

MINERVA PRESS RELEASE



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QAD Enterprise Applications Make It Easy For Auto Suppliers To Comply With Recent Updates To Global MMOG/LE Guidelines

Carpinteria, Calif.

Solution Provider Plays Key Role in Making Efficient Long-Distance Supply Chain a Reality

QAD Inc. (NASDAQ: QADI), a leading provider of enterprise software applications for global manufacturers, today announced that its solutions support the latest version of global materials management guidelines released last month by leading North American and European automotive trade groups. The Global Materials Management Operation Guideline Logistics Evaluation (MMOG/LE) standards provide a set of best practices for suppliers to assess and improve materials management, with an emphasis on using automation for measurable results.

Standardized materials flow is a crucial success factor in consistent – and efficient – long-distance supply chain function. QAD – the sole ERP software provider on the Global MMOG/LE update committee – offers solutions that simplify the path to compliance with specific materials management principles from the Automotive Industry Action Group (AIAG) in North America and Odette International Limited in Europe. The Global MMOG/LE guidelines were created to gauge suppliers' compliance with OEM requirements for materials flow, a key criterion in world-class automotive production.

“The latest version of materials management guidelines reflects industry recognition that simplicity is essential for standards adoption by companies of all sizes,” said Pamela Lopker, QAD president and chairman of the board. “QAD’s support for Global MMOG/LE guidelines reflects our commitment to the automotive sector and to improving supply chain performance, as does our long-time presence in burgeoning manufacturing centers in Asia and Eastern and Central Europe.”

Standards Adoption Benefits Industry

More than 1,000 Global MMOG/LE supplier audits have been conducted in North America and Europe since the global guidelines were introduced in 2004. As suppliers in emerging manufacturing centers adopt the principles already embraced by established markets, Global MMOG/LE effectively serves as a global standard for materials flow in long-distance supply chains. “There’s a steep price to pay for inventory that’s in the wrong place at the wrong time, and a thriving global automotive industry will depend on a standard level of performance for materials flow, no matter where the supply base is located,” said Dr. Yilong Chen, AIAG’s general director of Asia-Pacific affairs and chief representative in China. “Already, Global MMOG/LE guidelines have streamlined suppliers’ evaluation process, and AIAG-sponsored training for suppliers in China will help perpetuate a degree of consistent supply chain function that benefits the entire industry.”



“Global MMOG/LE guidelines help smaller suppliers in emerging markets such as the Czech Republic, Turkey, Romania and Slovakia gain insight into improvements they can make that will put their materials management practices on a par with Tier-1 suppliers,” said John Canvin, managing director of Odette. “We’re seeing momentum in Central and Eastern Europe already, with an increase in Global MMOG/LE compliance training participation.”

Suppliers such as Freudenberg-NOK, a leading manufacturer of elastomeric sealing and noise, vibration and harshness (NVH) products have turned to QAD for help simplifying compliance verification. QAD has identified aspects of its enterprise applications that support each point of the latest Global MMOG/LE guidelines, and the QAD Global Services consulting organization offers an assessment service to help suppliers worldwide evaluate their processes and systems, as well as map a plan of action for compliance.

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