies/sites, and 156 separate improvement projects were successfully completed by the participants.

A total of 27 of these companies/sites - who were the early participants in round one - also completed their "annual" assessment. This is a follow-up to the "initial" assessment, so the company/site can track the progress and improvement they have made due to the implementation of the projects. The results should validate the efforts they have made.

Between the time ASEA was first formed in 2007 and the end of the round one program in December 2011, there were 23 companies/sites that have participated in all three assessments - 2008, 2010 and 2011. Why is this important?

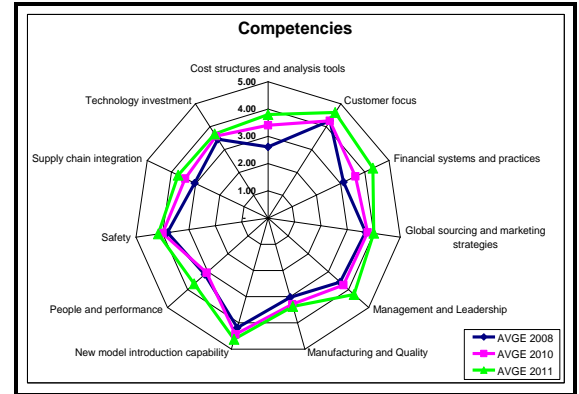
The answer of course is because by using the results obtained from these assessments, we should now be able to get a good indication about the success (or not) of the processes, philosophies, and products, that have been developed and used by ASEA, in helping participating companies in the program.

So without boring you to tears, it is time to take a look at some of the results. We will look only at the average results of these 23 companies, but this data should allow us to determine if we (as ASEA) are adding value, and the participating companies are improving.

The assessment reports provided to participants shows feedback relating to 11 competencies, and 52 metrics spread across the entire business, so I will mainly focus on these results.

The over-arching measurements are the 11 competencies, as these describe the business at the highest possible level. When viewing these results, it is also important to note the time frames. On average it was around 2½ years between the first and second assessments, and only 1¼ between the

second and third, so this needs to be taken into account.



The above spider graph shows the average scores for the 23 companies/sites across each of the 11 competencies.

If we look at the average percentage improvements for the competencies between 2008 and 2011, we find the following improvements:

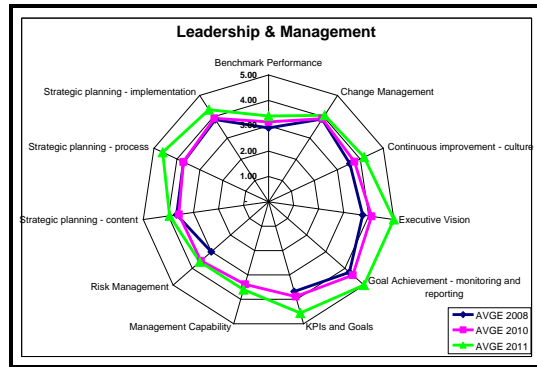
- Cost structures and analysis tools 45%
- Financial systems and practices 39%
- Supply chain integration 23%
- Management and Leadership 19%
- People and performance 16%
- Manufacturing and Quality 12%
- New model introduction capability 11%
- Safety 9%
- Customer focus 8%
- Global sourcing & marketing strategies 8%
- Technology investment 7%

The big changes between the results from the 2008 ASEA Stage 2 assessment, the 2010 Round 1 ASCDP "initial" assessment, and the 2011 Round 1 "Annual" assessment, can easily be seen on the graph.

Considering the early changes took place across a 2½ year period while the latest changes took place over little more than 1 year, it would appear that the rate of change has increased considerably. It is also easy to see where the main focus of companies was during the 2 programs.



By examining the individual metrics that combine to make up each competency score, an even clearer picture emerges.



When looking at the individual metrics that go to make up the Management and Leadership competency, we can see that not much changed between 2008 and 2010, except for a focus on improving the “risk management”. However between 2010 and 2011, there has been a significant improvement in nearly all of the other metrics.

This has been mainly due to a specific focus of companies to understand their core competencies, examine potential products, customers and markets for diversification, and to get their future plans in place.

There is much, much more that I could talk about, but suffice it to say, it would appear very clearly from the results that companies participating in the ASEA program are most definitely improving both the competitiveness and the sustainability of their businesses.

The other clear observation is that the rate of improvement for these 23 companies is accelerating. This would indicate that the sooner a culture of change and continuous improvement is embraced, the quicker results can be delivered.

I have previously shown feedback from participants on their views of the assessment process, but what did the participants think of the way ASEA delivered the projects?

The questions we asked them about in the Project Questionnaire are as follows:

Q1. The overall management of the Project process.

Q1a. The quality & professionalism of the ASEA coach & trainer (if different).

Q1b. The Learning & Knowledge gained by the participants/Company.

Q1c. The impact/outcomes of the Project as scoped were delivered.

Q1d. The Project has had a positive impact on the Company.

Q2. The improvements obtained are sustainable within the Company.

Q3. The Project was well supported by my Company at all levels.

Q4. Another ASEA Project could be conducted elsewhere within the Organization.

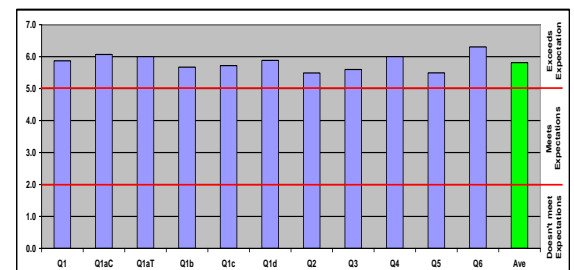
Q5. As a result of the training/coaching our Company would be capable of leading similar Projects.

Q6. I would recommend my company participates in additional ASEA projects.

We asked for a feedback on each question based on the following 1 to 7 rating system:

Questionnaire Ratings						
1	2	3	4	5	6	7
Strongly Disagree		Agree			Strongly Agree	
Low Support		Acceptable Support			Highly Supported	
Did not meet expectations		Met expectations			Exceeded Expectations	

Based on this rating scale (shown above), the following graph shows the averages of the feedback ratings to the Project questionnaires from participants, after they had completed each Project.



Based on this feedback and the results of the assessments over a 4 year period, we believe we are on the right track.

Industry Forum #8: “Government Assistance Programs available to the Automotive Industry”

Following on from the well attended and very successful Forum held in Melbourne, a forum with the same theme was arranged for companies located in South Australia. It was held at Technology Park in Mawson Lakes on Monday 5th December, 2011.

With almost the same “line-up” of speakers as in Melbourne, the forum was attended by over 25 South Australian Industry participants.



A very special thank you to Mr. Jeff Beeston from DIISR who once again provided information on all the available Federal Government Funding, and to Mr. Daniel Nycz the Principal Industry Development Officer - Automotive, Department for Manufacturing, Innovation, Trade, Resources and Energy from the South Australian Government, who provided information on available grant programs and assistance through the South Australian Government.

Also special thanks to Ms. Rachel Obradovic, the R&D Tax & Government Incentives Manager from Deloitte who presented Australia’s Carbon Pricing Mechanism and Mr. Brian O’Meara from Grant Thornton presented “Transition from ACIS to ATS”. Both also presented at the forum in Melbourne.

Thank you to all who attended and to our speakers for ensuring the eighth ASEA Forum in the series was both informative and very helpful.

The next ASEA Forum will be held in March 2012 following AutoWeek, at the Ford Training Centre in Campbellfield, Melbourne. Information will be emailed out shortly about the, “*Change - Diversification - Success*”, Industry Forum.



A presentation from Ms. Rachel Obradovic.

ASEA Team Meeting

The ASEA Staff and 16 of the ASEA Coaches from Victoria and South Australia gathered at the Mantra Hotel, Tullamarine, Melbourne, on 14th December 2011 for an ASEA “Team Meeting”.

The purpose of the meeting was to provide a forum for coaches and ASEA staff to network, to share learnings and experiences from their projects, and to be updated on the ASEA Program, best practices, and the industry in general. Each coach and all the ASEA personnel delivered a presentation to the group.

Peter Taylor demonstrated his considerable skills as MC, linking the various presentations to the central themes and keeping the event running on schedule.

Feedback assessments received from the coaches attending the meeting indicated the content of material presented was ‘about right’, with the best features of the meeting being the Information Presented and the Opportunity to Network.



A team building exercise lead by Peter O'Brien

South Australian Update

The ASEA Client Manager for South Australia, located in Adelaide, has advised that all 38 South Australian projects for Stage One have been successfully completed.

These projects can be broadly grouped into the following areas:

- Continuous Improvement/Lean 12 projects
- Energy Management 2 projects
- Supply Chain 2 projects
- Change Management/People and Performance 8 projects
- Strategic Business Planning/ Management Practices 10 projects
- ERP/Business Systems 4 projects

A number of Round 2 projects are already underway, with more expected in the near future. Should any ASEA participant in South Australia wish to discuss moving ahead with your projects, please contact the SA ASEA Client Manager Mr. Peter Cesco, who can be contacted at email cescop@optusnet.com.au or on mobile 0422 006 111.

Best Practice Visit - 9th December, 2011 Bosch Chassis Systems

Bosch Chassis Systems hosted a Best Practice Visit at their plant in East Bentleigh on Friday 9th December 2011.

The theme of this visit was the transformation of their plant, drawing upon internal resources, from what it had been, to today being a world-class example of lean manufacturing.

Attendees were given the rare privilege of being able to see first-hand how this task was accomplished, and to talk to some of the people responsible.

All participants were able to gain valuable knowledge from this visit, and can be best summarized by the comments from Amanda Habjan, TPS Leader at Total Tooling Co. Pty Ltd, who said:

"The ASEA Best Practise Visit, to Bosch Chassis Systems, was an excellent experience. It was fantastic to see what innovative ideas a team can produce, then implement, and most importantly sustain. I believe these visits are invaluable, as it motivates myself to return to our company and strive for further improvement."

Thanks to Craig Charter, Ganesh Rajan, Carolyn Grigg, and Graham Scull for organising this visit for the ASEA participants.

Further information about Bosch Chassis Systems (Australia) can be found at <http://www.bosch.com.au/content/language1/html/3888.htm>

