



Supply Chain Group

Update for the Automotive Council

01 July 2010

Supply Chain Group Work Plan

History

- The Supply Chain Group met for the first time on 19 Jan 2010. Group has 18 industry members including 4 OEMs and 8 suppliers. The Group's workstreams are not limited to members and include a wide range of industry volunteers.
- The Supply Chain Group has identified 8 workstreams. 7 of these were identified at the first meeting of the Supply Chain Group (19 Jan) and following the advice of Auto Council members an 8th has been added to focus on skills.
- Group members have formed teams comprised of 'pilots' and 'crew' to take forward these workstreams.
 - NB most of these workstreams are sequential and it's expected will ultimately produce **3-4** main areas of work.
- Pilots and crew brainstormed a maximum of 5 priority actions to undertake for each tactic and submitted a plan with key dates on the 21st May.
- These actions form the basis of the Supply Chain Group work plan, distributed to Auto Council members before this meeting and contained in the packs you have received today.

Objective and Strategies

Objective

- **A.** Reinvigorate automotive manufacturing and the supply chain in the UK, seizing the opportunities from low carbon.

Strategies

- **B.** Reverse the decline in the UK supply base
- **C.** Identify, promote and seize business opportunities for the UK automotive supply chain
- **D.** Coordinate industry and government policies and actions for UK suppliers

8 Tactics

- 1. Investigate, communicate and maintain a VM & major Tier 1 product (Component / Assemblies) & Equipment UK sourcing priority roadmap
- 2. Identify & promote availability of support for existing Suppliers (Tier 1, 2 & 3) to maximise their chances of success in winning new business.
- 3. Identify the quick wins – what is available now - and establish 'speed networking' initiatives
- 4. Investigate the extent to which the UK automotive supply chain (particularly at tiers 2&3) is well positioned to exploit future EV/Hybrid/Low Carbon opportunities. Develop plans [for industry to work with government] to help improve opportunities for the supply chain in these areas and bridge any gaps that may be identified.

8 Tactics cont.....

- **5.** Develop a strong communication plan to ensure that UK Supply base is appraised of sourcing opportunities & the work of the Auto Supply Chain Group
- **6.** Develop & communicate a concise plan, identifying UK assembled auto product cadence & sourcing decision timings and processes to enable supply chain to focus effort on real opportunities
- **7.** Ensure the work of both the Technology & Supply Chain Groups are fully joined up
- **8.** Improving the skills, training and development of the UK supply base

UK Sourcing Roadmap

- A key Supply Chain Group activity already underway is the compilation of a UK sourcing road map (tactic 1).
- Dr Matthias Holweg, Cambridge University, is analysing the confidential OEM and Supplier surveys which will form the basis for building a UK sourcing road map (commodities road map).
- Dr Holweg will now present the Council the initial findings and preliminary conclusions of the OEM survey.

Next Steps

- The Supply Chain Group would now like the formal support of the Automotive Council for its work plan.
- Subject to Council agreement today the work plan will be implemented. There will be a meeting of work plan industry pilots on 15 July and the next reporting date for the Supply Chain Group will be Mid Sept.
- Key activities will include the publication of the UK sourcing road map in the Autumn and on the basis of the analysis contained in the road map a series of networking events to match OEM requirements with supplier capabilities will be arranged. In advance of this an initial matching event has been arranged for 14 July with 5 OEMs and up to 200 supplier confirmed.
- The results of the road map will allow the Supply Chain Group to further develop its work plan and allow the work plan to be consolidated to focus on 3 or 4 key areas of activity.