

AUTOMOTIVE SUPPLIERS

Benefits

Better meet OEM and regulatory mandates

Proactively manage supply chain risk

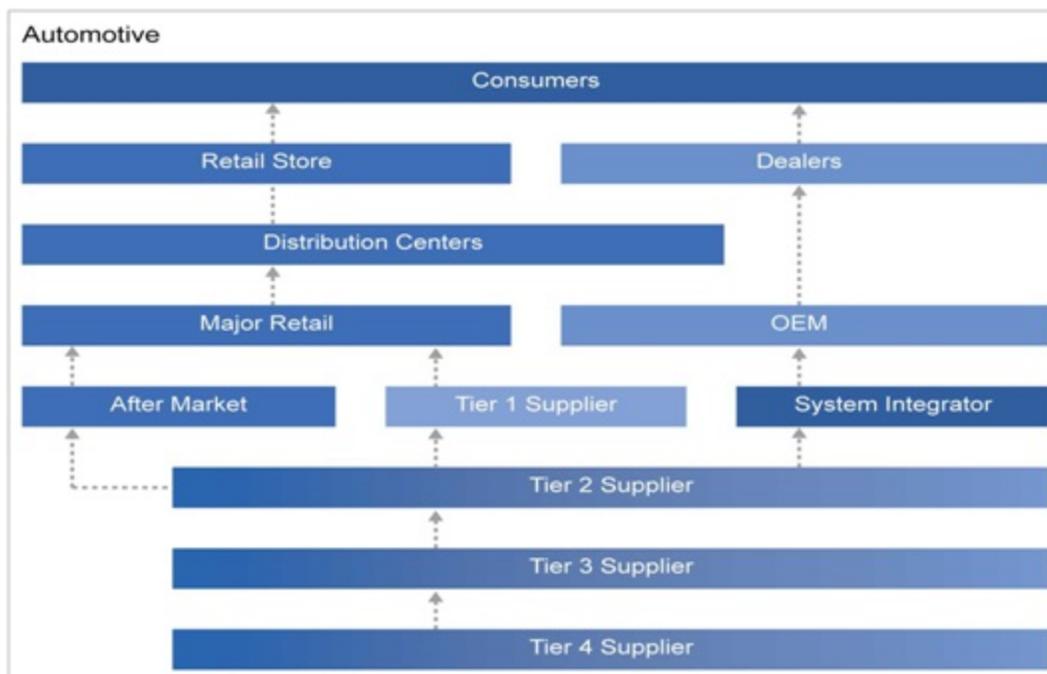
Align with industry best practices

Quickly respond to new market and business opportunities

Establish consistent global processes

QAD provides a unique global solution for automotive suppliers. Based on QAD Cloud [Automotive ERP](#), the solution includes integrated [supply chain management](#) and provides alignment to industry best practices and support for the evolving needs of automotive suppliers. It helps automotive suppliers effectively manage customer requirements and extends to lower-tier suppliers. The solution includes QAD analytics to help global manufacturers monitor costs, reduce risks and enhance performance.

Automotive Suppliers Value Chain



In addition to a full-featured ERP, key features of the solution include quality management, EDI support, demand and supply chain planning (DSCP) and enhanced material handling, through real-time data collection and label printing services.

Reduce manual process costs and errors by 50% by automating complaint management and quality-related processes.

Increase inventory turns, reducing inventory by 10-25%, by using sophisticated forecasting methods and detecting demand forecast changes as they happen.

Improve on-time delivery through better supply chain insight and accurate tracking of in-process inventory.

QAD Automotive Supplier Solution Overview

Automotive suppliers face strategic shifts driven by global growth in automobile sales and the accelerating introduction of new automotive technology. These trends result in increased consolidation in the automotive supplier segment, the need to keep up with rapidly developing innovations and persistent downward pressure on cost. To meet these challenges, automotive suppliers must maximize manufacturing efficiencies while maintaining high-quality standards and improving supply chain management. Some specific challenges the solution addresses include:

Integrated supply chain management — Automotive suppliers must meet vigorous customer and industry requirements such as IATF 16949. The solution simplifies meeting such requirements and helps manufacturers extend to lower-tier suppliers for increased collaboration and visibility into supply chain issues. Related analytics help monitor supply chain performance through flexible built-in metrics, role-specific operational dashboards and advanced analytics using multiple data sources.

Alignment with industry best practices — QAD's solution derives from a long-standing history of close engagement with automotive customers, global industry standards organizations and OEMs. For example, QAD has been a member of the global AIAG/Odette MMOG/LE Work Group for 13 years, and is an approved MMOG/LE trainer for AIAG and Odette in North America, Asia-Pacific and Eastern Europe. The solution directly supports MMOG/LE, helping organizations achieve Level A classification to optimize operations and gain preferred supplier status.

Adapting to changing regulatory and industry requirements — The ability to quickly meet shifting internationalization regulatory requirements and adapt to structural changes in the industry, including mergers, acquisitions and divestitures, is essential to automotive suppliers' long-term success. QAD's product and service offerings supports compliance in the areas of quality, delivery and financial accounting practices. QAD [Cloud ERP Automotive Edition](#) is a full-featured solution with integrated automotive specific processes based on industry requirements and built-in best practices. When combined with QAD's Easy-On-Boarding (EOB) process, QAD Cloud ERP can be quickly deployed anywhere in the world.

Some of the critical business processes for automotive suppliers addressed by QAD's solution are listed below. An overview of the first four critical processes follows. For information about the other processes, please visit QAD.com.

[QAD QMS \(Quality Management System\)](#)

[QAD EDI eCommerce](#) and [QAD Cloud EDI](#)

[QAD DSCP \(Demand and Supply Chain Planning\)](#)

[QAD Automation Solutions](#)

QAD Release Management

QAD Supplier Portal

[QAD Lean Manufacturing](#)

QAD QMS (Quality Management System)

Automotive supplier manufacturers commit significant resources to sustain product quality. An automated quality management system is often critical to track and meet customer and regulator expectations. QAD QMS helps address KPIs such as Compliance Tracking, Supplier Performance and like CAPA Efficiency, Open Complaints and Lot Acceptance Rate. QAD QMS modules include:

Auditing management helps management assure that well-defined business processes apply throughout supply chains and generate the results expected. In addition, when processes are not meeting expectations, the initiation of corrective actions ensures that any problems are resolved and operations return to normal.

Document control helps manufacturers manage critical documents such as work instructions in a centralized repository that works with automated workflows to ensure compliance. Built in controls ensure that document changes also update related procedures and initiate retraining.

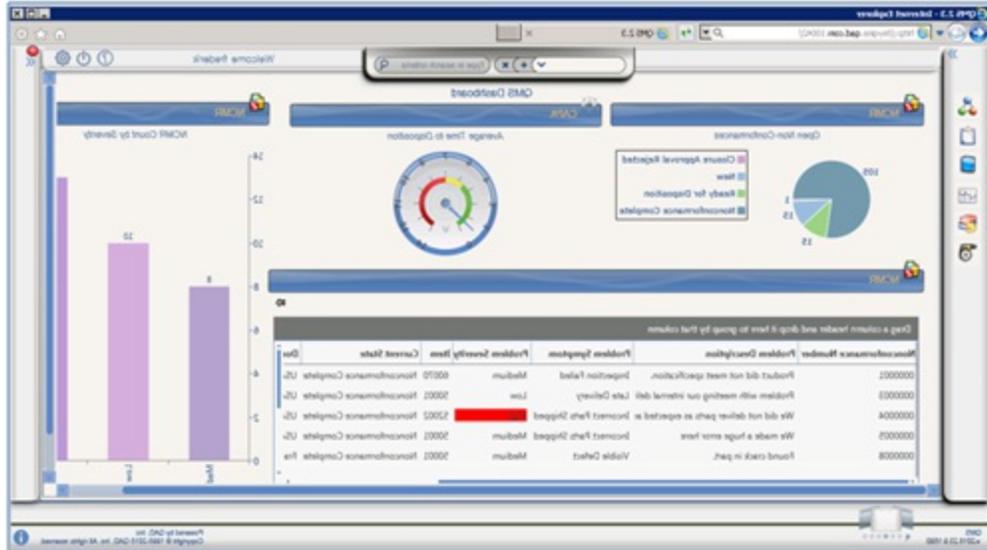
Corrective Action Preventative Action (CAPA) and Nonconformance Reporting (NCR) provide an automated closed loop solution for problem tracking and resolution, including impact on other processes or products.

Training management tracks each employee, each role, skills associated with that role and training requirements for those skills. Training may be recurring, competency based, or required due to a controlled document change.

Risk management enables organizations to define each risk, prioritize the risk, create a heat map and create a mitigation plan with action items and comprehensive reporting. This enables manufacturers to manage comprehensive risk requirements.

Supplier management helps to evaluate and select suppliers based on their ability to supply product in accordance with requirements. Supplier performance increases when suppliers are consistently evaluated, monitored and measured.

QAD QMS Supplier Management Dashboard



QAD EDI eCommerce and QAD Cloud EDI

A study conducted by the Automotive Industry Action Group (AIAG) found that the use of EDI can improve on-time shipments by 6 percent and inventory turns by 17-24 percent while reducing error rates by 72 percent. The study also found labor savings per customer of up to eight hours per week.

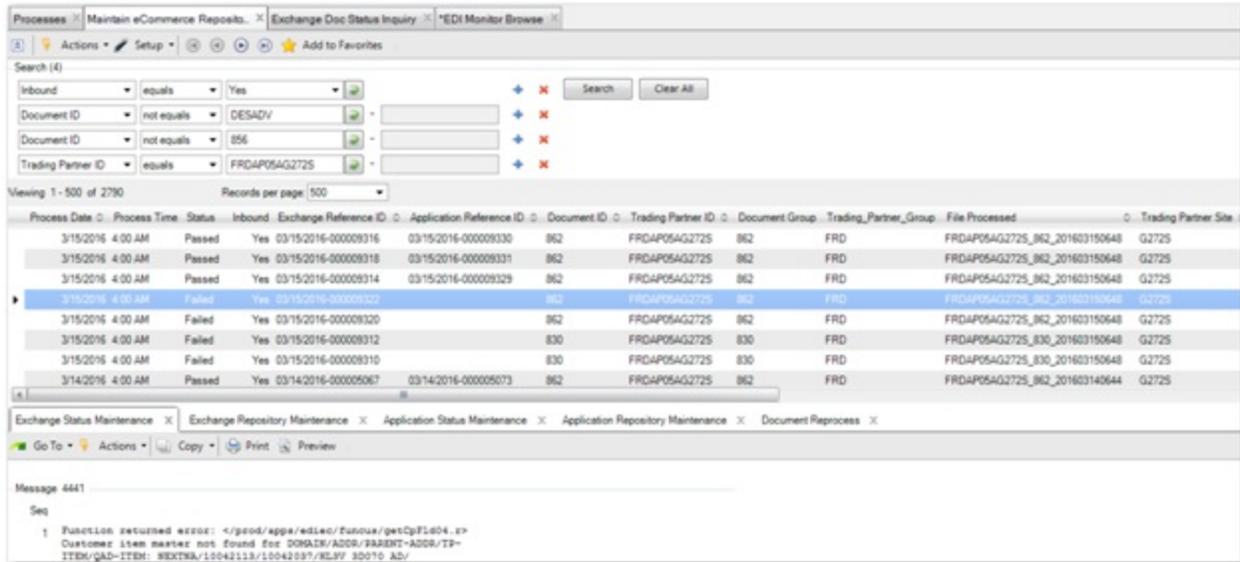
EDI is particularly important to the automotive industry, where customers often require their suppliers to support EDI as a condition of doing business, and then rate suppliers each month on ASN Accuracy and ASN Timeliness, with penalties for noncompliance. For this reason, EDI system uptime is critical.

Because OEMs push best practices throughout the tiers of the supply chain, the implementation of EDI with sub-suppliers is also required or suggested. OEMs encourage the supply chain to do this to speed communication and reduce inventory throughout the supply chain. In turn, each of the supply chain tiers will see performance improvements, measured using these same metrics.

An effective EDI solution improves performance in KPI areas such as Customer Service, Inventory Effectiveness, Supply Chain Effectiveness and Industry Compliance, and impact measurements like DIFOT (delivery in full on time), Inventory Turns, ASN Accuracy, ASN Timeliness and EDI System Uptime.

QAD EDI eCommerce (on-premise) and QAD Cloud EDI help automotive manufacturers eliminate manual processes, reduce costly data entry errors, reduce inventory, cut cost and speed up order fulfillment. QAD's EDI solution helps suppliers communicate electronic transactions such as releases, schedules, shipment notifications, purchase orders, invoices and acknowledgments.

Alert of failed EDI 862 message



Process Date	Process Time	Status	Inbound	Exchange Reference ID	Application Reference ID	Document ID	Trading Partner ID	Document Group	Trading Partner Group	File Processed	Trading Partner Site
3/15/2016	4:00 AM	Passed	Yes	03/15/2016-00009316	03/15/2016-00009330	862	FRDAP05AG2725	862	FRD	FRDAP05AG2725_862_201603150648	G2725
3/15/2016	4:00 AM	Passed	Yes	03/15/2016-00009318	03/15/2016-00009331	862	FRDAP05AG2725	862	FRD	FRDAP05AG2725_862_201603150648	G2725
3/15/2016	4:00 AM	Passed	Yes	03/15/2016-00009314	03/15/2016-00009329	862	FRDAP05AG2725	862	FRD	FRDAP05AG2725_862_201603150648	G2725
3/15/2016	4:00 AM	Failed	Yes	03/15/2016-00009322		862	FRDAP05AG2725	862	FRD	FRDAP05AG2725_862_201603150648	G2725
3/15/2016	4:00 AM	Failed	Yes	03/15/2016-00009320		862	FRDAP05AG2725	862	FRD	FRDAP05AG2725_862_201603150648	G2725
3/15/2016	4:00 AM	Failed	Yes	03/15/2016-00009312		830	FRDAP05AG2725	830	FRD	FRDAP05AG2725_830_201603150648	G2725
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3/14/2016	4:00 AM	Passed	Yes	03/14/2016-00005067	03/14/2016-00005073	862	FRDAP05AG2725	862	FRD	FRDAP05AG2725_862_201603140644	G2725

QAD DSCP (Demand and Supply Chain Planning)

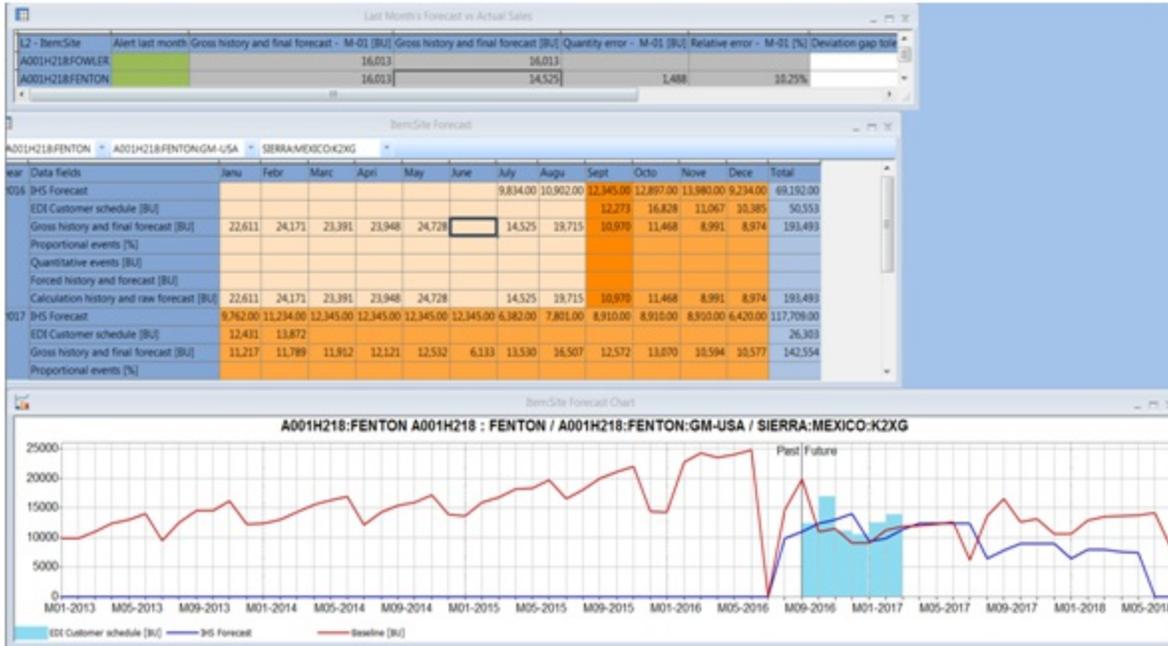
Given ever-shifting patterns of demand and complex global supply chains, automotive suppliers often struggle with making accurate forecasts – inaccurate forecasts result in poor performance downstream. Accurate demand and supply chain planning, however, offers a long list of business improvements.

For example, accurate demand planning helps manufacturers to better manage subsuppliers and product lifecycle events, directly impacting Inventory Effectiveness and Customer Service. Effective demand and supply chain planning reduces costs by decreasing inventory and reducing inventory obsolescence and write-offs. Customer delays are minimized and automotive suppliers reduce stock-outs and better anticipate customer requirements. The net effect is lower working capital requirements. Typical KPIs impacted by effective demand and supply chain planning include DIFOT, Forecast Accuracy, Stock-Outs and Inventory Accuracy.

QAD DSCP supports improvements to these key metrics by providing tools to build and manage forecasts, improving reliability and accuracy by collaborating with all the players involved in the forecasting process. Organizations can manage forecasts at any level – customer, item, group or family – with input from a variety of sources – sales representatives, customers, marketing and finance. This enables true collaboration, one of the keys to improving forecast accuracy.

The demand planning capability of QAD DSCP creates sales forecasts based on historical data (typically EDI data), market analysis data (for example IHS data) and customer production data. It uses sophisticated modeling to pinpoint statistical anomalies and automatically selects best-fit model. QAD DSCP helps automotive suppliers forecast new product introductions.

Two-year production plan based on multiple sources such as IHS, EDI and customer data



QAD Automation Solutions

QAD Automation Solutions improves automotive manufacturers' material transactional effectiveness by aligning ERP with material processes. The primary components are:

Data Collection captures material and production data through simplified ERP transactions using a mobile device such as a radio frequency (RF) scanner, tablet or a stationary shop floor personal computer or terminal.

Label Printing Services routes and prints labels associated with material and production transactions based on manufacturer, supplier and customer formats and rules. The services support any label format, any printer and are GS1 and 2D compliant.

Automation Solutions acts as a highly configurable set of capabilities that requires no coding for a wide variety of manufacturing environments. For example, it includes an integrated transaction development toolset, library and processing engine that reduce customizations, provide out-of-the-box transactions that extend to QAD Enterprise Asset Management and assures failure-free processing.

Transaction Linking combines multiple transactions to create a unified and simplified transaction, aligning with material handling and production processes.

Label Mapping/Routing Toolset easily maps to QAD material and production data to select the right label format and to print to the correct printer. This is particularly helpful for warranty and recall tracking.

Automation Solutions Integrate Data Collection and Label Printing



For more information on how the QAD Automotive Suppliers solution can help your company, please contact QAD at +1-805-566-6100 or email info@qad.com.