



Volume 4, Issue #02
March, 2012

Inside this Issue:

Director's Message	1
Industry Forum	2
Toyota VIP Visit To ASEA	3
Best Practice Visit	3
Exports to USA	4
Access Auto Aust	4



Director's Message

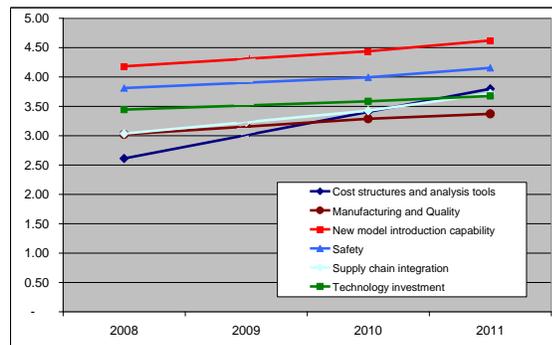


In the last Newsletter I reviewed the consolidated results of 23 companies that had been on a 4 year journey with ASEA. The improvements in the competency, metric and KPI results over that period of time were indeed impressive, but they become even more so when we consider the business environment they were operating in.

While vehicle production has decreased by around 40% in the last 4 years, the average revenue from these 23 companies has actually increased over the same period. The obvious question is "why", and the simple answer is "diversification", however the more complex question and answer is "how"?

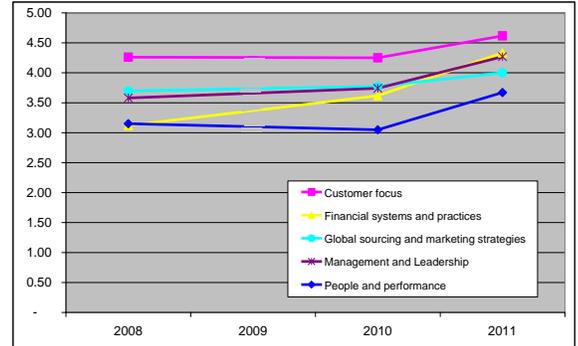
If we examine the average competency scores from the assessment results, they fall into two distinct categories. The first group shows a continuous straight line improvement across the four years, with the steeper the gradient of the lines, the faster and greater the improvements.

I don't believe it is any coincidence that the steepest gradient is for the "Cost Structures and Analysis Tools" competency, which has a direct and immediate impact on the bottom line financial results.



During the four year period there has also been a significant focus on implementing improvements in "Manufacturing and Quality", but as can be seen from the graph above, there is still a considerable amount of improvement activity still needed in this area.

The critical area of "Manufacturing and Quality" is a continuing focus as we move forward.



The second group of competencies shows a much slower rate of change between 2008 and 2010, but then a rapid ramp-up between 2010 and 2011. One of the two areas of greatest improvement is also connected to the financial side of the business - "Financial Systems and Practices". This competency did show a small improvement in the first few years, but had an even greater rate of change between 2010 and 2011.

The other area of greatest improvement in this second graph is in the competency of "Management and Leadership", which incorporates a number of metrics relating to Strategic Business Planning. It is in this area that ASEA has seen significant changes taking place, as companies put together their long and short term strategies to address the reduction in local vehicle production.

ASEA has worked with many of the participating companies to help them gain alignment of the executive group, identify core competencies, and put plans in place to grow and diversify their business. This growth usually takes a number of different paths including:

- Product diversification
- Process diversification
- Customer diversification
- Market Sector diversification
- Country diversification (exports)

Most business plans will contain a combination of these different strategies in order to make sure that the business risks are evenly spread, and are not focused on only one single opportunity. The process used to ensure a company has a balanced and achievable business plan is not something to be taken lightly, and takes a considerable amount of resources and co-operation from within the organization to do properly.



ASEA plays a key role in providing the tools, guidance, structure, and a process with experienced coaches helping companies put their plan together in a non-threatening, motivating and empowering environment. This is after all the company's plan for the company's future, and it needs to be done correctly.

The ASEA team first began working in the area of Strategic Business Planning in 2008, helping companies to define strategies and action plans to develop and implement their diversification strategies.

This work was first publicly highlighted at an ASEA Forum in 2010, where some of these companies were willing to share the knowledge and thoughts they had gained on their journey of establishing their Strategic Plans. This forum was aptly titled "Competitiveness, Diversification, Success".

In today's environment it is impossible to survive for very long without being competitive and efficient, and as can be seen from the above graphs, this was a key focus for companies right from the start of the ASEA program.

However as well as being efficient and "doing things right", it is also important to be effective by "doing the right things". If the focus is all about efficiency and not effectiveness, organisations can waste a lot of time, money and energy, working very efficiently on the wrong things. For companies using the ASEA Strategic Business Planning process, we help make sure they are not only working efficiently, but also working effectively "on the right things"!!

Industry Forum "Change - Diversification - Success"

Managing change and succeeding through diversification continue to be top priorities for suppliers participating in the ASEA program.

At the ASEA forum, held at Ford Motor Company on 21st March:

- Karen Larkin from Ford presented an update of the auto landscape and opportunities for Australian suppliers in the SE Asian region.

- Steve Schubeck from Terry Barr Sales, Team Australia Automotive presented the latest market trends and opportunities from North America.
- Mark Albert from MtM, Bill Fraser from ACL Gasket Co., and Graeme Dixon from FMP described their various experiences and lessons learnt from challenges they have faced over the years in their respective businesses, implementing projects with ASEA.



Networking Session during Industry Forum, Ford Training Centre, Ford Motor Company of Australia, Campbellfield, Victoria.

It was clear that there is no magic solution to the challenges in the industry, that it takes resilience, persistence and a team approach to succeed in these challenging times.

Feedback from the participants was very positive, citing the best features of the forum as the information provided, the opportunity to network and the quality of the speakers. Topics suggested for future forums include more on strategy, specifically diversification, and both the good and bad lessons learnt from projects.

Thank you to all who presented on the day and to Carl Parkin and his team at Ford for hosting this event, including the display of models from the new, more fuel efficient 4-cylinder Falcon range.

For more information on the companies presenting, please refer to:

<http://www.teamaustraliaauto.com/home/>

<http://www.mtmauto.com/>

<http://www.acl.com.au/>

<http://www.bendix.com.au/>

<http://www.toyota.com.au/home>

<http://www.ford.com.au/>



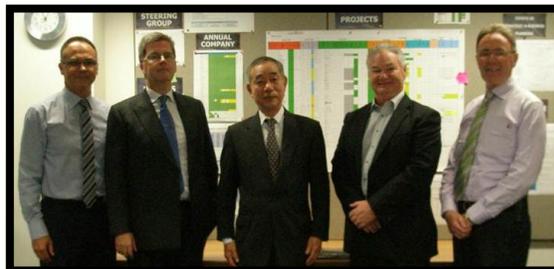
L-R : Linsey Siede (ASEA), Karen Larkin (Ford), Barry Budge (Toyota), Mark Albert (MTM) & Peter Taylor (ASEA)

Toyota VIPs Visit ASEA

On February 17th, ASEA was visited by Barry Budge, Corporate Manager - Supply, TMCA, and Mr. Sam Komori, past President, TMCA.

Mr. Komori now resides in Tokyo, and he continues to take an interest in the performance of Toyota suppliers in Australia. He was given an update of the ASEA program since his previous visit in August 2010, including ASEA's performance Vs program metrics, ASEA'S new product developments, and industry involvement such as auto supplier forums and best practice visits.

ASEA delivers a one-day Strategic Planning company diagnostic, and a full-strength Strategic Planning project as part of the Toyota Supplier Development program.



L-R : Steve Robinson (ASEA Coach), Tom Chappell (ASEA), Sam Komori, Barry Budge (Toyota) and Peter Taylor (ASEA) in front of the ASEA Metrics Board

Toyota is a great supporter of the ASEA programs and products, and their involvement and guidance is

greatly appreciated. As with GM Holden and Ford, Toyota also supports the role ASEA plays in the auto sector in working together with all the major industry stakeholders, and assisting automotive suppliers to become more competitive and sustainable.

Best Practice Visit - 21st March, 2012 SMR - Samvardhana Motherson Reflectec

SMR is one of the largest manufacturers of rearview mirrors for passenger cars in the world. The company develops, produces and distributes exterior mirrors, interior mirrors, blind spot detection systems and a wide range of other automotive components.

A recent 'Best Practice Visit' at SMR in Adelaide has shown the total value stream of a product. This opened up serious discussions within the group on the effectiveness and capability of a number of lean aspects of the production system shown.

Pull systems, Kanban and Standard Work were just three of the detailed discussions and examples seen.

Although there were a number of late apologies, the small number of attendees was not a disadvantage, as some very good ongoing possibilities were discussed between members of the tour.



Peter Cesco (far right) with guests from South Australian ASEA Participant Companies

ASEA would like to thank SMR for their clear and capable tour which certainly left the group with some very good improvement ideas for themselves.

Further information about SMR can be found at <http://smr-automotive.com.au/>.

Industry and Government Programs to assist exporting to the USA

FAPM, in conjunction with the Victorian Government, is inviting you to a free workshop about services and programs, from Government and industry, for those considering, and for those already exporting, particularly to the USA.

This workshop is part of a pilot program to support existing and potential automotive component exporters to capitalise on emerging export opportunities from North America. Participation in the pilot program is free and involves a series of workshops aimed at preparing Victorian exporters to the USA.

With Global Automotive Platforms fast becoming the norm, it is important to participate in these types of workshops to ensure that your business has the knowledge on how to access the markets like the USA, as well as accessing automotive platforms originating from the USA.

The first of these workshops involved an outline of automotive supply opportunities that currently exist in North America, and took place in March. The second of these workshops will involve covering the government programs that will assist you in becoming export ready, or for those already exporting, how to enhance your skills and knowledge of exporting and export programs.

This will involve presentations from a range of Government bodies, both state and federal to give you an understanding of what information and programs are best suited to your business and most importantly how to find those services.

Workshop 2: EXPORT PROGRAMS FOR EXPORT READINESS

Date: 18th April 2012

Time: 3.00 p.m. to 4.30 p.m., followed by networking drinks

Venue: Investment Centre, Level 46,
55 Collins Street, Melbourne

Contact: Edwin Vandenberg at FAPM on 9863

2400 or email edwin.vandenberg@fapm.com.au

Access Auto Australia

Access Auto Australia is a new brand and website that promotes the Australian automotive industry to international markets. It showcases the best minds and manufacturers in the industry and provides an important new link between Australian suppliers and vehicle manufacturers around the globe.

Key organisations from within the auto industry came together with funding from the Australian Government (through the Department of Innovation, Industry Science, Research & Tertiary Education) to develop this single brand and website for the entire industry.

The Access Auto Australia website features company profiles on Australian suppliers and a function to both search and browse these suppliers.

It also includes information on research organisations, collaborating with the Australian auto industry and promotes Australia as an attractive destination for foreign investment.

To find out how you can add your organisation's details, go to www.accessautoaustralia.com or call Michael Hough at ICN on 02 6285 2033.

