

CASTLE - Regional Policy Tool for Logistics and Automotive

CASTLE is a project financed by the Interreg IVC programme started in November 2008 and ending in October 2011.

CASTLE project overall objective is to support policy making through the survey, analysis, exchange of best practices and the creation of a new regional policy tool, mainly focused on the mechanical/automotive sector, usable by policy makers and aimed to enable the transfer of its results at EU level, as well as innovation at policy level.

The new regional policy tool is considered an information instrument which targets both policy makers and sectorial actors and intends to strengthen the ability of public authorities to assess the main logistics inefficiency in SMEs systems, in order to foster the development of relevant policies through logistics audit instruments.

To this end, the CASTLE partnership has analyzed in depth the current situation of policies on logistics for the automotive supply chain & automotive clusters SMEs at EU level and has undertaken an extensive review on the existing tools for logistics audit.

EU Review on Policies for the Automotive Supply

CASTLE project has created a matrix that identifies the current policies and public actions targeted to the mechanical/automotive sector in order to have a comprehensive perspective of the existing regional policies for the automotive supply chain and for automotive clusters SMEs.

The discovered policies have been grouped into specific types of interventions related to:

- Training policies
- Technological and technical policies
- Co-ordination and collaboration policies
- Infrastructure development policies
- Industrial parks development policies
- Policies fostering alternative transport modes
- Other policies

The methodology put in practice encompasses a wide desk work to identify policies on the basis of the groups defined in the matrix, as well as interviews with policy promoters and involved bodies.

Review on Tools for Logistics Audit in the Automotive Sector

A survey on existing tools for auditing logistics efficiency in SMEs has been undertaken by the CASTLE partnership at EU level.

The survey intends to identify and analyze the existent tools for logistics audit available in the industrial systems (automotive/mechanical sector) and to understand their use in order to best define and set up the CASTLE tool in terms of functionalities, structure, logistics variables, etc.

The result of the survey is the EU review on tools for SMEs logistics audit, a report aimed to inform and give a comprehensive overview of the existing tools for logistics auditing.

LOGISTICS AUDIT TOOL FOR AUTOMOTIVE/MECHANICAL SECTOR SMEs										
Please read very carefully all the statements and evaluate the situation in YOUR company with the help of SCORING LEVELS from:										
		KPIs	bad	average	good	very good	1-5	WF-1	WF-2	
7	1	Logistics is considered in the company's business strategy. Clear goals for logistics are defined. The following key areas are considered: Costs, Material flow, Quality & reliability, Supplier relations, Customer relations, Information system, Human resources, Methodologies.							1	
8	1.2	Measurement (KPI)							2	
9	1.3	Action plans							2	
10	1.4	Continuous improvement							1	
11	1.5	Control of logistics costs							2	
12	1.6	Logistics Process Analysis							1	
13	LOGISTICS POLICY SUPPORT NEEDED (insert "X")									
14	4	Financial								
15	5	Training								
16	6	Research & D								
17	7	ICT tools								
18	8	Infrastructure								
19	9	Consistency								
20	10	Best practice transfer								
21	11	Cooperation/cluster								
22	OTHER? Please describe: _____									
23	Summary (check columns: target, implemented)									
24	2.1	Logistics agreement							1	
25	2.2	Back-up routines							3	
26	2.3	Logistics assessment							2	
27	2.4	Information exchange standards							2	

CASTLE partnership considers the report the actual basis for the design of an audit tool customized for policy makers to evaluate logistics in the automotive/mechanical industry.

The report summarizes the extensive desktop research activity undertaken by the project partners, either on their own, or with the help of experts in the field, who have identified the logistics audit tools present in their regions and all the main tools available on the World Wide Web, especially those exposed by the contracted logistics experts and other partners.

Critical Points

Supply chains have become highly complex systems, which implies high knowledge requirements and a need for constant monitoring and identification of weaknesses and threats in the form of potential failures, errors and inefficiencies.

Logistics audits are standard procedures that analyze the current state of logistics in an organization and try to identify all the relevant fields where there is a gap between the ideal state (benchmark) and the actual state in a certain organization.

Ideally, logistics processes and procedures should be flexible, which means they should be designed so as to minimize the risk of not responding adequately to demand. At the same time, they should be cost efficient. Finding the right balance between the two is what companies are striving for.

The research work carried out has highlighted the lack of specific logistics audit tools used by public authorities to analyze the developments in the field of logistics in the private sector. On the contrary, CASTLE has identified many proprietary tools designed and used by:

- international organizations and institutes
- technology transfer centres
- business consulting companies
- small and medium sized companies in the automotive industry
- automotive industry groups

CASTLE project intends to define the most appropriate concept that should be used to design a logistics audit tool capable of extracting information from automotive/mechanical SMEs relevant for the creation of regional policies.

CASTLE Findings

Companies use internal audit tools customized to their needs. They range from very simple cost indicators to complex IT-supported evaluation systems.

In particular, CASTLE has identified two extremely important logistics evaluation, audit, benchmarking tools:

- The SCOR model (Supply Chain Operation Reference model) designed and constantly upgraded by the Supply Chain Council (SCC)
- MMOG/LE model (Materials Management Operations Guideline / Logistics Evaluation) designed and constantly upgraded by AIAG (Automotive Industry Action Group) and ODETTE

Both tools are international standards and are implemented in many industries. The two instruments have different approaches: MMOG/LE is a sort of an audit tool for grading and is less flexible.

SCOR is a kind of benchmarking/evaluation/-improvement tool and has a more flexible approach. All other identified tools are based on similar concepts as MMOG/LE or SCOR

CASTLE partnership has committed itself to jointly design the interregional tool for policies in the automotive/mechanical industry in terms of functionalities, structure, logistics variables to be measured, to benefit from the broad experience and competence of its experts and adapt the instrument to the needs of automotive SMEs in the partner regions.

CASTLE Website:
<http://www.castle-project.eu>