

Competence on Road and Rail

A network of experts bundles competences on road and rail. Read more on **Page 2**.

European Carrier Award

Stetter Consulting reveals who DaimlerChrysler's best suppliers are. How? Turn to **Page 3**.

Synergy through Cooperation

What are the most important factors determining high productivity in new vehicle logistics? Find out on **Page 4**.

Supply Chain Management

Trapped in Port

Stetter Speeds Up Vehicle Imports

Vehicles require over 50 days to arrive in Europe from overseas. If on top of that an ordered vehicle is damaged, the customers will be up in arms and the costs out of control. On behalf of a leading auto manufacturer Stetter Consulting shows where the pitfalls in port handling and clearance are and how these can be avoided.

Bremerhaven, with 1.85 million vehicles per year, is one of the largest handling ports for cars worldwide. It is also the port of arrival for vehicles manufactured in the USA. After their arrival at the auto terminal, a contractor in the port checks the cars for faults, rectifies small transport damages and hands the vehicles over to the forwarders. This process takes an average of 15 days and signifies a large capital commitment for the auto manufacturer.

Time loss due to inflexible processes

For the above reasons the OEM contracted the Augsburg-based logistics advisors Stetter Consulting to reduce the handling times to under nine days. A thorough analysis showed that these time delays were caused by insufficient transparency in the vehicle flow, inefficient transport scheduling and rigid procedures in the PDI (Pre-delivery inspection). In addition, parking areas and flow capacity were found to be too

limited. On this basis, in the early summer of 2006, the Augsburg logistics consultants defined effective optimisation measures for the whole process ranging from the ship's unloading, over temporary parking and PDI handling to notification to the transport provider.

Requirement-oriented planning

The clear allocation of priorities, personnel planning to meet actual needs, as well as timely notification to transporters showed their effectiveness. Now the PDI and transport scheduling are carried out before the ship's arrival. During this process the vehicles are allocated according to priorities and destinations. This avoids unnecessary vehicle movements or temporary buffers. In addition the PDI process is speeded up as a result of requirement-oriented personnel scheduling with shiftwork and personnel increases. Transport scheduling is now integrated into the whole process.

Structured reports show how many vehicles are due to arrive per ship, how many are being cleared and the exact quantity and location of the row of vehicles ready for pickup. This makes scheduling easier for the transport company and the vehicles are delivered to the customer a week earlier.

Parking damages

Reworking due to transport damages lowers the productivity in supply chains. While conducting a process audit of the supply chain of a leading auto manufacturer, Jens Rabien, project manager at Stetter Consulting, concluded that most damages are caused by the incorrect loading and unloading of the vehicles and that these could not be detected and rectified on a timely basis due to incomplete documentation. The introduction of integrated quality loops and continuous reporting led to a significant reduction in damage rates.

Expertise in Road and Rail

The Augsburg-based Management Consulting firms Stetter Consulting and Süddeutsche Consultants constitute more than a mere office partnership. Besides meeting at the coffee maker they meet for their clients.

Bundled Know How

The two firms bundle their expertise in various market and client segments in joint projects. Stefan Blaas and Georg Kreitmair (Süddeutsche Consultants) are the consultants with the know-how in railway transportation who will implement their competencies in Asset Management, Strategy and Intermodal Transport Concepts, which are complemented by the expertise of Alfred Stetter and Jens Rabien from Stetter Consulting. In terms of Technology and Supply Chain Management, their focus is on the road transportation network. As a team they support logistics and transportation companies, industry, trade and service providers who are investment decision makers, business segment developers, strategy streamliners, or who are striving to optimise processes.

About Us

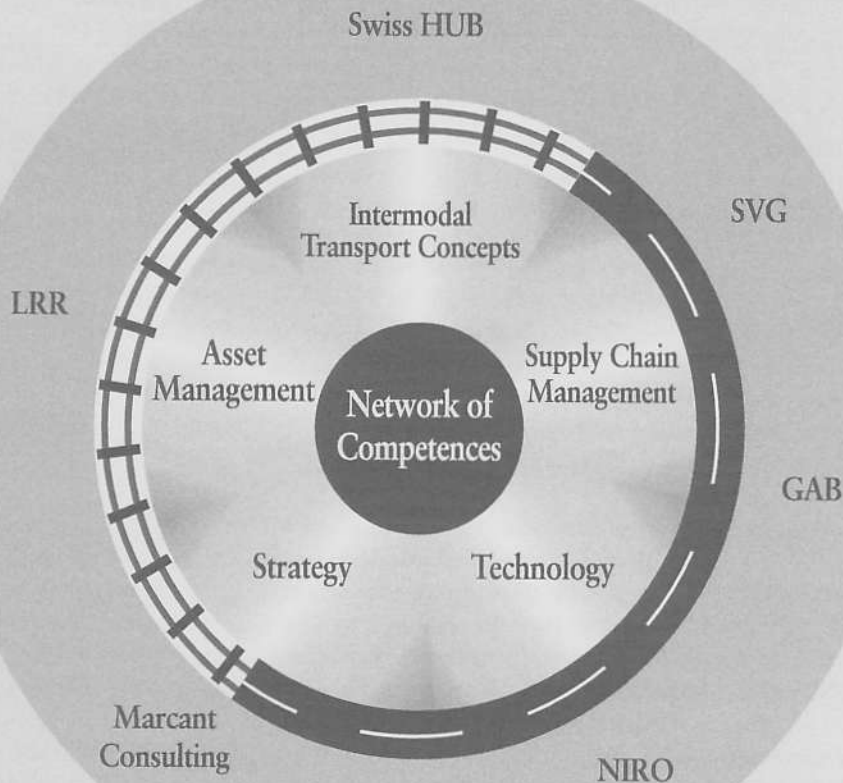
Since 1989, Stetter Consulting (www.stetter-consulting.de) has been consulting organisations in the investment and consumer goods industry as well as service providers in regard to logistics objectives. The main focal points are Supply Chain Management, Outsourcing, Distribution and Warehousing, as well as systems for Logistics Controlling and Quality Management. Based on its industry specific know-how, Stetter Consulting works chiefly for the automotive industry.

Logistics in Swabia

The partners cooperate and combine their competencies on all rail and road hubs. This also applies to their own region. As founders of the initiative "Logistik in Schwaben" [Logistics in Swabia], in short LOGinS, and in cooperation with the Augsburg Localbahn [the Augsburg local railways] and the logistics service provider Nuber, they have set their goals: in the course of the competition between the regions, the intention is to turn Swabia into an acknowledged logistics hub. To turn this vision into reality, the LOGinS backs regional projects such as the Güterverkehrszentrum Augsburg [the cargo transport center Augsburg] as an online information platform (www.logins-web.de), as well as acting as a representative on the political, functional and commercial level. "We are convinced that there is an overriding interest in having Swabia receive the recognition it deserves as a logistics hub", says Alfred Stetter. "That's why we founded this initiative as a mean to create a forum for the active promotion of logistics", adds Stefan Blaas.

Additional Partners

Together with the SVG Stuttgart, Stetter has been implementing logistics projects in the areas of Quality Management, Workplace Security and Hazardous Materials for many years. Projects involving Change Management aspects are backed by the NIRO AG; complex IT-solutions are realised in cooperation with GAB, the association for implementation consulting in Plattling.



Cooperation between Stetter und SVG Stuttgart

What started out as sporadic activities in logistics and quality management consulting developed into a strategic partnership. Stetter Consulting is going to cooperate with the SVG Straßenverkehrs-Genossenschaft Württemberg e.G. in the future, covering the entire spectrum of management consultancy.

A subsidiary enterprise of the SVG, the Gesellschaft des Württembergischen Straßenverkehrsgewerbes für Unternehmensberatung und Seminare mbH [the registered Württemberg commercial road traffic association for management consulting and seminars] has been using the expertise of Stetter Consulting for many years in the area of management consulting and seminars. "During our previous collaboration the comprehensive sectoral know-how of Stetter Consulting has proved so convincing that we decided to utilise this expertise even more intensely", states Uwe Nestel, member of the Managing Board at the SVG Stuttgart. Whether it's project-based support or complete logistics concepts, the SVG applies high standards in terms of practical relevance.

This proved to be the determining factor as Stetter Consulting, due to their many years of consulting activities, are familiar with the problems of shippers, logistics service providers or transporting companies. For this reason, the SVG Stuttgart is going to collaborate even closer with the Augsburg-based industry specialists who will be assigned tasks in the areas of management and logistics consulting as well as quality management with a focus on ISO 9001:2000 certification.

"As a strategic partner of the SVG Stuttgart we are going to take over a significant part of consulting projects in the future", announced Alfred Stetter, pleased with the extended cooperation. Moreover, Stetter is going to

provide his expertise as a consultant in SVG Stuttgart's core activity, the seminars. Besides quality management training, events for vehicle fleet officers and procurement managers, such as "How to operate your fleet successfully" are already part of the standard repertoire. In return, Stetter can utilise the training opportunities at SVG and the entire know-how from seminars for his own clients and projects. Current offers, such as drivers trainings, have been gaining enormously in significance.

Automobile Logistics May the Best One Win

Decision Criteria for the European Carrier Award

In close cooperation with Stetter Consulting, DaimlerChrysler is going to award its annual prize to the best service provider in European transportation logistics. Besides the European Carrier Award for Passenger Cars, which has been awarded for seven consecutive years, in 2006 the European Carrier Award for Commercial Vehicles has been awarded for the third time.

At the 2006 award ceremony, the Horst Mosolf GmbH & Co. KG international logistics provider in Kirchheim/Teck was the winner in the Passenger Cars category. The freight carrier impressed the judges with excellent logistics processing, backed by stringent quality management and controlling. In the Commercial Vehicle category the first prize was awarded to Helf Automobile-Logistik GmbH in Essen. Decisive factors included brilliant logistics processing, which had even been improved in comparison to the previous year, as well as refined quality management.

of minimising costs, shortest leadtimes, the avoidance of damage and the utilisation of appropriate and state-of-the-art technology", comments Egon Christ, Senior Manager, Transportation Logistics Vehicles at Daimler Chrysler.

Non-ambiguous Performance Figures

The auditing procedure on which the European Carrier Award is based, has been developed in close collaboration with Stetter Consulting and is executed and improved by the Augsburg-based

logistics consultants annually. The Logistics Controlling System, which determines the award winners, is based on four Key Performance Indicators: damage ratio, pick-up and leadtime performance, loading quality and fleet structure. Alfred Stetter, founder and Managing Director at Stetter Consulting explains this successful procedure thusly: "DaimlerChrysler is motivating their service providers to engage in continuous competition and therewith ensures permanent improvement of the overall performance."

Uniform Auditing Procedures

Since 2004, the evaluation system for passenger cars and commercial vehicles has been based on a uniform auditing procedure using Key Performance Indicators. During the course of one year, all transports are inspected consistently in terms of damages, leadtime, shipping quality, as well as the overall condition of the deployed equipment with the results being evaluated afterwards. "For Finished Vehicle Logistics we are translating the general objectives for Operational Excellence into the organisation of logistics processing with the intended purpose



Benchmarking (N)one better than the rest

The Automotive Benchmarking Community

The cost pressure in the auto industry is tremendous. The leading German manufacturers wanted to know how high the comparative costs were. These were analysed by Stetter Consulting as part of a benchmarking study.

The study was prompted by an OEM wanting to know whether their conditions were in line with market prices. In this context Stetter Consulting tested the uniformity of the general conditions and designed a questionnaire for data collection. Based on this, a transport cost benchmarking

for Europe is now available to all participants on the Benchmark-Community information platform at www.stetter-consulting.de



Vehicle Logistics Quality through Standards

Round Table Discussion in Vienna

The 10th annual "Automotive Logistics Conference" of the Association of European Car Transporters (ECG), with 71 member companies from 23 countries, took place in Vienna on October 6th of 2006. The main theme was closer cooperation between vehicle logistics companies and car manufacturers.

A presentation on "Increased Productivity through Cooperation in Finished Vehicle Logistics" by Jens Rabien, project manager at Stetter Consulting, started off the round table discussion on the subject of cooperation within networks.

Strategy and Implementation

Openness is becoming increasingly important, as in future manufacturers will have to include their logistics providers to a greater extent in their strategic planning. This means keeping them informed in good time on the expected production volumes and an increased reliance on regional networks. Instead of maximising profits in the short run they should try to establish lasting relationships. Also, in their operations logistics providers need early information on the manufacturer's production and sales volumes for an optimised transport flow planning. Through

cooperation cost advantages can be achieved and the entire body of know-how can be utilized. Moreover, standardised dimensions of vehicle transporters in Europe would allow for more efficient planning. Rabien asked all participants for their backing on this issue.

Quality and Communication

Common standards for transport and storage ensure quality and, with this in mind, a task force from the manufacturers was created under leadership of the ECG. In this respect the logistics providers have come one step further. They are already planning the certification of their standards to ECG requirements. To ensure smooth communication all parties need a standardised IT-supported data exchange with defined times, formats and content. "It's clear to everybody that they are under a lot of pressure and need to

increase their productivity. Many are prepared to go in the right direction", says Rabien summarising the round table discussion. "In an ideal world OEMs and service providers work trustfully hand in hand."



Jens Rabien (right side) and Tim Philips (VMEX)

Executive MBA A Pass with Flying Colours

Cooperation and Network

After 18 months of in-service-training Jens Rabien successfully concluded his Executive Master of Business Administration in Logistics at the University of St. Gallen in December of 2006, with a degree dissertation on the subject of "Cooperation in Vehicle Logistics – Potentials for

the Distribution Network of a Car Manufacturer". Under the auspices of Prof. Straube and in cooperation with DaimlerChrysler he showed in a comprehensive analysis of different scenarios the advantages that can be gained by cooperation and common networks.

The simulation of an integrated network of two OEMs proved that common utilization of existing compounds could result in savings of approximately five percent.