The Global Materials Management Operations Guideline/Logistics Evaluation (MMOG/LE) is a comprehensive set of business practices and procedures within the materials management/logistics function. Developed by members of the automotive industry but it can be used by any industry as a tool to conduct internal assessments, benchmarking current state/best practices, driving continuous improvement, evaluating and improving supplier performance. MMOG/LE establishes the essential components of materials management system for suppliers of goods and services. It provides criteria for materials procedures for driving implementation of continuous improvement plans, both internally in the facility and externally as a supplier development tool. The benefits realized by suppliers who implemented the guidelines and by their customers include:

- A standard supplier evaluation.
- Global document.
- Efficient support for internal/external communication.
- Better performance due to logistics integration.
- Improved customer delivery ratings.
- Significant reduction of internal materials management and logistics cost.
- Reduction of premium freight costs.
- Improved customer relations.

The document is in Microsoft Excel file that includes a series of tabs dividing the self assessment into six chapters. Each chapter is divided into four to seven sub-chapters that contain a number of questions.

- **Chapter 1: Strategy and Improvement**
  - Vision and Strategy
  - Objectives
  - Measurement, Analysis and Action Plans
  - Continuous Improvement
  - Supply Chain Development

- **Chapter 2: Work Organization**
  - Organization Processes
  - Organization Procedures
  - Resource Planning
  - Work Environment and Human Resources

- **Chapter 3: Capacity and Production Planning**
  - Product Realization
  - Capacity Planning
  - Production Planning
  - Systems Integration

- **Chapter 4: Customer Interface**
  - Communication
  - Packaging and Labeling
  - Shipping
  - Transportation
  - Customer Satisfaction and Feedback
• Chapter 5: Production and Product Control
  ➢ Material Identification
  ➢ Inventory
  ➢ Engineering Change Control
  ➢ Traceability

• Chapter 6: Supplier Interface
  ➢ Supplier Selection
  ➢ Materials Planning and Logistics – Agreement/Instruction
  ➢ Communication
  ➢ Packaging and Labeling
  ➢ Transportation
  ➢ Material Receipt
  ➢ Supplier Assessment

Although every question in the document is of great importance to develop Materials Planning and Logistics performance, a weighted scoring system has been designed to identify areas, which should be given higher priority. This will allow focus on urgent issues to avoid the risk of not meeting customer requirements.

• **F1 requirements**: If not met, the organization’s competitiveness will be adversely affected.
• **F2 requirements**: If not met, customer satisfaction and the organization’s performance will be seriously affected.
• **F3 requirements**: If not met, there is a high risk of interruption to customer operations with additional costs to be incurred in the short term.

Scoring summary is automated and weights of the questions are included in the calculation and scoring. For every requirement that has been determined to be fulfilled by the assessment team, a score is triggered and the scoring summary is updated.

• **A-Level**: is achieved if 90% or higher is obtained overall.
  1) The supplier far surpasses minimum standards in every aspect.
  2) The supplier can be considered near “world class” standard.

• **B-Level**: is achieved if a score greater than 75% and less than 90% is obtained overall.
  1) The supplier is deficient in two or more aspects of given category or multiple categories.
  2) An action plan should be in place, and the corrective action should not require more than three months to implement.

• **C-Level**: is achieved if a score of less than 75% is obtained.
  1) The supplier is deficient in one or more critical aspects or high impact aspects of a given category.
2) Action plans are required to ensure deficiencies do not result in serious or prolonged issues to the customer.

Customers of AMC have required us to perform these self-assessments annually for all of our manufacturing facilities. As we proceed with our self-assessment and continual improvement activities, we may be requesting your participation and submission of your logistics activities. AMC is dedicated to improvement of our supplier base to improve the performance and delivery of our suppliers and enhance communication.

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