After an MMOG/LE Q-Scan Assessment we achieved Level A Classification, and now have the right processes and solutions in place for the future.”

Chief Information Officer
HIGH RISK OF FAILED MMOG/LE COMPLIANCE CATALYZES ASSESSMENT, LEADING TO BUSINESS PROCESS AND SYSTEM CHANGES

THE COMPANY:
This automotive manufacturer produces glass for a variety of OEM (Original Equipment Manufacturer) automakers and aftermarket, including windshields, door glass, back windows and sunroofs. The company is committed to providing their customers with products of unmatched quality and value, demanding the highest quality raw materials from their suppliers and meeting customer-specified delivery times.

THE CHALLENGE: IDENTIFYING OPPORTUNITIES TO IMPLEMENT BETTER BUSINESS PROCESSES AND SYSTEM CHANGES TO MEET MMOG/LE REQUIREMENTS
This company had been a leader in the automotive industry for many years; but as processes began to degrade over time, they were out of compliance with a key OEM’s requirements and needed to take action to prove through a customer review they were a MMOG/LE Level A. For a few years the company had attempted to meet the OEM’s MMOG/LE requirements using internal resources and a strategy for continuous improvement, however the company recognized that they needed outside MMOG/LE expertise.

MMOG/LE is a comprehensive self-assessment required by many OEMs throughout the automotive supply network. It is widely recognized in the automotive industry as a standard for supply chain excellence and is a critical requirement for maintaining existing business and gaining new business.
This automotive company additionally recognized opportunities for improvement in their business practices and systems, and wanted to use the MMOG/LE assessment as a springboard for change. Some of the areas they also wanted to improve were:

- Supplier communication, which was currently being done manually with spreadsheets in a non Electronic Data Interchange (EDI) format
- Inventory management by reducing excess raw materials and finished products that were sitting on the dock for long periods of time
- Integrations between production planning and supplier scheduling

“Our ‘at-risk’ MMOG/LE status was a catalyst to not only meet OEM requirements and achieve level A classification, but also re-examine our processes and determine where we might improve. We wanted to ensure we wouldn’t be at risk of failing an audit in the future,” notes the company’s Chief Information Officer.

**THE SOLUTION: QAD MMOG/LE Q-SCAN ASSESSMENT**

The company recognized QAD for their automotive industry expertise and engaged the QAD team for a MMOG/LE Q-Scan. This consultation was performed by QAD automotive industry experts and focused on increasing operational performance, benchmarking operations against best practices and meeting key customer requirements. The consultation prepared the company for external OEM audits, but also set them up to achieve industry best practices.

The goal of the MMOG/LE Q-Scan was for the company to achieve Level A supplier status with a major OEM, but also to leverage the assessment for improvements across many business processes and systems.

“In addition to helping us regain our MMOG/LE Level A score with the OEM review, QAD used a variety of techniques to help us better understand and evaluate our business practices and processes,” comments the CIO. “They examined how we were currently using our systems, interviewed various members of our team and compared what we were doing to industry best practices.”

The QAD assessment team focused on:

- Reviewing the major MMOG/LE requirements for the primary elements needed to achieve a Level A score from the OEM
- Determining how QAD Cloud ERP was being used and how they could better leverage their investment

**THE BENEFITS: MMOG/LE LEVEL A CERTIFICATION ACHIEVED, REDUCTION IN INVENTORY, SUPPLIER ORDERING IS SIMPLIFIED, IMPROVED PROCESSES ARE IN PLACE**

QAD supplied the company with a detailed assessment of their findings and suggestions for action. This report was shared with all stakeholders, including the company’s executive management.
“We tried unsuccessfully for many years to complete this MMOG/LE review internally. Once we engaged QAD’s automotive industry experts, we were finally able to get the job done correctly,” comments the CIO. “We took the report and immediately began making improvements and changes. With QAD’s outside expertise guiding us, we achieved benefits and savings resulting in measurable improvements in customer satisfaction.”

Some of the benefits the company has realized include:

- An MMOG/LE Level A score was achieved and the risk of non-compliance was removed for the major OEM customer
- A reduction in raw material inventory by 60% due to better planning and communication
- Fewer finished products sit on the dock for long periods of time
- Inventory accuracy of 99.98% (dollar value) in the aftermarket product line, a major segment of the customer’s business
- Increased customer satisfaction and improved response to market fluctuations

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Chief Information Officer

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60% REDUCTION IN RAW MATERIAL INVENTORY

- Improved electronic visibility by using QAD Supplier Portal for requirements of what is needed and what is in stock, enabling decision makers access to the information
- Decreased number of purchase orders generated monthly from 100 to 5 on average by implementing supplier schedules
- Reduced administrative costs and discrepancies by more effectively using the system, and reducing manual entry and spreadsheets

99.98% INVENTORY ACCURACY

“The QAD MMOG/LE Q-Scan Assessment brought a lot of things into focus. We feel we have only begun to scratch the surface of what QAD’s findings can do for us. There is such depth in the MMOG/LE Q-Scan Assessment report — we will be benefiting from it for a long time,” notes the CIO. “Knowing we can avail ourselves of QAD’s expertise at any time makes the automotive industry standard of MMOG/LE compliance and continuous improvement easier to achieve.”

DECREASED AVERAGE MONTHLY PURCHASE ORDERS FROM 100 TO 5