

# **Supply Chain Council & Automotive Aftermarket Industry Association**

Automotive Aftermarket  
Supply Chain Benchmarking Initiative

**October 14, 2010**

# Today's Agenda

- Welcome
- Introduction to Supply Chain Council and SCOR
- Automotive Aftermarket Industry Group Program Details
- Benchmarking Activities to Date
- SCORcards and Data Collection
- Call to Action
- Q & A

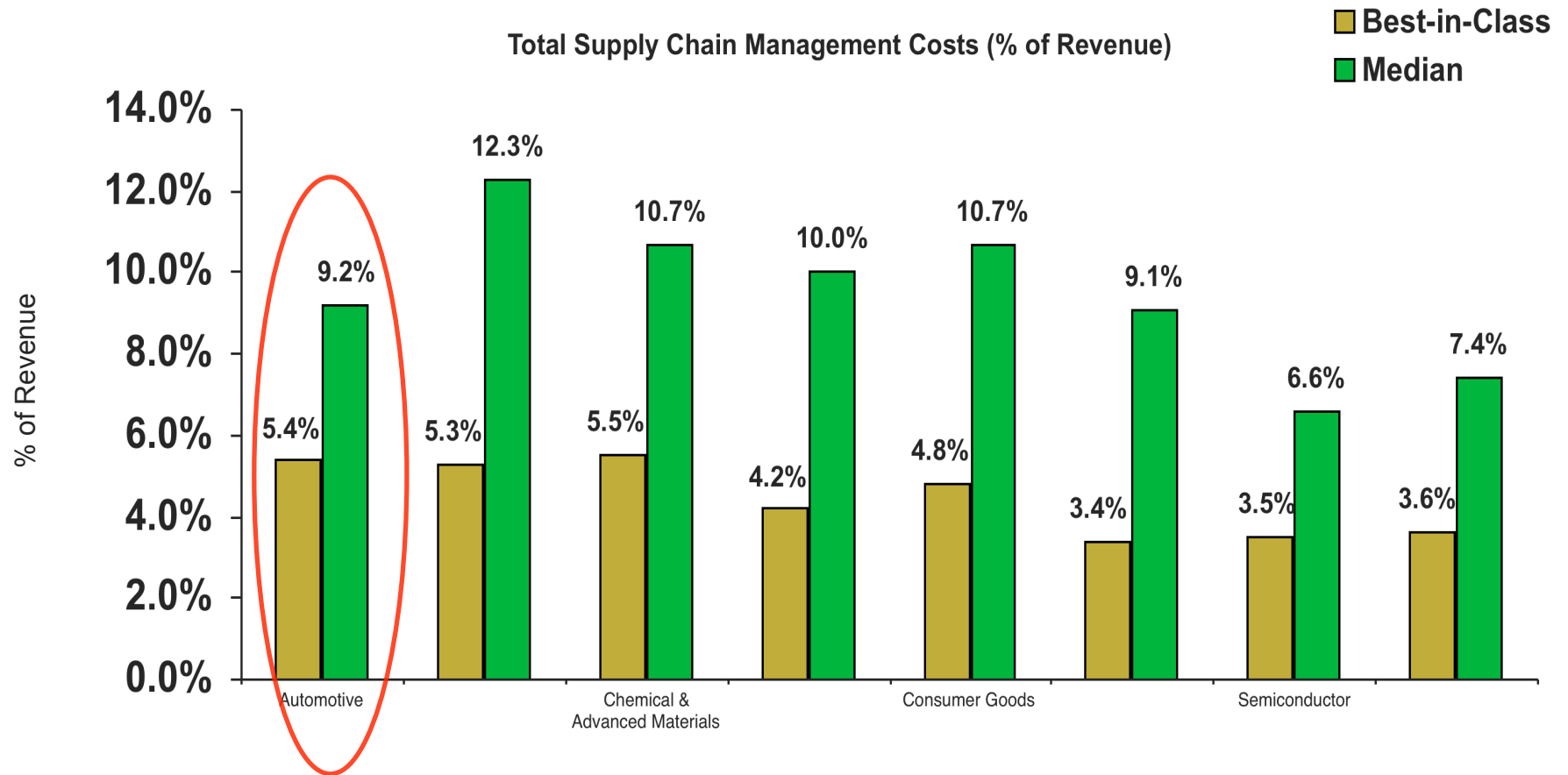
# Supply Chain Council: Introduction



# SCC: An independent, non-profit global association

- Formed in 1996 to **create and evolve a standard industry process reference model** of the supply chain for the benefit of helping companies rapidly and dramatically improve supply chain operations
- SCC has established the supply chain world's most widely accepted framework – the SCOR® process reference model – for **evaluating and comparing supply chain activities and their performance**
  - It can be used to describe supply chains that are very simple or very complex using a common set of definitions and enabling a common understanding
  - It lets companies quickly determine and compare the performance of supply chain and related operations within their company or against other companies
- SCC **continually advances its tools and educates members** about how companies are capitalizing on those tools
  - With membership open to all interested organizations

# Superior Supply Chain Management (SCM) has Long Been a Source of Competitive Advantage



**Best-in-class Companies' Outperform Their Median Competitors with a 50% Cost Advantage**

Source: PRTM/The Performance Measurement Group



# Automotive Aftermarket Industry Group

Program Details



# Automotive Aftermarket Industry Group

## Why we chose to create Industry Group?

*The purpose of the Automotive Aftermarket working group is to bring together practitioners in the automotive aftermarket supply chain to leverage the SCC SCOR model to share and develop supply-chain best practices, performance measures and implementation experiences that will enable members to drive long term improvements in the end to end supply chains of their companies.*

# Automotive Aftermarket Industry Group

## *Industry group value drivers*

- **Benchmarking**
- **Collaboration**
- **Transformation of Supply Chain Practices**
- **Sharing of Information to Effect Change**

## *What has happened so far?*

- **Automotive Aftermarket Industry Group formed and kicked off April 2010**
- **Initial team meeting held in May 2010**
- **Team has held bi-weekly meetings**
- **Developed Supply Chain Definition June-July 2010**
- **Prioritized Supply Chains July-August 2010**
- **Identified Supply Chain Strategy August-September 2010**
- **Established SCORcards for benchmarking**

# BENCHMARKING

## SCORmark™ Benchmarking

- Once the SCORcard is defined, and data for most metrics are gathered
- Data are submitted electronically to the SCORmark™ system
- With days or weeks, an electronic report is returned with the results of comparison against selected demographic groups
- The principal function of the Benchmark is to determine the gap between actual performance and performance corresponding to desired strategic positioning.
- The Benchmark is a component of the SCOR Implementation Roadmap

## What's the Value of a SCOR Implementation?

- Improvement of operating results of an average of 3% in the initial SCOR implementation phase by means of cost reduction and improvement in customer services
- Increase in profitability (between 2x and 6x) with regards to project investments costs within first 12 months of implementation
- Reduction in IT costs through minimizing system customization and making better use of standard functionality
- Continuous actualization of process change portfolio by continuous conversion of Supply Chain improvements with the objective of increasing annual profits by 1% to 3%

*1Poluha (2007) Application of the SCOR Model in Supply Chain Management New York, USA*

# PARTICIPATION REQUIREMENTS

## Membership & Participation

- Open to all members of the AAIA and SCC **at no added fee**
- This full industry group will conduct bi-weekly meetings as scheduled by the planning/executive committee.
- Plan to commit approximately 2-4 hours per month to the meetings to gain insight to assist with the benchmarking
- Meetings will be scheduled at least one week in advance.
- Special topic and face to face committee meetings will be held as members feel necessary.
- The industry group will also conduct events in conjunction with scheduled SCC events at a minimum and more often, as the group feels necessary

# Benchmarking Requirements

- Data Collection
  - › Beginning October 28 – Regular bi-weekly meeting to discuss metrics and data collection
  - › Complete Confidentiality assured by secure 3<sup>rd</sup> party
  - › Findings only distributed to participants in aggregate
- Data Collection Effort is not Trivial and is a function of your reporting systems and business complexity

## Next Steps

- Receive input from companies wanting to participate
- Training webinar on benchmarking in 2 weeks.
- Send SCORcards and definition to participants
- Data Collection
  - › Beginning October 28 – Regular bi-weekly meeting to discuss metrics and data collection
  - › Send instructions for data input
- SCORcards returned
- Follow-up discussion on best practices to eliminate gaps
- Aggregate Industry Report Developed

## Next Steps

- Within 3 Days this recorded webinar will be available for viewing.
- Within 7 days you must submit your intent to volunteers by sending your contact information (name, company name, title, phone and email) to [aaia@supply-chain.org](mailto:aaia@supply-chain.org)
- 14 Days– Training webinar and follow-on web meeting to initiate benchmarking.
- Continuous – Via the working group discussions and other postings

## Contacts

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# Open Discussion