

# Introduction and Instructions

## Foreword

Materials Planning and Logistics (MP&L) is the process of managing the procurement, movement, and storage of materials, parts, and finished goods (and the related information flows) throughout the organization through the timely and cost-effective fulfillment of orders.

This assessment tool has been produced to assist organizations in developing and implementing world class MP&L processes.

The document is the result of a collaborative effort between work groups within Odette International Limited and the Automotive Industry Action Group to develop a single MP&L evaluation that can be used globally. MMOG/LE was derived from the Odette Logistics Evaluation (OLE) and AIAG's Materials Management Operations Guideline (MMOG), which were both originally published in 1999.

### 1) MMOG/LE Document Revisions

Odette and AIAG revise MMOG/LE at a minimum every three years to ensure the assessment tool reflects the needs of the industry for MP&L processes. This document contains revisions that were completed in September 2009 following extensive discussions in response to comments and proposals from existing users. A summary of the revisions is contained in the "Changes" worksheet.

### 2) ISO/TS16949 alignment

MMOG/LE comprises an MP&L audit that is aligned with ISO/TS 16949 and lean principles as a system for the identification and elimination of waste. The goal of ISO/TS 16949 is the development of a quality management system that provides for continual improvement, emphasizing defect prevention and the reduction of variation and waste in the supply chain. MMOG/LE complements this goal but emphasizes the MP&L processes.

MMOG/LE adopts the same "process approach" as ISO/TS 16949 for developing, implementing, and improving the effectiveness of MP&L processes in order to enhance customer satisfaction by meeting customer requirements.

A key advantage of using the same "process approach" as ISO/TS 16949 is the ongoing control that it provides over the linkage between the individual processes within the system of processes, as well as over their combination and interaction.

When used for MP&L processes, such an approach emphasizes the importance of:

- understanding and meeting requirements
- considering processes in terms of added value
- obtaining results of process performance and effectiveness
- continual improvement of processes based on objective measurement
- visual management through the use of charts and graphs

### 3) MMOG/LE Applications

This document comprises recommended business practices and is intended to establish a common definition of materials practices for the MP&L process both within the organization and with its trading partners.

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Automotive OEMs and suppliers can use this document for many purposes, including:

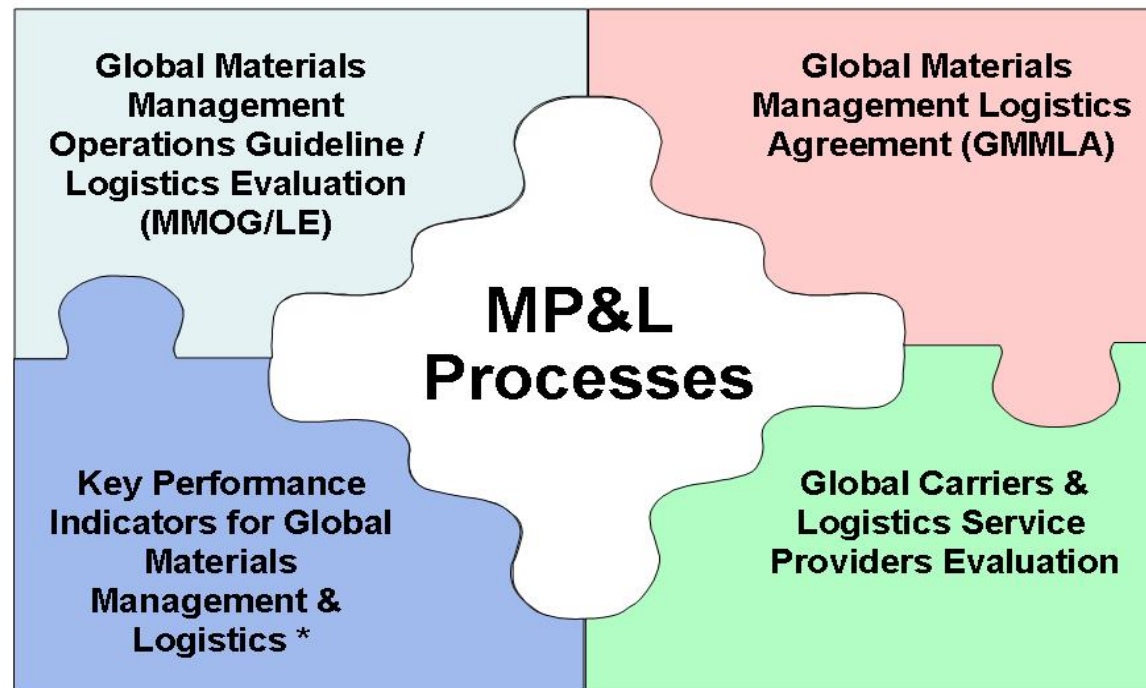
- Internal assessments
- Benchmarking current state / best practices
- Driving continual improvement
- Promoting supplier development by evaluating and improving supplier performance

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### 4) Global Best Practice Suite

MMOG/LE is one element in a Global Best Practice Suite of tools and recommendations for Materials Management and Logistics processes that have been developed collaboratively by AIAG and Odette. The Global Best Practice Suite is a complimentary set of tools to assist organizations in the application of world class MP&L processes. All of the tools are aimed at helping organizations measure themselves against Best Practice in order to identify areas of improvement. The tools are fully aligned with lean principles in that they provide a means for the identification and elimination of waste and the application of streamlined and effective processes. It is strongly recommended that organizations adopt these tools and recommendations. The Global Best Practice Suite is shown below followed by a brief explanation of each element.

### Global Best Practice Suite



\*KPI for Carriers/LSPs is currently available only as an Odette document

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The Global Materials Management Logistics Agreement (GMMLA) contains operational guidelines for a materials management and logistics agreement between parties. The main objective of the Logistics Agreement is to ensure that the day-to-day operational relationship is fully defined and documented in order to clarify roles, responsibilities, expectations, and commitments and to avoid the possibility of misunderstandings and conflict. The application of GMMLA principles is particularly beneficial when operating new trading partners in emerging markets.

The KPI for Global Materials Management and Logistics (KPI for GMML) defines standard key performance indicators for materials management and logistics in the automotive industry. Common performance indicators facilitate a better understanding between business partners.

The Logistics Evaluation for Carriers and Logistics Service Providers (LSP) was developed to produce one common Carrier and LSP evaluation that can be used by the shipper, LSP, carrier, and customer. This assessment tool evaluates carrier and LSP processes in the same manner that MMOG/LE evaluates MP&L processes. The document can be used by an individual organization within the supply chain as a self-assessment or can be used between business partners as an audit tool. In both cases, the resulting evaluation provides a comprehensive assessment of the Carrier's and/or LSP's performance and capability.

For further information on where to obtain a copy of any of these documents, see the Further Information worksheet.

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### 1) The Purpose of MMOG/LE

Customer demands for shorter lead times and reliable delivery has created a need for faster, more flexible, and more efficient flow of information and products throughout all tiers of the supply chain. Business logistics plays an increasingly significant role in the competitive environment and only through continual improvement can an organization ensure lower costs and increased customer satisfaction. It is essential that MP&L processes are controlled and monitored to ensure internal and external customer expectations are met and to drive continual improvement through the supply chain.

The purpose of MMOG/LE is to provide a single assessment tool that enables a comprehensive evaluation of MP&L performance and capability. The tool can be used by both supplier and customer throughout the entire product life cycle, including the early product development and pre-production phases, and the post-production aftermarket/service phases. MMOG/LE can be used by every partner in the supply chain for self-assessment, or can be used between business partners as an audit tool for supplier selection and evaluation.

MMOG/LE is a comprehensive assessment tool that measures an organization's MP&L processes against Best Practice including such aspects as sustainability, corporate responsibility and environmental protection. As such, the assessment process can be quite invasive requiring some in-depth investigation by the assessor(s) in order to establish evidence of compliance. It is recognized that the resources required to undertake this depth of review can generally be absorbed within a relatively large organization but may be intimidating and time-consuming for a smaller organization. In order to accommodate for these different conditions, the following guidelines are given on the practical application and use of MMOG/LE:

In the majority of cases, it is expected that organizations will undertake the assessment in full in order to develop a thorough and meaningful result and scoring classification. Where an assessment is being conducted between business partners, it is imperative that the customer shall define the extent and conditions of the assessment process.

However, in certain operational circumstances, particularly for relatively small organizations, it is important to optimize resources and balance their availability to undertake the assessment in line with the customer's expectations. The customer shall advise whether a full assessment is to be conducted or, if not, the required extent of the assessment by defining those elements or criteria that are of particular importance or a priority. Clearly, if the evaluation is to be conducted as an internal self-assessment, the organization can decide which elements or criteria are to be prioritized.

There are numerous ways in which the important elements or criteria may be selected when using MMOG/LE internally or with sub-suppliers. For example, within the MMOG/LE each criterion is weighted F3, F2, or F1 according to their relative importance against world-class Best Practice. Therefore, it may be appropriate for the organization to be assessed, or assess itself, only against the F3 criteria rather than undertake a full assessment.

Alternatively, there may be certain operational considerations, such as the customer or supplier interface / relationship, that are considered most critical and need to be addressed as a priority. In this case, it would be appropriate for the organization to be assessed, or assess itself, against the criteria contained only in the MMOG/LE's Customer Interface and Supplier Interface chapters, respectively.

### 2) Objectives

The document aims to achieve the following objectives:

- Produce a common MP&L evaluation that can be used by all business partners both internal and external.
- Enable MP&L continual improvement plans to be developed and prioritized, thus enabling time to be spent on those activities that offer the greatest benefit.

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- Establish the components of a MP&L system for suppliers of goods and services within the automotive industry in order to:
  - Drive continual improvement within the organization
  - Improve delivery performance within the supply base
- Provide a basis for benchmarking activities and to identify 'Best Practice Criteria' of MP&L processes for driving continual improvement plans.

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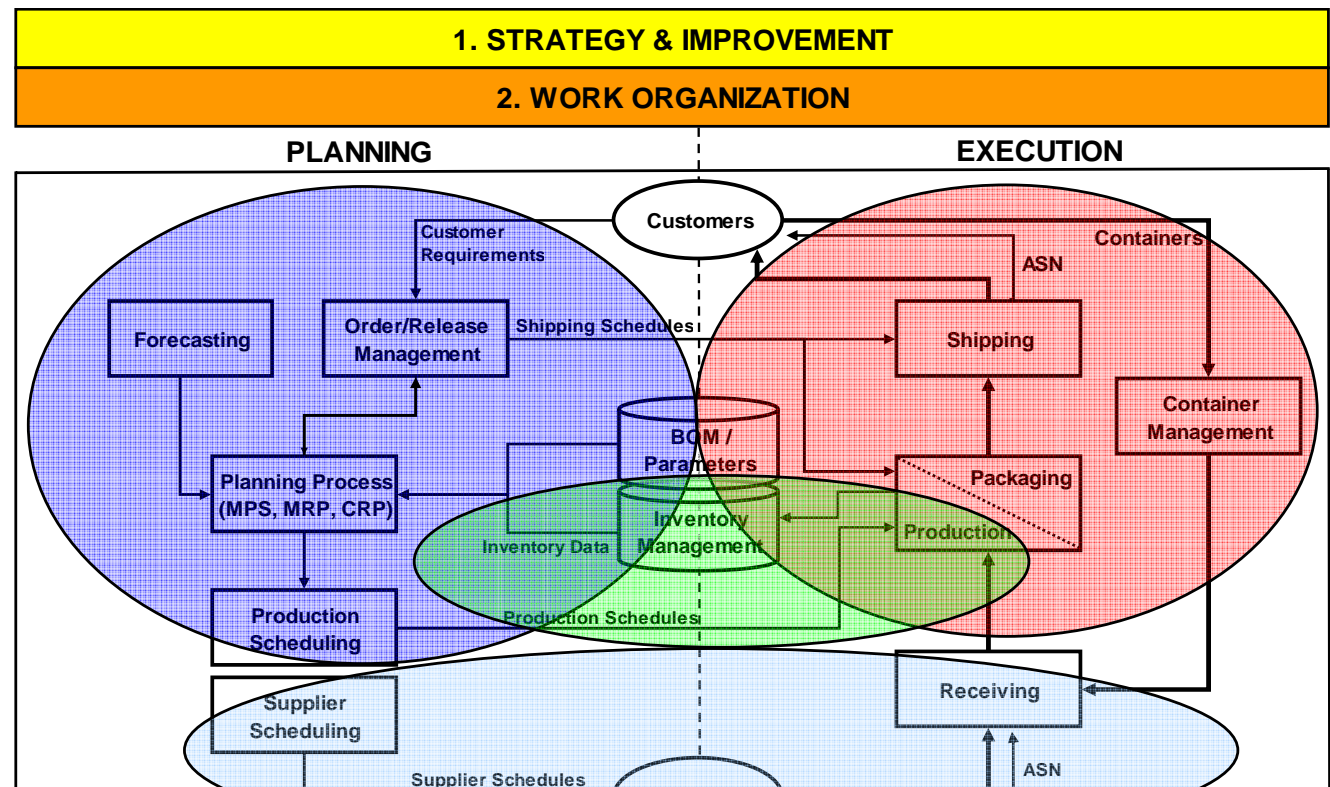
**Minimum System Requirements:** Macros must be enabled in order to run the entire workbook. 2007, etc.

### 3) Explanation of the Evaluation Document

The Document has been divided into six chapters. By working through the criteria in each of these chapters, it is possible for organizations to assess their MP&L performance and capability and gain guidance towards “Best Practice” within the industry.

While this document focuses on the materials activities within the organization, the following Materials Planning and Logistics Business Model illustrates that these activities are not performed in isolation. The organization is in constant communication with its supply chain partners. The model below depicts the typical processes and responsibilities within the MP&L function for both the material and information flows and the relevant MMOG/LE chapter that assesses the activity. The colored areas relate to the various MMOG/LE chapters, as indicated in the legend.

### Materials Planning and Logistics Business Model

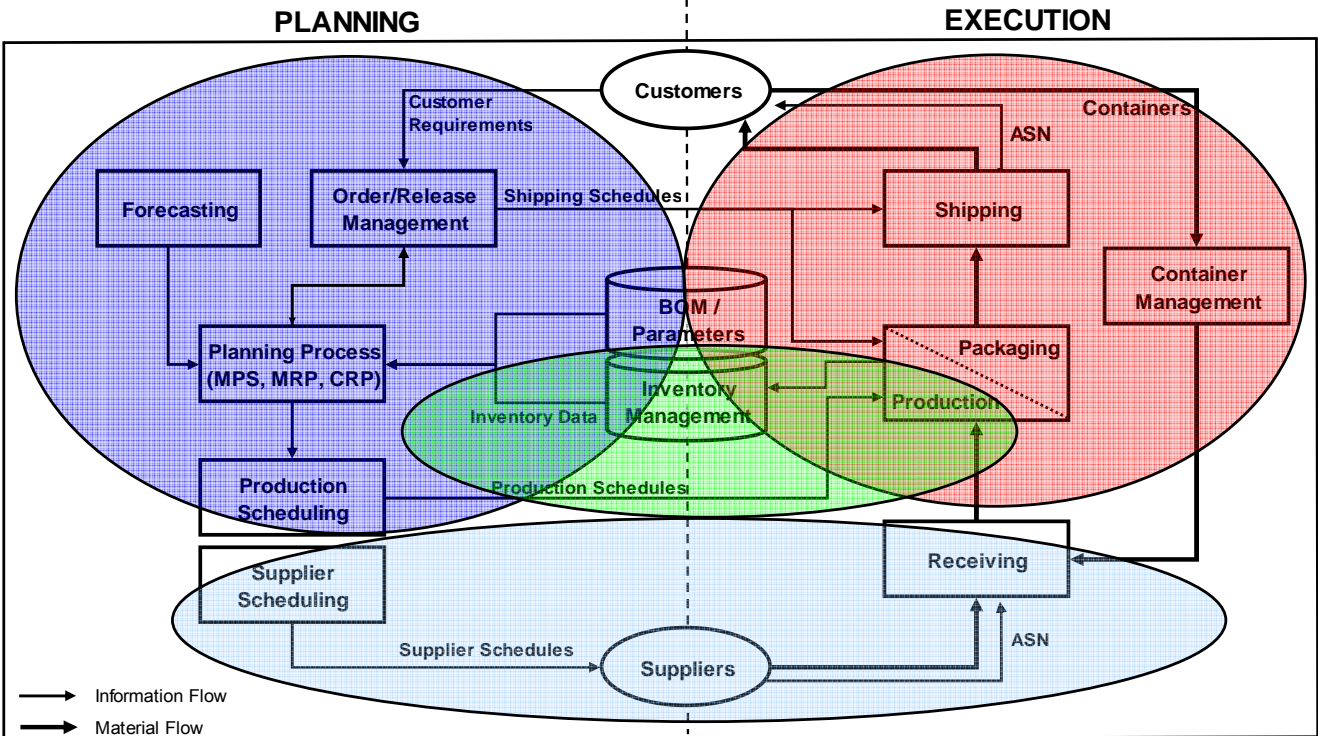


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**LEGEND:** The color coding relates to the following MMOG/LE chapters:

1. Strategy & Improvement
2. Work Organization
3. Capacity & Production Planning
4. Customer Interface
5. Production & Product Control
6. Supplier Interface



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## **CHAPTER ONE - STRATEGY AND IMPROVEMENT**

- 1.1 Vision & Strategy
- 1.2 Objectives
- 1.3 Measurement, Analysis, and Action Plans
- 1.4 Continual Improvement
- 1.5 Supply Chain Development

## **CHAPTER TWO - WORK ORGANIZATION**

- 2.1 Organizational Processes
- 2.2 Organizational Procedures
- 2.3 Resource Planning
- 2.4 Work Environment & Human Resources

## **CHAPTER THREE – CAPACITY & PRODUCTION PLANNING**

- 3.1 Product Realization
- 3.2 Capacity Planning
- 3.3 Production Planning
- 3.4 Systems Integration

## **CHAPTER FOUR – CUSTOMER INTERFACE**

- 4.1 Communication
- 4.2 Packaging & Labeling
- 4.3 Shipping
- 4.4 Transportation
- 4.5 Customer Satisfaction & Feedback

## **CHAPTER FIVE – PRODUCTION & PRODUCT CONTROL**

- 5.1 Material Identification
- 5.2 Inventory
- 5.3 Engineering Change Control
- 5.4 Traceability

## **CHAPTER SIX – SUPPLIER INTERFACE**

- 6.1 Supplier Selection
- 6.2 Materials Planning & Logistics Agreement
- 6.3 Communication

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- 6.4 Packaging & Labeling
- 6.5 Transportation
- 6.6 Material Receipt
- 6.7 Supplier Assessment

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### 4) Explanation of Criteria Weighting

All criteria within the assessment are important to the overall development of MP&L performance and capability. However, certain key criteria are regarded as being fundamental MP&L processes and hence should be recognized as having a greater level of importance. Conversely, some criteria may be regarded as an enhancement of a basic MP&L process, which go beyond normal expectations and/or are undertaken by organizations to increase their competitiveness. A weighted scoring system has been incorporated within MMOG/LE to reflect these different levels of importance. The weighting provides a means of grading the criteria by level of importance so that the organization can identify and focus on the priority issues to ensure compliance with their business partners' requirements.

Three levels of weighting have been defined and color coded and are shown below in descending level of importance:

#### Scoring/Weighting

Each criterion has been assigned a weighting factor defined as follows:

**F3 - A key MP&L process that is a fundamental requirement of the organization's operations. If an F3 criterion is not met, there is a high risk of interruption to the organization's and/or customer's operations and the likelihood of additional costs being incurred. There are 35 F3 criteria, each scoring three points, which represents approximately 30% of the total available score.**

**F2 - An MP&L process that has significant importance to the efficiency and effectiveness of the organization's operations. If an F2 criterion is not met, the organization's performance and customer satisfaction may be seriously affected. There are 75 F2 criteria, each scoring two points, which represents approximately 43% of the total available score.**

**F1 - An MP&L process that demonstrates ongoing control of operational processes contributing to the organization's overall competitiveness. If an F1 criterion is not met, the organization's long-term sustainability and competitiveness may be negatively impacted. There are 96 F1 criteria, each scoring one point, which represents approximately 27% of the total available score.**

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### 5) Classification

#### A-Level

Definition: The organization is compliant in all key criteria and can demonstrate that the materials management processes in use at the facility are best practice. In support of continual improvement, the development of an action plan should be considered in order to eliminate any remaining unmet criteria.

A-Level classification will be realized by achievement of all the following:

- 1) Compliance to all F3 criteria
- 2) Non-compliance to fewer than six F2 criteria
- 3) A total score of 90% or higher

#### B-Level

Definition: The organization is deficient in several areas that may impact its ability to support the needs of the customer. An action plan should be developed and implemented in a timeframe that meets the needs of the business and its customer(s).

B-Level classification will be realized by achievement of all the following:

- 1) Compliance to all F3 criteria
- 2) Non-compliance of six to 12 F2 criteria
- 3) A total score greater than 75% and less than 90%

#### C-Level

Definition: The organization is deficient in several key criteria as defined below. An action plan should be developed immediately and implemented in a timely manner to ensure deficiencies do not result in serious or prolonged issues to the customer.

C-Level classification will be realized from any of the following:

- 1) Non-compliance to any F3 criterion,
- 2) Non-compliance to 13 or more F2 criteria
- 3) A total score less than 75%

The Gap Analysis and Progression Chart worksheets should be used to track the progress of the organization's classification based on action plans to implement improvement activities. Details on how to use these tools are explained within the Instructions section.

## Instructions

### ➤ Education and Training

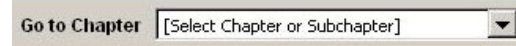
It is imperative that assessors have a clear understanding of the assessment process before starting the evaluation. AIAG and Odette offer MMOG/LE training on a global basis. The Further Information worksheet within this document contains contact details of organizations that can provide additional information, support, and training on MMOG/LE.

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### ➤ Document Navigation

The MMOG/LE document comprises 14 separate worksheets. Eight of the worksheets contain background information and recommendations on how to use MMOG/LE or obtain further advice. Most of this information is found in the Introduction & Instructions, Frequently Asked Questions (FAQs), and Further Information worksheets. The remaining worksheets are working documents that contain data collected during the assessment process, assessment results presented in tabular and graphical form, and improvement action plans and associated timing.

It is recognized that, during the assessment process and the subsequent analysis and action plan development, the user will need to operate among several of the worksheets in order to check criteria and/or input information. In order to assist the user to switch quickly among the worksheets and sub-chapters within the Assessment worksheet, two drop-down lists are provided in the header of each worksheet. The first drop-down list entitled "Go To Worksheet" allows the user to select the worksheet they want to open. The second drop-down list entitled "Go To Chapter" allows the user to select the appropriate chapter or sub-chapter within the Assessment worksheet they want to access.

1.2.1

Further document navigation assistance is provided in the form of hyperlinks within the Scoring Summary and Gap Analysis worksheets. The sub-chapter reference numbers colored blue in the column headed "Criteria" provide direct access to the appropriate sub-chapter in the Assessment worksheet.

Toggle

Regardless of which method is used to navigate through the document, the "Toggle" button, situated in the header of each worksheet, may be used to return to the previous starting position. This is particularly useful when the user is required to switch regularly between the same two sections of the document in order to check information or input data.

### ➤ Assessment Responsibility

MMOG/LE has been developed so that an assessment can be undertaken on several bases, namely: an internal self-assessment, a verified assessment by the customer, or a verified assessment by a customer-approved third party assessor. It is recommended that an assessment is completed on a yearly basis or as required by the customer.

It is imperative that the name of the company, assessment date, name of the assessor(s), and, where appropriate, the name of the verifying assessor are entered in the appropriate section at the bottom of the Scoring Summary. An A, B, or C Classification will not be shown if this information is omitted.

In some larger organizations it may be necessary to use several assessors to conduct a full evaluation. In these circumstances it is important to record the name of each assessor and the chapter / sub-chapters he or she audited. This information should be recorded in Column T within the Scoring Summary alongside the corresponding sub-chapter and, if appropriate, the name of the Verifier should be recorded in Column U.

The customer should be consulted on how to complete the assessment when multiple facilities (e.g. manufacturing, shipping, warehousing) are involved in the assessment process. The organization being assessed is responsible for coordinating the collection and compilation of assessment information from other facilities.

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### ➤ What resources are needed?

The MMOG/LE assessment process requires the involvement and support of top management. It is also recommended to obtain feedback from supply chain partners for MMOG/LE criteria to validate the effectiveness of processes (e.g. electronic communications, agreements). The total time required to complete the assessment will vary depending on the size and complexity of the organization. In addition, sufficient time and resources should be allowed to prepare and implement the actions. All activities related to MMOG/LE should be coordinated and supervised by one person. This is particularly important in a large, multi-site organization where it is advised that a MMOG/LE Champion be appointed to ensure a consistent assessment approach is adopted across all facilities. Additionally, the Champion can help to ensure low-performing plants can leverage best practices from high-performing plants. The recommended people/departments who will be required to be involved in the assessment process will include, but not be limited to:

Top Management

MP&L Manager

Purchasing/Procurement Manager

Production Managers

Administration Personnel

Engineering Manager

Distribution Manager

Human Resources

Quality Assurance Manager

IT/IS staff

Key operational personnel at all facilities (e.g. manufacturing, shipping, warehousing) required to complete the assessment

The assessor may also need input from suppliers, customers, and service providers.

### ➤ Preparation

- Read through the document carefully.
- Identify the people who will be involved in the Assessment process, including top management.
- Inform participants that objective evidence (e.g. process flow charts, procedures, organization charts) and information will be needed for each criterion.
- Understand any specific customer requirements (e.g. EDI, inventory systems, bulletin boards, capacity planning, packing, and labeling) before responding to MMOG/LE criteria.
- Establish a preliminary time frame for undertaking the initial assessment.
- Take into account that after completion of the initial assessment, more time may be needed to eliminate any critical gaps identified. Experience has shown that some complex gaps can take between 3-12 months to resolve.

Assessors should be aware that customers and other trading partners may have specific MP&L requirements that are not explicitly incorporated within the MMOG/LE. It is recommended that the assessor contact the customer regarding any specific requirements and how they are to be recorded.

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### ➤ Completing the Evaluation

When carrying out an assessment, the assessor should take into account a number of factors before deciding whether the organization is compliant with a criterion. It is not sufficient to simply determine if there is a process in place that satisfies the condition. The organization should also check that the process is understood and adhered to, and the output of the process is delivering the required or expected outcome on a consistent basis. Objective evidence that the process is stable and well established in the organization is key.

Throughout the assessment, “**shall**” indicates a situation where adherence to the criteria is mandatory to the materials management function.

There are three possible responses that can be made against each criterion, which are defined as follows:



indicates that the organization is COMPLIANT with the criterion.



indicates that the criterion is considered NON APPLICABLE by the organization and its customer(s). The definition and administrative process for managing N/A criteria are explained in detail in the next section.



A blank response indicates that the organization is NON COMPLIANT with the criterion.

The process for entering a response is semi-automated. A response is recorded by clicking onto the box in Column D within the Assessment worksheet. The first click on the box will display a “✓”, a second click on the box will display “N/A”, a third click will display a blank box. The box may be clicked as many times as necessary to display the required response. Please allow at least one second between clicks, otherwise a warning message will be displayed.

The content of the box automatically populates the Scoring Summary and Gap Analysis worksheets.

Alongside each criterion within the Assessment there is a COMMENT box that should be used to record any information regarding the assessment response. For example, the assessor could record details of any objective evidence, the reason for a non-compliance, or any other information that might assist in understanding the operating conditions at the time of the assessment. **It is a mandatory requirement to record in the COMMENT box the reasons why a criterion is deemed Non Applicable.** The content of the COMMENT box is transferred automatically to the Gap Analysis worksheet.

Within some of the criteria, references and examples--prefixed by “e.g.”--have been included to assist the assessor's understanding. However, examples included in the criteria should not be considered to be an exhaustive or all-inclusive listing.

To assist an assessor seeking further clarification on a particular topic or criterion, a MMOG/LE Frequently Asked Questions (FAQ) process has been defined in the FAQ worksheet. An FAQ website has been established to display frequent requests and their corresponding responses. New FAQs are reviewed on a quarterly basis by an MMOG/LE FAQ Committee and the website is updated accordingly. FAQ information can be accessed by using the website address shown in the FAQ worksheet.

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### ➤ "Non Applicable" Criteria

MMOG/LE is a best practice assessment tool that comprises the fundamental logistics activities required to be undertaken within an efficient and effective organization. However, there may be exceptional cases where an organization believes it does not undertake certain logistics activities because of the nature of its business and hence a particular criterion or group of criteria are considered irrelevant or "non applicable".

There is a formal process to be followed for the designation and approval of Non Applicable criteria, which is explained in this section.

In the initial assessment, the assessor should identify which criteria are considered "Non Applicable" by entering a "N/A" in the appropriate box in column D of the Assessment section. The assessor shall then record the reasons why the criterion is considered "Non Applicable" in the Comment box alongside the criterion. Any "N/A" response is automatically transferred and displayed in the Scoring Summary worksheet including the total number of "N/A" criteria within the assessment, which is reported in Row 140 of the Scoring Summary.

At this stage of the assessment process, all "N/A" criteria are considered as "Non Compliant" and hence the scoring and resulting classification does not include the points associated with each of the "N/A" criteria. This condition is confirmed within the Scoring Summary where all "N/A" information and data are shown in **RED**.

In order for points associated with the "N/A" criteria to be included in the scoring and classification, it is necessary for the customer to approve the designation of all "N/A" criteria. When approval is given, the following information shall be recorded in the appropriate Comment box in the Assessment worksheet:

- Name of the customer representative providing the approval
- Date of approval
- Reason why the criterion is considered "Non Applicable"

The name of the customer representative shall also be entered in Cell J141 at the bottom of the Scoring Summary.

After input of the customer approval name, all "N/A" criteria will be considered as "Compliant", the associated points will be included in the scoring and classification results, and the "N/A" data within the Scoring Summary will be shown in **GREEN**. All "N/A" criteria **NOT** approved by the customer shall be changed by the assessor to a "Non Compliant" status by recording a "blank" in the Assessment worksheet - an appropriate comment may be recorded in the COMMENT box alongside the relevant criterion.

 A rectangular button with a grey border and the text "View Non Applicable" in bold black font.

By clicking on the "View Non Applicable" button in the header of the Scoring Summary worksheet, the user can see a full listing of all "N/A" criteria.

Clicking on the "Toggle" button will return the user to the Scoring Summary worksheet.

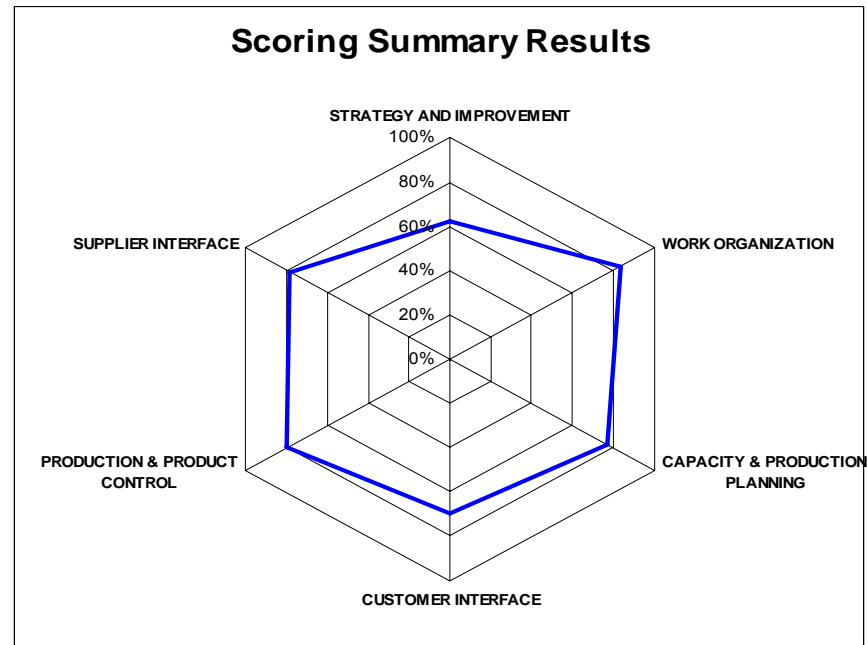
**NOTE: The approval of "Non Applicable" criteria by a customer shall not be presumed to be acceptance by all customers.**

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### ➤ Scoring Summary and Radar Charts

As explained in the Introduction section, 3 points are awarded for each compliant F3 criterion, 2 points for each compliant F2 criterion, and 1 point for each compliant F1 criterion. The results of the assessment are transferred automatically to the Scoring Summary worksheet where the overall score and classification are shown. As stated earlier, the classification will not display unless the Company Name, Assessor Name, and Assessment Date have been entered at the bottom of the Scoring Summary.

The assessment result and classification are detailed in the Scoring Summary worksheet. In order to present the outcome in a more visual form, the results are presented graphically in a radar chart format. The Scoring Summary Results chart contained in the Radar Chart worksheet shows the overall score attained for each chapter along with the total score and resulting classification. A typical result is shown below:



Six additional radar charts, one for each MMOG/LE chapter, which show the individual sub-chapter scores are contained in the Radar Charts-Subchapter worksheet. Below the six individual charts is a single radar chart that shows the scores for ALL the sub-chapters. Each chart shows the result as a percentage of the maximum score attainable.

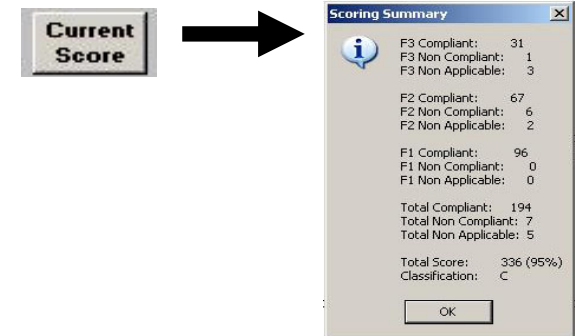
The content of the Radar Charts reflects the status of the "N/A" condition, i.e. if the "N/A" criteria are not approved by the customer, the associated points are not included in the results.

Note: The Radar Charts may be reformatted by the user and copied into other files if necessary.

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A summary of the current score and classification can be seen at any time by clicking on the "Current Score" button situated in the header of the Assessment, Scoring Summary, Gap Analysis, Progression Chart, and Radar Charts worksheets. This feature is intended to provide the user with a rapid means of reviewing the assessment status by showing the following summarized information:

- number of F3 criteria that are compliant, non compliant and non applicable
- number of F2 criteria that are compliant, non compliant and non applicable
- number of F1 criteria that are compliant, non compliant and non applicable
- total number of criteria that are compliant, non compliant and non applicable
- total score and percentage
- classification (A, B, or C)



### ➤ Gap Analysis

A primary objective of the Gap Analysis is to record details of all non compliant criteria and track the progress and timing until compliance is achieved. The Gap Analysis worksheet provides a means of recording the content, responsibility, timing, and cost of improvement action plans.

To aid the user, a summary of the number of compliant, non compliant and non applicable criteria in the assessment is shown immediately below the header within the Gap Analysis worksheet. The next section explains the content of the Gap Analysis and how an action plan should be developed.

All responses and comments from the Assessment worksheet are transferred automatically into the Gap Analysis. Completion Dates should be entered for all criteria that are designated as compliant. Only valid completion dates will be accepted, i.e. the current date or earlier. Otherwise, an "Invalid Completion Date" prompt will appear asking the user to either "re-try" or "cancel" the routine.

The "Select Filter Option" box in the header of the Gap Analysis worksheet includes the following 15 pre-defined filter options:



- ALL Criteria - displays details for all the criteria within the assessment
- Non Compliant Criteria - displays details of only those criteria that are designated as Non Compliant
- Compliant Criteria - displays details of only those criteria that are designated as Compliant
- F1 Criteria - displays details of only F1 criteria
- F2 Criteria - displays details of only F2 criteria
- F3 Criteria - displays details of only F3 criteria
- Missing Completion Date - displays details of only those criteria that are designated as Compliant and have no Completion Date in the Gap Analysis
- Missing Target Date - displays details of only those criteria that are designated as Non Compliant and have no Target Date in the Gap Analysis
- Missing Action Plans - displays details of only those criteria that are designated as Non Compliant and have no Action Plans in the Gap Analysis
- Invalid Completion Date - displays details of only those criteria that are designated as Non Compliant but have a Completion Date in the Gap Analysis
- Past Due Target Date - displays details of only those criteria that have a Target Date that is earlier than today's date


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- Non Applicable Criteria
  - N/A Criteria with Target Date
  - Analysis
  - N/A Criteria with Completion Date
  - Gap Analysis
  - N/A Criteria Missing Comment
  - Assessment
- displays details of only those criteria that are designated as Non Applicable
  - displays details of only those criteria that are designated as Non Applicable but have a Target Date in the Gap
  - displays details of only those criteria that are designated as Non Applicable but have a Completion Date in the
  - displays details of only those criteria that are designated as Non Applicable but are missing a comment in the

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The filters have been selected to allow the user to directly access a listing of criteria that have a specific status so that the processes of analysis and data maintenance are simplified. The Missing Completion Date, Missing Target Date, Missing Action Plans, Invalid Completion Date, and Past Due Target Date filters are particularly helpful in maintaining data accuracy, especially prior to creating a new Progression Chart.

**It is possible to apply an alternative filter by taking the following steps:**

- Click on  in any column heading.
- Select a value from the drop-down list **OR**
- To type in your own filter criteria, select "(Custom...)" in the drop-down list.

Note: When you apply a filter to a column, the arrow will turn blue (  )

The only values visible in the other columns will be a subset of the currently filtered range.

Customize



Select a value



### ➤ Developing an Action Plan

The "Show non compliant criteria" filter in the Gap Analysis provides a full listing of all the non compliant criteria within the assessment and, in conjunction with the criteria weighting (F3, F2, or F1), gives a very clear indication of the priorities for improvement activities.

An action plan should be developed for all the non compliant criteria. It is important to analyze carefully each non compliant criteria before defining a problem resolution measure and recording the action plan and associated target date within the appropriate cells of the Gap Analysis. Only valid target dates will be accepted, i.e. a date later than the current date. Otherwise an "Invalid Target Date" prompt will appear asking the user to either "re-try" or "cancel" the routine.

The Gap Analysis has sufficient functionality to act as a continual improvement project management tool. Key elements such as the current state, gap to be closed, improvement action plans, person(s) responsible, and target date for completion should all be recorded.

The "Target Date" information is used to drive the Progression Chart (explained in the next section). Based on the "Target Date" for each improvement activity the Progression Chart shows graphically how the organization's assessment score and classification will develop over time. This chart is particularly useful when monitoring progress against internal or customer-defined improvement targets.

It is recognized that organizations may want to use an alternative or more comprehensive / established project management tool. However, it is important that, as a minimum, the Target Date for each improvement activity is updated within the Gap Analysis so that a Progression Chart can be created.

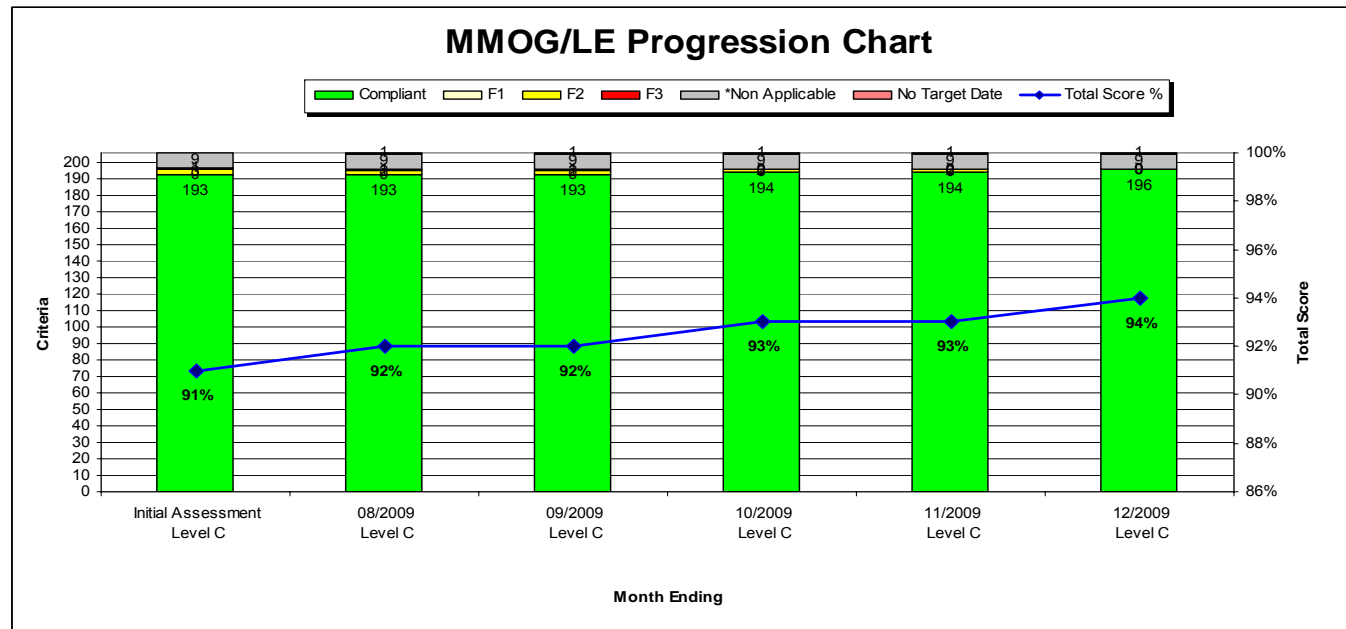
In order to be effective, it is imperative that the support of top management is obtained and resources are allocated to prepare and implement the action plans in a timely manner. The recommended minimum review period is monthly for project leaders, and quarterly for executive management, until all action items are resolved, stabilized, and closed. However, the reviews may be held more frequently if deemed necessary by executive management or the customer.

## Introduction and Instructions

### ➤ The Progression Chart

The Progression Chart provides a graphical representation of the Scoring and Classification progress according to the action plan "Target Dates" entered in the Gap Analysis.

The Progression Chart is in the format of a bar chart. The first bar displays how many criteria are compliant as of the Assessment Date recorded in the Scoring Summary worksheet. The bar shows the number of compliant criteria, the number of non compliant criteria by weighting (F3, F2, and F1), and those that are N/A or have "No Target Date". Subsequent bars show the status at the end of each corresponding month based on the Target Dates entered in the Gap Analysis. The month ending and resulting A, B, or C classification is shown on the horizontal axis. Similarly, the progress of the Total Score % is tracked monthly and shown as a line graph on the bar chart.



A Progression Chart is created and overwrites the existing version following each new request. A current version of the Progression Chart can be retained by creating a Chart Data worksheet. A picture of the Progression Chart is copied automatically into the corresponding Chart Data worksheet. The process by which a Chart Data worksheet is created is explained later in this section.

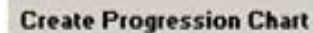
Note: The formatting of the chart may require some adjustment by the user when there is a high level of information being displayed.

## Introduction and Instructions

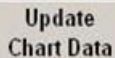
Before creating a Progression Chart, it is important that the data within the Gap Analysis with respect to Completion Dates, Target Dates, and Action Plans are accurate and up to date. It is recommended that any missing or invalid data be corrected prior to creating a Progression Chart by using the following pre-selected filters within the Gap Analysis:

- Missing Target Dates
- Missing Action Plans
- Invalid Completion Dates
- Past Due Target Dates
- N/A Criteria with Target Dates
- N/A Criteria with Completion Dates
- N/A Criteria Missing Comments

After input of Completion Dates for compliant criteria and new/modified Target Dates for non compliant criteria, a Progression Chart can be produced by clicking on the "Create Progression Chart" button situated in the header of the Gap Analysis worksheet or, alternatively, clicking on the "Update Chart Data" button in the header of the Progression Chart worksheet.

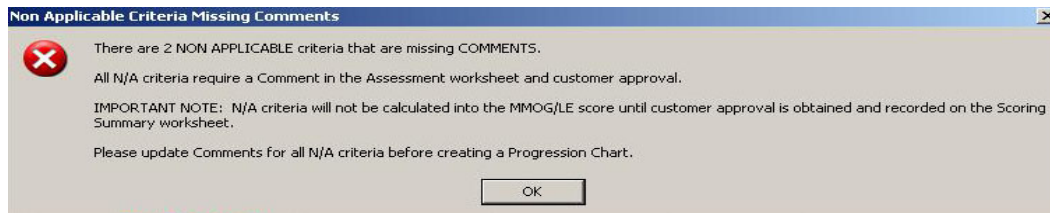


**Button located in Gap Analysis worksheet - creates a new Progression Chart**



**Button located in Progression Chart worksheet – creates a new Progression Chart**

When either of these features is selected, the system automatically checks the consistency and completeness of completion and target date information recorded in the Gap Analysis. The Progression Chart will be created when all the necessary data are properly recorded and correct. However, when additional information or confirmation is necessary, a prompt panel is shown that describes the issue, the specific criterion involved, and the choice of actions for the user. Examples of a prompt panel are shown below:



## Introduction and Instructions

Each of the checking and prompt panel routines is described below:

- **"Assessment Date Required"** - this prompt panel appears when the assessment date, has not been recorded in the Scoring Summary. The prompt advises the user to click on the "OK" button, which then automatically takes the user to the Assessment Date cell in the Scoring Summary. After entering the assessment date the user should re-start the process by clicking on the "Create Progression Chart" button in the Gap Analysis worksheet.
- **"Non Applicable Criteria Missing Comments"** - this prompt panel appears when there are no comments in the COMMENT box alongside a non applicable (N/A) criterion within the Assessment worksheet. Documenting the reasons why a criterion is designated N/A is a mandatory requirement so that the conditions at the time of the assessment can be recorded. The prompt advises the user to click on the "OK" button, which then automatically opens a filtered listing within the Gap Analysis of all N/A criteria that do not have comments. After entering the comments, the user should re-start the process by clicking on the "Create Progression Chart" button in the Gap Analysis worksheet.
- **"Conflicting Response for Non Applicable Criteria"** - this prompt panel appears when there are Target Dates or Completion Dates recorded in the Gap Analysis for N/A criteria. By definition, N/A criteria do not require Target Dates or Completion Dates and hence the dates need to be deleted. The prompt states how many N/A criteria have Target Dates or Completion Dates and advises the user to click on the "OK" button, which then automatically displays a filtered listing within the Gap Analysis of all relevant criteria. After deleting the unwanted Target Dates and/or Completion Dates, the user should re-start the process by clicking on the "Create Progression Chart" button in the Gap Analysis worksheet.
- **"Conflicting Responses for Non Compliant Criteria"** - this prompt appears when a criterion is shown as non compliant in the Assessment but there is a Completion Date recorded in the Gap Analysis. The user is taken through each criterion that needs to be corrected and prompted with the following options:
  - o **Update Criterion** - to change the status of the criterion within the Assessment worksheet to compliant. A "Criterion Updated" panel is shown confirming that the status of the criterion has been changed to compliant.
  - o **Clear Completion Date** - to delete the Completion Date from the Gap Analysis. A "Completion Date Cleared" panel is shown confirming that the Completion Date has been deleted from the Gap Analysis.
  - o **Exit Program** - to exit the routine and review/edit a filtered list of all non compliant criteria with Completion Dates. An "Operation Cancelled" panel is shown to confirm the routine has been cancelled and that the Progression Chart was NOT created. The user should then review all non compliant criteria that have Completion Dates and correct the data before re-running the Progression Chart.
- **"Missing Completion Date"** - this prompt appears when a criterion is shown as compliant in the Assessment but there is no Completion Date in the Gap Analysis. The prompt states the number of criteria that are missing completion dates and advises the user to click on the "OK" button, which then automatically displays a filtered listing within the Gap Analysis of all relevant criteria. After inputting the required Completion Dates, the user should re-start the process by clicking on the "Create Progression Chart" button in the Gap Analysis worksheet.
- **"Past Due Target Date"** - this prompt appears when an original Target Date has lapsed because the improvement action plan has not been completed on time. The Progression Chart requires a valid Target Date to be entered. The prompt states the number of criteria that have past due Target Dates and advises the user to click on the "OK" button, which then automatically displays a filtered list within the Gap Analysis of all relevant criteria. After inputting a valid Target Date, the user should re-start the process by clicking on the "Create Progression Chart" button in the Gap Analysis worksheet.

## Introduction and Instructions

▪ "Missing Target Date" - this prompt appears when a criterion is shown as non compliant in the Assessment and there is no Target Date in the Gap Analysis. It is not a mandatory requirement to enter Target Dates for all non compliant criteria in order to create a Progression Chart. However, non compliant criteria without Target Dates will not be accounted for in the resulting Progression Chart.

The prompt states the number of non compliant criteria that are missing Target Dates and the following options:

- o **Review Criteria** - to review in sequence each non compliant criterion without a Target Date. The user is then prompted with the following options:
  - *Next Criterion* - to review the next non compliant criterion without a Target Date
  - *Bypass Review* - to bypass the remainder of the review process and proceed to create a Progression Chart
  - *Exit Program* - to exit the program and review/edit a filtered list of criteria with missing Target Dates
- o **Bypass Review** - to bypass the review process and proceed to create a Progression Chart
- o **Exit Program** - to exit the program and review/edit a filtered list of criteria with missing Target Dates. An "Operation Cancelled" panel is shown to confirm the routine has been cancelled and that the Progression Chart was NOT created. The user should then review all missing Target Dates and enter Target Dates where appropriate before re-running the Progression Chart.

▪ "Missing Action Plans" - this prompt appears for non compliant criteria that do not have Action Plans recorded in the Gap Analysis worksheet. It is not a mandatory requirement to enter Action Plans for all non compliant criteria in order to create a Progression Chart. However, it is recommended that Action Plans are properly documented within the Gap Analysis so that an adequate record of proposed improvement activities can be maintained.

The prompt states the number of non compliant criteria that are missing Action Plans and the following options:

- o **Review Criteria** - to review in sequence each non compliant criteria without Action Plans. The user is then prompted with the following options:
  - *Next Criterion* - to review the next non compliant criterion without an Action Plan
  - *Bypass Review* - to bypass the remainder of the review process and proceed to create a Progression Chart
  - *Exit Program* - to exit the program and review/edit a filtered list of criteria with missing Action Plans
- o **Bypass Review** - to bypass the review process and proceed to create a Progression Chart
- o **Exit Program** - to exit the routine and review/edit a filtered list of criteria with missing Action Plans. An "Operation Cancelled" panel is shown to confirm the routine has been cancelled and that the Progression Chart was NOT created. The user should then review all missing Action Plans and input details where appropriate before re-running the Progression Chart.

When all the relevant data have been inputted and the checking process has been completed, a Progression Chart will be created.

## Introduction and Instructions

### ➤ Chart Data

The Progression Chart worksheet shows a graphical representation of the Scoring and Classification progress according to the Target Dates entered in the Gap Analysis. More detailed information is available by clicking on the "View Chart Data" box situated in the header of the Progression Chart worksheet. A separate worksheet entitled Chart Data is then created that comprises two tables of information, which are explained below:

The first data table shows the following information regarding the status at the Initial Assessment date (as declared in the Scoring Summary) as well as at the end of each calendar month in which Target Dates have been entered for non compliant criteria:

- .▪ number of compliant criteria
- .▪ number of non compliant criteria by weighting (F1, F2, F3)
- .▪ number of criteria that are non applicable
- .▪ number of non compliant criteria that have no target date
- .▪ total score %
- .▪ classification

View  
Chart Data

Button located on Progression Chart worksheet – creates a Chart Data worksheet showing detailed information of Assessment status at each month end

Chart Name		Chart 110	
Data Last Updated		8/13/2009	
Month Ending	Initial Assessment	Aug-09	
Compliant	199	201	
NonCompliant (F1)	0	0	
NonCompliant (F2)	4	0	
NonCompliant (F3)	1	0	
*Non Applicable	2	2	
No Target Date	3	3	
Total Score %	96%	98%	
Classification	C	C	
No Target Date	Initial Assessment	Aug-09	
No Target Date (F1)	0	0	
No Target Date (F2)	2	2	
No Target Date (F3)	1	1	
Total	3	3	

*\*There are 5 N/A criteria that have been approved by the customer.*

The second data table shows an analysis of the non compliant criteria for which there are NO Target Dates recorded in the Gap Analysis. The table shows the number of criteria by weighting (F1, F2, and F3) and a total number.

A new Chart Data worksheet is created for each request and the worksheets are numbered sequentially - Chart Data 1, Chart Data 2 etc. The user may delete outdated or unwanted worksheets by opening the appropriate worksheet and then using the *View - Delete Worksheet* option from the standard menu.

### ➤ Conclusion

The information contained in this Instructions section is intended to guide the user when conducting an MMOG/LE assessment and in recording the necessary data. If there are any queries regarding the use or application of MMOG/LE that are not adequately explained please contact either your customer to seek advice or use the FAQ process defined in the FAQ worksheet.