



Automotive Supply Chain Best Practices

# Odette Outlook – Autumn 2011

Latest News on Odette International

## LATEST NEWS FROM ODETTE INTERNATIONAL

Welcome to our 'Autumn Newsletter' and I hope you have had a good summer.

In this edition we bring you news of the latest Odette publications, implementations of Odette standards and other activities which have been taking place in the Odette community over the past few months.

We have several interesting stories relating to the release and implementation of global automotive standards. These, as many of you will know, are produced in close co-operation with our colleagues in North America and Japan, collectively known as the Joint Automotive Industry Forum (or JAIF for short).

The advance of the Global MMOG/Logistics Evaluation seems unstoppable as it gains more language versions and new training providers are appointed outside of Europe. You'll find details of these inside.

OFTP2 continues to grow in popularity around the world and we have a special feature on company implementation use-cases and the recently published report entitled 'Comparison of File Transfer Alternatives for B2B Data Exchanges'.

Our Conference in Lyon in May was a great success and we are now firming up plans for our next Conference which will be held in Berlin towards the end of 2012.

Next month we are holding a Strategic Supply Chain Workshop in Dusseldorf, Germany. Senior automotive supply chain managers from around Europe are coming together to explore areas of possible future collaboration. The results from this important event will be published in the next edition of Outlook and should provide strong indicators for the future direction for Odette.

It's going to be a busy time for us all in the months ahead.

With best wishes,

John Canvin

Managing Director

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## OFTP2 UPDATES

Odette has recently published its long-awaited 'Comparison of File Transfer Alternatives' report.

Whether it's via the Internet, X.25, ISDN, VPN or managed VPN (like ANX or ENX), this Odette report evaluates and compares various options for file transfer in B2B data exchanges and gives a useful guide for companies interested in upgrading their current systems or investing for the first time. Click [here](#) to read the special feature on OFTP2 implementation or [here](#) to download a free copy of the report.

### More OFTP2 solutions tested

[EDICOM](#) and [ICDSC](#) are the latest service providers to have their product tested for interoperability successfully.

They join [Axway](#), [c-works](#), [Data Interchange](#), [Huengsberg](#), [itelligence](#), [Numlog](#), [seeburger](#), [Trubiquity](#), [T-Systems](#), [TX2 Concept](#), [Xware](#)

The Odette OFTP2 Software Interoperability Testing Service is intended to ensure flawless communication between the various OFTP2 software packages available on the market. For software providers the tests are designed to prove that they have correctly implemented the OFTP2 specification including the various security features. For companies wishing to implement OFTP2 this new service means that they can rely on the proven interoperability of software which has been tested against Odette specifications, making the job of software selection that much easier.

If you are an OFTP2 software provider and wish to have your product tested, email [info@odette.org](mailto:info@odette.org) for details.

### Related information

[Software Interoperability testing service](#)

[OSCAR - Odette ID](#)

[Odette CA - the Automotive Trust Centre](#)

## OFTP2 GAINS TRACTION

The latest version of Odette's File Transfer Protocol is finding favour with the automotive industry.

Undeniably, businesses within the automotive supply chain are exchanging ever more digital data. Equally undeniably, that data covers an ever-broader range of information and transaction types, and is likewise getting larger: a CAD file, for instance, can these days stream across many gigabytes. And finally, and just as indisputably, the tough 'cost down' pressures seen within the industry seem here to stay.



Roll all three trends together, and what emerges is a need for a way of exchanging data that not only stands apart from tried-and-tested industry workhorses such as X.25 and ISDN, but also from their more modern-day alternatives such as North America's Automotive Network Exchange (ANX), its European counterpart the European Network Exchange (ENX), and the various point-to-point VPNs that exist within the world of the automotive supply chain.

Why? Because, in short, the limitations and drawbacks of each of these approaches to exchanging digital data have been cast into sharp relief by the rapid development of the public Internet.

Consequently, as an Odette report published in June 2011 argues, that development has brought about the need for a specific automotive file transfer protocol that can leverage the power, low cost

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and ubiquity of the public Internet—but do so securely and reliably. The report - entitled Comparison of File Transfer Alternatives For B2B Data Exchanges - is available as a free download from the Odette website.

At Gothenburg, Sweden-headquartered truck and bus manufacturer Volvo Group, for instance, there were clear concerns in early-2009 regarding the longevity of X.25 and ISDN, with telecommunications providers openly signalling the imminent shutdown of their ISDN and X.25 networks during April 2011—although that deadline was subsequently extended.

And with EDI messaging volumes topping a million transmissions a month, there was a clear need for a proactive project to identify and implement an alternative, rather than wait to see what the telecommunications providers suggested.

“ISDN and X.25 shutdowns had happened in other countries, and we couldn’t assume that it wouldn’t happen in Sweden,” says Katrin Skepp, service manager for business-to-business integration and messaging within Volvo. “Within the business, too, we were facing pressures for a reduction in communication costs, as well as a solution for emerging markets where ISDN communication wasn’t possible.”

Accordingly, a decision was reached in the autumn of 2009 to move away from X.25 and ISDN, and migrate the business and its 2,264 messaging partners—a combination of suppliers, carriers, the Swedish customs agency and some banks—to the second generation of the Odette File Transfer Protocol, OFTP2.

“We’d participated in the technical discussion that led to OFTP2, and were very comfortable with the choice,” says Helena Dimming, line manager for EDI within Volvo’s IT arm, Volvo IT. “OFTP2 was secure, was an open standard with no usage fee, and leveraged the public Internet, which is available worldwide.”

To date, notes Ms Skepp, over 2,000 partners have migrated to OFTP2, with the bulk of the migration occurring within a four-month period from November 2010 to February 2011. Only around 200 partners remain to be migrated, she adds, and so successful has been the transition to OFTP2 that Volvo now proactively intends to discontinue X.25 and ISDN transmissions itself.

“If partners aren’t ready, we will migrate them to solutions such as WebEDI, a VAN, or a proprietary lightweight OFTP2 software package,” she says. “At the present moment, we are explaining the options open to them.”

Broadly speaking, she adds, the migration was straightforward, although several lessons have been learned.

“It’s difficult to predict the timescales involved in individual migrations, as partners will only do it when they’re ready, or have the budget for it—which can make resource planning difficult,” says Ms. Dimming. “As a result, it’s difficult to determine when the peaks in workload will arise.”

### Enthusiasm

One early adopter was Regensburg, Germany-based tier-1 automotive supplier Continental Automotive, which had first become attracted to the Odette File Transfer Protocol in its earlier version, OFTP1.

“Volvo was our first ‘live’ partner, and we migrated communications over to OFTP2 back in December 2010,” says Continental Automotive EDI manager Josef Radlbeck. “Now, we have twelve OFTP2 partners—a mixture of suppliers and customers. We’re using it for CAD data and also logistics data, although we’re not partnered with any third-party logistics providers yet.”

These twelve, he is sure, are the first of many.

“OFTP2 is free, and public Internet based, and so running costs are very much lower,” he enthuses. “There’s no doubt in our mind that OFTP2 adoption will grow, simply because of the cost pressures within the industry. It’s a better solution—and it’s cheaper, too.”

Udo Thienelt, cross-applications manager in the SAP R/3 corporate competency centre at Lippstadt, Germany-headquartered tier-1 automotive supplier Hella KGaA Hueck & Co, concurs.

While needing a customer’s migration initiative to provide the OFTP2 programme with its initial impetus, he explains, the company is now connected to some 15 partners via OFTP2, despite a relatively late start. The primary use is for the exchange of drawings and CAD data, he adds, although there is some commercial transaction traffic, and this is scheduled to grow with the roll-out of OFTP2 into the supply chain over the next few months.

“There’s more bandwidth, we can transfer data more quickly, it provides a connectivity option in markets where ISDN isn’t possible—and it’s also cheaper than ISDN,” he enthuses. “It’s too early to estimate eventual savings at this stage, but we are most certainly expecting savings.”

And as more companies come to appreciate the merits of OFTP2—and also its superiority over its predecessor, OFTP1—the move to the Odette File Transfer Protocol can only accelerate, says Dietmar Koch, the Berlin, Germany-based senior vice-president for product management and development at business-to-business integration specialist Axway, a member of the initial group that defined OFTP2.

“There are huge advantages to OFTP2, especially for users with thousands of connections,” stresses Koch. “And compared to OFTP1, OFTP2 offers far more security options, with signed files, certificates, and on-the-fly encryption. For automotive applications, we’re strongly recommending that users move to OFTP2.”

Click [here](#) to download a free copy of the report.

## GLOBAL TRANSPORT LABEL GETS AN UPDATE AND AN UPTAKE

The Global Transport Label (GTL) was the very first product of the collaboration that was established between Odette, AIAG and JAMA to produce global standards and recommendations. This collaboration, now known as the JAIF (Joint Automotive Industry Forum), has since produced a range of global recommendations with new ones being added on a regular basis.

The original GTL was updated at the end of 2010 and the latest Version 2 now includes Data Matrix ECC 200 and QR Code ECC M two-dimensional (2D) symbologies and the format of the document has been restructured to conform to the ISO format.

Using current label templates as models – including ISO 15394, ANSI MH10.8.1, the Odette Transport Label (OTL) and AIAG's B-10 Standard – the JAIF GTL group of experts developed a model for a transport label design that included features such as the ISO "License plate," Code 128 and the two-dimensional symbologies Data Matrix, QR Code and PDF417.

The purpose of the GTL is to facilitate the movement of goods and the exchange of data among all members within the supply chain (OEMs, suppliers (Tiers), logistics providers, carriers, and others). The amount of data (bar code or 2D symbol as well as human readable text) needed on a label is a function of the needs of the trading partners involved, and as defined within the limits of recommendation. When a bar code label is used in conjunction with computerised data bases and Electronic Data Interchange (EDI), the amount of data needed on a label may be reduced significantly.

Delivering to vehicle manufacturers around the world means that today's automotive suppliers often have to follow widely differing container labelling requirements, depending on the location of their customer's operations. Studies show that unnecessary variations in this basic business process, multiplied by number of parts transported every day, can lead to millions of euros in added supply-chain costs each year.

Standardising transport labels is therefore warmly welcomed by suppliers and logistics operations have been improved by the standardisation activities of each region. Now that parts procurement has become a worldwide operation, global standardisation is not only desirable, but essential and vehicle manufacturers are responding to the challenge.

General Motors in North America were early adopters and subsequently we have seen a number of other major manufacturers start to follow suit. Volkswagen Group started to introduce it from 1st December 2010 for deliveries to all plants in Europe, the USA (Chattanooga) and India. They plan to complete the implementation with all their suppliers by the end of the first half of 2012.

## VW AND CONTINENTAL ADOPT JAIF GLOBAL MESSAGES

Odette, along with our colleagues from JAMA, JAPIA and AIAG, created and published the full suite of JAIF Global EDIFACT messages some time ago in readiness for future use by companies with a worldwide presence.

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There was early adoption by several European companies, but recently we have seen a surge in demand as the industry wakes up to the fact that the best way to exchange business data with global partners is by using global standards.

In the **Volkswagen Group**, Mr Thomas Sieck, responsible for EDI Co-ordination, is tasked to work with these messages wherever and whenever possible. The first message VW introduced was the Global DELJIT as a despatch call-off within Volkswagen's 'New Logistics Concept' (NLK).

The reason for choosing the Global DELJIT, Mr Sieck explained, was because it is a globally recognised message. The requirements of a new supply chain process couldn't be covered by their existing VDA messages. He had to decide which message standard met the following criteria:

- satisfies the functional needs of the supply chain
- is future-proof
- has worldwide applicability.

All criteria were fulfilled by the Global DELJIT, which is now in use by VW all over Europe as well as in their Chattanooga plant in the USA.

Currently, JAIF Global Messages can be introduced only in new projects where other EDI message types are not already in use. A wholesale switch to Global Messages from other message standards, such as VDA, is not realistic at the moment.

During 2011, Volkswagen, in common with many other German vehicle manufacturers and suppliers, is introducing the Global INVOIC (as VDA Subset 4938) because it complies with the latest EU and German invoicing legislation. It will, however, become the one and only Invoice message standard in the future and will also be used outside of Europe. Mr Sieck expects the USA to be the next location where the Global INVOIC will be introduced.

**Continental Automotive** is another recent example of a major company moving to JAIF Global Messages. A study of the various messages in use for the different business processes showed that they were using a wide variety of EDI standards with suppliers, depending on region. In many cases suppliers were faced with different message standards and old versions were often in use causing many complaints. There was no possibility to add new data fields, the applicability for the Vendor Managed Inventory (VMI) or Consignment Stock processes was limited and it was generally preventing a global harmonisation within Continental.

By implementing the Global DELFOR message, Mr Josef Radlbeck, IT Manager at Continental Automotive explains that they have been able to:

- Standardise the EDI interface with their suppliers with less time spent on queries and consultation
- Achieve more flexibility to enhance the process with additional data (e.g. min and max stock, longer field lengths etc.)
- Harmonise business processes with all suppliers





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- Allow for new processes such as Kanban and VMI to be realised automatically with more flexibility and transparency
- Provide for more flexibility to meet new logistics processes in the future. From starting the project in September 2010, Continental aims to migrate all 760 of its suppliers by the end of November 2011.

### Did you know?

**You can carry out a check of your Global Invoice and Global Despatch Advice Messages via an on-line portal before going into service.**

By encouraging their suppliers to use this EDI Validation service, customers are relieved of time-consuming and frequently misunderstood communications with individual suppliers concerning the results of EDI tests.

File name	Report	Size	Date/Time ↑	Standard	Check	Result
GLOBAL DESADV- es.EDI	  	2.38 kB	2/15/2010 10:02:17 AM	GLOBAL DESADV.JAI 2.0.2008	<input type="button" value="Check"/>	Text / HTML 0 Errors
GLOBAL DESADV-not- es.EDI	  	2.94 kB	2/15/2010 10:02:44 AM	GLOBAL DESADV.JAI 2.0.2008	<input type="button" value="Check"/>	Text / HTML 20 Errors
GLOBAL INVOICE- es.EDI	  	1.24 kB	2/15/2010 10:05:25 AM	GLOBAL INVOIC.JAI 3.1 - VDA.2010	<input type="button" value="Check"/>	Text / HTML 30 Errors
GLOBAL INVOICE-not- es.EDI	  	1.03 kB	2/15/2010 10:05:52 AM	GLOBAL INVOIC.JAI 3.0.2008	<input type="button" value="Check"/>	Text / HTML 8 Errors

On their side, suppliers will receive understandable, reliable information, including indications of errors, for use in correcting their EDI implementation. They can gain their customer's authorisation to send production messages sooner and thus benefit from accelerating the invoicing and/or despatch advice process.

### [Test the service](#)

## ODETTE2011 CONFERENCE REPORT

The annual Odette conference and exhibition held in Lyon, France on 23-24th May was hailed a success by exhibitors and delegates alike.

It was simply summed up by Pascal Born, Global Supply Chain Solutions Director at Caterpillar Logistics who said afterwards....."Many good subjects and presentations and great opportunities for networking and exchanging with others from similar industries with similar challenges".

Over 250 participants from 125 companies and 17 countries attended the event, which took place over two days and included more than 40 speakers covering a range of key strategic and operational supply chain topics. Despite the supply crisis in the automotive industry caused by the earthquake and tsunami in Japan just weeks before, the turnout more than equalled that of 2010.

The Odette Conference is a 'must-see' event for automotive supply chain professionals, showcasing recent Odette activities, as well as providing an opportunity for companies to share and discuss their

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supply chain and B2B communications experiences. And of course, it is a tremendous networking opportunity for all to catch up with friends old and new.

We were delighted to have Mr Christian Mardrus, Managing Director of the Renault-Nissan Global Alliance as our keynote speaker, along with other senior industry executives giving their strategic visions in the opening Plenary sessions on both days.

Alongside the two main operational streams we included a special briefing to industry of the proposed Central Automotive Supplier Database service (CASD), which Odette is proposing to host for the European automotive suppliers and OEMs, if the forthcoming pilot is successful.

The B2B communications session was extremely popular and the new OFTP2 file transfer protocol was a major discussion topic.

The roll-out experiences of companies such as Volvo, Johnson Controls and Hella were shared, along with a preview of the shortly to be published report entitled 'Comparison of File Transfer Alternatives for B2B data exchanges'. This report provides guidance for companies considering future communications options; whether they prefer the widely available Public Internet, or a dedicated private network like ENX.

The quality of demand forecasting has long been a concern and there was a very interesting session with contributions from BMW, Renault, SKF and PSA took place. They highlighted the various activities in several national projects, which will be brought together as one Odette European recommendation over the next 12 months.

Russia was very much on the agenda again as one of the most important new territories for the industry.

Avtovaz, PSA and Grupo Antolin presented their plans for growth as well as their challenges ahead in this rapidly developing market...Odette is planning to establish a local membership in Russia to help support our members.

Truck manufacturers and logistics service providers were more to the fore this year, adding an interesting balance to the more usual contributions from passenger car manufacturers and suppliers.

Service providers are also, of course, an important part of our industry and their participation is an essential part of the Odette Conference. This year's exhibition included an interesting mix of companies, seven of which were with us for the first time. The main sponsors this year were **Axway** and **Sterling Commerce** to whom we are very grateful indeed.

The Rhones-Alpes automotive cluster gave its own support to the event and arranged for us to hold the evening event in the historic 18th century Hotel de Ville, which is only open to the public once a year.

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I would like to add my personal thanks to all those who attended Odette2011, the sponsors, exhibitors, speakers and everyone who helped behind the scenes to make the event such a success.

Planning has now started for Odette2012, which will take place in Berlin towards the end of the year and more details will be released in due course.

In the meantime, we are busy working on the future strategic direction for Odette and one significant input into this will come from our Supply Chain Executives Workshop in on 13th October. The outcomes from this workshop will help shape our key projects and activities for the next 3 to 5 years. We will report further on this in future editions of Outlook.

### IMPACT OF ICS ON AUTOMOTIVE COMPANIES

The European Union (EU) continues to be very active in promulgating legislation to support its drive to create a single customs union for its 27 member states. The latest in a long line of supply chain security legislation is the introduction of the Import Control System (ICS), which requires the provision of advanced shipment information to Customs authorities.

Similar to the US 10+2 (CTPAT) supply chain security initiative, ICS aims to communicate critical shipment data to customs before the shipment reaches the EU, and thereby enable their ability to assess any risks it may pose. With effect from 1st January 2011, ICS places the burden of supplying advanced shipment information squarely on the shoulders of carriers, not industry. However, importers and exporters are not completely off the hook; they must provide accurate information on a timely basis to their carriers, or goods could be held up indefinitely by customs authorities.

#### Import Control System background

ICS is included in European Parliament and Council Regulation (EC) No. 648/2005, the safety and security amendment to the Customs Code, and Commission Implementation Regulation No 1875/2006. Originally, ICS was to be introduced across the EU on 1st July 2009; however, it was recognised that this date was not achievable for a number of EU member states. The Commission and member states then agreed to a final transition deadline of 1st January 2011. As of this date, it has become mandatory for carriers to electronically provide EU Customs authorities with advance information on shipments that are either in transit through the EU, or destined for a member state. Therefore any shipment that enters the EU is subject to ICS regulatory security checks and profiling.

The recent security alerts at airports and ports have only reinforced the need for Customs to be more vigilant with imported goods.

Although related, ICS is different from the Authorised Economic Operator (AEO) supply chain security program promulgated by the same EU regulations. AEO is an accreditation regime aimed at improving global security by attempting to certify the cross-border actions of businesses and their trading partners. Whereas AEO is a certification program, ICS is a transactional program requiring up to 30 data elements for EU Customs filings on each and every shipment, much like the 10+2

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program in the United States, which requires the advance filing of 12 data elements (10 from the Importer of Record and 2 from the carrier) prior to goods being loaded on a carrier at the point of origin.

The intention of ICS and 10+2 is the same - securing the supply chain by evaluating shipments prior to arrival.

### **Impact on the Automotive Industry**

The new requirements will affect every shipment of automotive parts, assemblies and other related goods coming into European plants. The responsibility to submit the data to Customs falls on the shoulders of the carriers and LSPs, but the suppliers from where the goods originate must provide them with the accurate information in the first instance. And it is not just the component suppliers who need to be involved. Many vehicle manufacturers are also importing goods themselves into Europe, or to other OEMs with whom they collaborate. If they do not receive the items on time, the production lines will be seriously affected and emergency transport costs could also be incurred, which makes it vital that Odette plays a part in ensuring the data communications are as effective as possible.

### **ICS requirements**

The pre-arrival information needs to be provided to Customs authorities in a specified electronic format at the first point of entry into the European Union (EU). The electronic declaration is known as an Entry Summary Declaration (ENS), which includes:

- Details that identify the cargo such as unique consignment reference, container numbers, seal numbers, goods description, shipping marks and commodity codes;
- Traders involved in the movement such as the consignor, consignee, carrier, person filing or lodging the ENS;
- Identification of consignee and AEO status;
- Specific route into, across and out of the EU, as applicable to the transaction.

The ENS declaration is required for ALL shipments, including those en route via the EU to a destination outside of the EU, with only a few specific exemptions. It is likely that not all 30 different data items will be needed in every case because all of the 27 EU member states will have different demands, just to make things more challenging.

### **What is Odette doing?**

Odette is bringing the industry players together in a project which will ensure that the relevant data is exchanged as seamlessly as possible between all the partners and their Logistics Service Providers. It will involve the development of a comprehensive process description for the flow of information in the different business scenarios and the definition of a harmonised communication interface (using EDIFACT or XML messages) between automotive industry companies and LSPs.

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The project is supported by national groups working in GALIA, the VDA and Odette Sweden, along with their local Customs authorities. If you are interested to know more please contact [info@odette.org](mailto:info@odette.org)

### MMOG/LE JUST KEEPS ON ROLLING

#### New Implementations

Every month brings new evidence of how the MMOG/ LE is continuing to gain influence around the world. In recent weeks we have received enquiries for the tool from countries as far away and diverse as Australia and the Democratic Republic of the Congo.

At the beginning of the year, General Motors was the most recent large manufacturer to announce its introduction for use with their suppliers worldwide. And we hear that ZF intend to introduce it to their global operations, with more news to follow soon.

#### Training

New MMOG/LE training providers have been officially appointed in Portugal, Russia, India and China.

Operational Consulting, based in Porto are now able to provide training for companies in Portugal and we have recently signed a contract with Minerva IS, based in Moscow, to provide training in Russia and the CIS, where Peugeot Citroen Mitsubishi Rus, Ford and Renault are now deploying MMOG/LE.

We have had a number of enquiries for training in India and China and these are now covered by the local offices of Odette associate member QAD. You can find contact details for these, along with all the other approved training providers in Europe and further afield by clicking [here](#).

#### Language versions

The new Italian and Russian versions, together with 11 other language versions are available on our [website](#) or by clicking [here](#).

### ZASTAVA TAPACIRNICA BECAME A-CLASS SUPPLIER BY USING BEST PRACTICES FROM GLOBAL MMOG/LE

The company, Zastava Tapacirnica Serbia, is an automotive supplier with a tradition of over 150 years. The company was once a part of Zastava Automotive a.d. which was bought by Fiat a few years ago. Zastava Tapacirnica was one of the daughter companies which was sold off. In a struggle to survive, the company soon became aware that they had to learn fast and from the best!

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Today, the proof of success is that they supply to the leading suppliers of automotive interiors and their final products are found in a range of automotive brands, like Opel, Renault, Peugeot, VW, SEAT, and BMW. To meet the highest industry standards they also built a new 8000 m2 facility, which is just 1 km away from the Fiat Serbia main assembly plant.

### **The Challenge**

Until 2007, Zastava Tapacirnica was a sub-supplier of JCI - NTU Slovenia. With a desire to evolve, the company set ambitious goals:

- To become JCI's "Full Service Supplier"
- To become a global A-class supplier
- To get new customers – within JCI, and others
- To achieve better business results
- To achieve steady and permanent growth

### **The Result**

All the goals are met!

- Full Service Supplier – from June, 2008
- A-Class Supplier – de facto from 2009, formally from June, 2010 – audited by JCI
- Signed contracts with a significant number of new customers
- Business results are good, and economic crisis left relatively few scars
- The growth of the company is permanent and stable

### **The Road to Success**

Doing business with the global automotive suppliers demands a certain business etiquette. Without it, you may become a supplier, but in case of low demand, you can easily be dropped. Some of the musts in this etiquette are the use of a good ERP system, EDI and bar-coding.

To implement these systems, Zastava Tapacirnica signed an implementation agreement with the Slovenian company M2M Information Systems. It was M2M who recommended they follow the best business practices described in the Global MMOG/Logistics Evaluation tool, during and after the implementation, regardless of whether their customers explicitly request it or not.

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The Head of Logistics and the ERP implementation sponsor, Mr. Dragoljub Rejman, embraced MMOG/LE immediately, and so it became the main reference whenever we had to verify our ideas or process design during implementation.

All relevant processes in Zastava Tapacirnica were implemented with respect to MMOG/LE requests:

- Customer orders and forecasts are received using EDI system and automatically transferred to the ERP/Planning system.
- Capacity planning.
- Material tracking and labelling.
- Ensuring Accurate Data in ASN.
- Sub-Supplier Communication.

All processes are designed and documented using process flow diagrams as a standard interface of the ERP system in use – QAD Enterprise Applications.

Besides being a more reliable supply chain partner and achieving better business results, the company reports many other benefits. For example, night shifts are no longer necessary to keep up with demand, and employees are more confident and better trained in their daily tasks – to mention just a few.

The company CEO, Mr. Dejan Dragutinovic, is very satisfied with the good business results, mostly achieved by respecting the best business practices described in the Global MMOG/LE. Being also a very good host, he often shares his experience on different occasions – company visits, or Serbian Automotive Cluster meetings. If asked for advice by his colleagues from other Serbian automotive suppliers, he suggests: "Don't wait for customers to force you to use good business practices – start now, and the rewards will come!"

**About M2M:** M2M is a distributor of the QAD Enterprise Applications in some countries of former Yugoslavia – Slovenia, Serbia, Croatia, Bosnia and Herzegovina. M2M offers ERP, EDI (in cooperation with EDI specialist VISIT d.o.o.; [www.visit.si](http://www.visit.si)), and bar coding implementation/support services. M2M is also a partner of Odette, translates MMOG/LE to Slovenian and Serbian languages, and provides MMOG/LE training and other related services. As a QAD's Complementary Services Provider, M2M offers the IFRS compliant costing software – M2M Advanced Costing Modules – which include FIFO, Weighted Average, Product & Services Costing. Web: [www.m2m-is.si](http://www.m2m-is.si). Contact: Joze Novinsek (CEO) - [jno@m2m-is.si](mailto:jno@m2m-is.si).

## SASIG LONG TERM ARCHIVING AND RETRIEVAL (LTAR) OF DIGITAL PRODUCT DEFINITION DATA RECOMMENDATION PUBLISHED

### Background

In today's engineering and manufacturing organizations, paper based product design and analysis approaches have largely been replaced by computer-based solutions that digitally store and manage the product definition information. New business processes, information architectures and models, and hardware/software infrastructures have been deployed within the OEM and supply communities to effectively leverage the initial use of this newly created digital information.

However, the processes, models, and infrastructure designs for addressing the long term archival and reuse of the digital information have not been widely deployed. Long term archival and reuse has been a challenge because any solution requires alignment of storage media, data architecture, authoring/editing software, and hardware infrastructure. Such an alignment can be difficult to achieve because each of these components has its own unique lifecycle duration.

Until recently, the relative newness of digitally managed product definition and lifecycle information has afforded companies the opportunity to ignore long term archival issues. However, many companies have now reached such a level of maturity with digital product lifecycle information management that issues pertaining to data retention and reuse have become critical for their near-term business plans and economic viability.

The recommendations developed by SASIG have been designed to guide companies to effective and efficient archival and retrieval practices. Specific recommendations address Retention Time Periods, Format, LTAR Process, and Quality Assurance. In addition SASIG will develop a test bed capability for assessing an enterprise's LTAR capability.

### **The Recommendation**

The document contains a current state assessment of long term archiving and retrieval within the automotive industry. This assessment was made from survey analysis of both the OEM and supplier communities. Following the current state assessment is a future state vision that describes the four LTAR recommendations and the test bed capability for assessing an enterprise's LTAR capability.

### **[Access the document](#)**

#### **About SASIG**

The Strategic Automotive product data Standards Industry Group (SASIG) comprises of automotive industry organisations from around the world. It was originally formed to further the development and promotion of STEP AP 214, the international product data exchange standard within the automotive industry. AP214 is now adopted by ISO as "Core Data for Automotive Mechanical Design Processes" (ISO 10303-214). Today SASIG is acting as a Forum to develop global standards, guidelines and recommendations; and promote implementation of automotive engineering standards. The primary focus is in the area of product data including neutral formats such as ISO 10303 (STEP), quality metrics, naming conventions, exchange and management of technical data, and others similar domains.

Odette holds a liaison membership with SASIG and also disseminates its publications.