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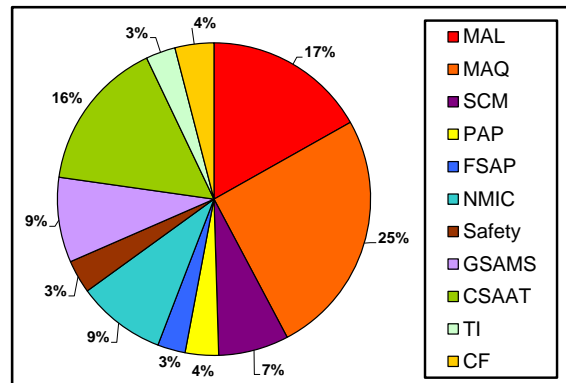


Director's Message



The Automotive Supply Chain Development Program (ASCDP) has now entered its final semester, and activities are really ramping-up as we head towards the culmination date of June 30th 2013.

Between the projects being undertaken by supplier organisations with support from ASEA, Ford, GM Holden and Toyota, Round 2 of the ASCDP Program is on track to fund the delivery of more than 500 separate projects, spread across 11 different competency areas.



Breakdown of the 500 Projects by Competency

Competencies - Overall	
Customer Focus	CF
Cost Structures and Analysis Tools	CSAAT
Financial Systems and Practices	FSAP
Global Sourcing & Marketing Strategies	GSAMS
Management and Leadership	MAL
Manufacturing and Quality	MAQ
New Model Introduction Capability	NMIC
People and Performance	PAP
Safety	Safety
Supply Chain Management	SCM
Technology investment	TI

Recently within ASEA, there has been a great deal of activity in projects associated with reducing energy usage, and more than 20 companies have already taken advantage of completing an ASEA Energy Diagnostic project. These projects have identified many millions of dollars of cost reduction opportunities, and feedback has been outstanding.

Added to the 350 projects delivered in Round 1 of ASCDP, a total of 850 projects have been implemented at over 100 supplier companies.

As incredible as these numbers are, the projects are not the only value-adding activities that are supported and funded by this program.

Included in Rounds 1 and 2 of the program have been numerous Assessments, Best Practice Visits, Forums, Workshops and networking events, the latest of which are featured in this issue of the Newsletter.

There will also be a number of Best Practice Visits and Forums to be conducted between now and June 30th, and we will keep you updated on these events.

If you would like to learn more about the Energy projects, or any of the other comprehensive programs developed by ASEA, please contact us directly, or through our website at www.asea.net.au

Industry Forum #6 "DIVERSIFICATION - First Steps"



The ASEA Industry Forum "DIVERSIFICATION - First Steps" was held on Wednesday November 14th, 2012 at the Melbourne Convention and Exhibition Centre. In a change from previous occasions the forum was held in the morning to co-ordinate with the FAPM AGM held on the same day in the afternoon.



Speakers from the components sector included Greg Lowe from TI Automotive, David Sykes from Backwell IXL, and Futuris Chairman Bruce Griffiths, in his role as the Rail Industry Advocate.

the income side generally, and more specifically via support of trade missions such as the Super Trade Mission to China in September 2012.



Results from the feedback survey of participants at the completion of the Forum cited the best features as:

- Networking with others
- Quality of presenter/s
- Information presented

A total of 63% rated the forum as Excellent, and 33% rated it as Good.

Future suggestions for topics for the ASEA forums were strongly in favor of continuation on the Diversification theme, with reference to sectors such as construction, medical and solar sectors, and continuation of the input from other industry sector speakers such as Rail and Defence.



Paul Klebanowski presented on GM-Holden's Supplier Development programs, specifically on Innovation and Diversification. Holden has supported benchmarking study tours to Korea, China, Thailand and Indonesia, which have proved beneficial for those participating suppliers.



Thanks are due to our speakers for their time and effort in preparing and presenting to the forum.

Links to presenter websites:

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

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

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

<http://www.innovation.gov.au/Industry/AustralianIndustryParticipation/SupplierAdvocates/Pages/RailSupplierAdvocate.aspx>

Gavin Davies spoke about Ford's LSO initiative for suppliers, and Ford's efforts to assist suppliers on



Business Capability Support Program (BCSP)

The Automotive New Markets Initiative (ANMI) is a \$35 million initiative that will assist the automotive industry develop new business opportunities domestically and internationally. The initiative will run over four years commencing in 2012-13 and has three key elements:

- Automotive New Markets Program (ANMP)
- Business Capability Support Program (BCSP)
- Automotive Envoys and Automotive Supplier Advocate

On December 12th, the following Press Release was sent out by the Honorable Greg Combet:

Automotive suppliers will be able to build their capabilities and capacity to win business in new markets in both the automotive and non-automotive sectors with help from Automotive Supplier Excellence Australia (ASEA).

ASEA, which is part of AutoCRC Limited, will receive up to \$2.6 million to work closely with the automotive industry, supporting it to diversify and integrate into new supply chains, under the Gillard Government's Business Capability Support Program (BCSP).

"Our automotive manufacturing industry faces many challenges but it has world-class expertise and products that we must leverage to ensure it is internationally competitive," Industry and Innovation Minister, Greg Combet said.

"ASEA will help firms improve productivity and efficiency so they can build the scale that is now so important for automotive suppliers to ensure Australia maintains a diverse manufacturing sector.

"ASEA has a proven record of helping firms to make real improvements to their business."

Automotive suppliers now have the opportunity to undertake targeted projects with ASEA to improve their commercial sustainability, increase revenue and develop the skills and knowledge to diversify and integrate.

This announcement follows other recent Gillard Government initiatives to help the auto sector grow, diversify and compete in new markets:

- *appointing William Angove as Automotive Supplier Advocate to boost the number of Australian-made cars in local fleets and help SMEs identify new markets;*
- *awarding \$6.5 million in grants to ten Australian automotive suppliers to expand their product and customer range, under the Automotive New Markets Program;*
- *trade missions by the Automotive Industry Envoy John Conomos to Indonesia, Saudi Arabia and the United Arab Emirates to showcase Australian expertise and capability.*

Automotive suppliers interested in working with ASEA can visit www.asea.net.au.

The BCSP is part of the \$35 million Automotive New Markets Initiative. Further information is available at www.innovation.gov.au/anmi.

The team at ASEA is delighted to be able to deliver the BCSP, and is looking forward to continue working with automotive suppliers to build upon the improvement activities implemented under the ASCDP.

South Australia Update

South Australian companies have so far completed 13 projects in Round 2 of the ASCDP Program, with a further 15 projects active at this time, and another 5 in the scoping stage. This makes a total of 33 projects, with the possibility of 3 further projects being added in the next few months.

ASEA has also welcomed three additional Tier 2 companies into the South Australian Program.

All participants are reminded that ASCDP Round 2 funding ceases on June 30th 2013, and all projects will need to be completed before that time.

ASEA urges all companies not to waste any time, and act now so to avoid disappointment. If any companies in South Australia would like to discuss new projects that have been identified in their improvement plans, contact your ASEA Client Manager.

The current distribution of all Round 2 projects in South Australia is as follows:

- People and Performance 25%



- Manufacturing and Quality 22%
- Financial Systems and Practices 11%
- Management and Leadership 22%
- Supply Chain Development 20%

In these general groupings there are four Energy Efficiency and Usage projects, with three companies having already completed the Energy Diagnostic stage of their projects.

If any organisation has any questions or would like to discuss additional potential improvement projects, please contact your ASEA Client Manager. In South Australia, contact:

Peter Cesco Mobile: 0422 006 111
 Email: cescop@optusnet.com.au

Victoria/Tasmania/Queensland/New South Wales Update

With only 6 months to go before the completion of Round 2 of the ASCDP Program, participating companies in Victoria, Tasmania, Queensland and NSW have now completed 60 projects with an additional 40 projects currently underway.

The most popular project competency areas are:

- Energy Reduction 28%
- Manufacturing and Quality 27%
- Strategy 9%
- People & Performance 12%
- Diversification 11%

Other competency areas:

- Sourcing 8%
- Finance 3%
- Safety 1%
- Waste 1%

The breakdown of projects by competency is very similar to that reported previously in the September issue of the ASEA Newsletter, with "Energy Reduction" followed by "Manufacturing & Quality" being the largest areas of project activity. As companies refocus their strategic direction by seeking new opportunities and/or growing their current business in the non-automotive sector, the number of projects focused on "diversification" is slowly increasing. As they further diversify, some companies are undertaking a review of their procurement and sourcing processes, as they engage with new Tier 2 suppliers.

Three new companies have recently joined the program, and they will be undergoing the ASEA Initial Assessment before commencing and completing project activities prior to the close of the program in June 2013.

Thirteen companies that are actively involved in the program have completed multiple projects, as well as undertaken or about to commence their third ASEA assessment. By completing multiple assessments these companies can see the improvements in their businesses over the past few years plus identifying areas for further improvements.

The overall feedback from participating companies is that the ASEA Program has enabled them to undertake improvement projects that normally would not have been possible in this extremely challenging automotive environment.

For further information about the ASEA Program contact:

Peter Taylor, Email: peter.taylor@asea.net.au or
 Tom Chappell, Email: tom.chappell@asea.net.au

ASEA Annual Team Meeting October 2012

Based on feedback from participating companies, the ASEA Program has been delivering value to the automotive sector through the projects undertaken by the participating companies. The successful transfer of knowledge in the ASEA Program depends on the skills, expertise and efforts of the coaches, so it is critical that ASEA only uses the best possible coaches.



ASEA Coaches, Trainers & Assessors

Some ASEA coaches are engaged as part of larger organizations such as Genesis Now and CLS, but the majority of them have worked in industry for many years, before commencing their own small consulting businesses.

Many of them have previously held executive positions in the automotive sector at OEMs or supplier companies, but no matter what background or experience they have, **all** coaches **must** be individually accredited by ASEA before undertaking any work on an ASEA project.

With the aim of sharing knowledge and further examining ways to improve the process, a full day team meeting was held on Friday 19th October for all ASEA coaches and assessors.

The objectives of the meeting were to:

- update our coaches on the status of the ASEA Program, including new products such as Global Sourcing Strategies, and the outlook for the industry and ASEA,
- for the coaches to get an understanding of the broader ASEA activities such as the assessment process, forums and best practice visits,
- for the coaches to understand each other's areas of expertise.

All of the coaches and assessors gave presentations on their activities and experiences from their ASEA project work, drawing out common themes and possible future opportunities for the industry.



ASEA Team: L to R: Peter Taylor, Peter Cesco, Judy Boyce, Linsey Siede, Tom Chappell.

Victorian Government Super Trade Mission

The 'Automotive Stream' of the Super Trade Mission to India for Victorian companies runs from

March 4-11 2013, and has an application closing date of Monday January 28th.

See <http://www.trade.vic.gov.au/STM-MARCH> for details.

The Cars of Tomorrow 2013: Melbourne Parks Function Centre - 14th March 2013. Early Bird Registrations Now Open



Building on the success of last year, AutoCRC in conjunction with Future Climate Australia and SAE-A are pleased to bring you an inspiring line up of international and local speakers and panelists addressing the myriad issues that continue to impact on our automotive industry today, including:

Dr Tom Turrentine (US) - Director, California Energy Commission Plug-in Hybrid Electric & Vehicle Research Centre, University of California, Davis.

Andy Eastlake (UK) - Managing Director, Low Carbon Vehicle Partnership (UK).

John Mellor (AUS) - Publisher, Go Auto.

Dr Anup Bandivadekar (US) - Passenger Vehicles Program Director.

[Click here](#) to register today at early bird prices until February 14th, 2013.

View the full program [here](#) and see speaker bios [here](#).

Australian Automotive Week: 12th - 20th March



Why not check out all the other events during Australian Automotive Week 2013?

Click [here](#) for more info and the full program.