



News & Views

In This Issue

Benchmarking Update

Pat Donahoe provides an update of ICL newest effort. Page 2.

MBUSA Moves To MatrixSCM

Mercedes-Benz to move to newest version this year. Page 4

AIAG Study

Better visibility tops the wish list of OEMs and suppliers. Page 2

Canada Distribution Survey

Dave Strohman to lead effort to identify processes and capabilities of OEMs. Page 3

News Briefs

Three ICL employees celebrate their five-year anniversary. Page 3

New Employee

Dan Cummings joins ICL's development team. Page 3

Tools for Tough Times

ICL's solutions help customers handle high inventories. Page 4



Steve Ebol returns in the next issue.

Mazda Selects MatrixSCM to Improve Visibility, Streamline Audit Processes



Above, the 2009 Mazda6 sedan

Mazda North American Operations recently announced it will utilize ICL's MatrixSCM system for the management of Mazda's finished vehicle logistics network in the US and Canada. The system will provide comprehensive tracking information and updated ETAs for all Mazda vehicles, as well as detailed performance metrics for all of Mazda's logistics partners. Mazda will also use the system to audit all transportation invoices.

The selection of ICL came after an exhaustive vendor selection process by Mazda's logistics and IT management teams. Each of ICL's current customers were contacted and interviewed about their experience with ICL. In every instance, when asked if they would choose ICL again, the answer was a resounding "yes."

Despite the challenging economic conditions confronting all manufacturers, Mazda recognized the need to invest in new technology to help it better manage costs and performance in the current environment, and more importantly as a tool to achieving the company's ambitious long-term growth strategy for the North American market. ICL looks forward to working with Mazda in helping them achieve these goals.

ICL Information

Customers Include

- GLOVIS America (Hyundai & Kia)
- American Suzuki Motors
- American Honda Motor Co.
- Mercedes-Benz USA
- Promax Automotive (Isuzu)
- Mazda North American Operations
- Mitsubishi Motor Sales of America
- Mitsubishi Motor Sales Canada
- Toyota Canada
- Volkswagen of America
- Volkswagen Canada

Contact Information

Phone: (877) ICL-TRAK
Fax: (714) 979-4528
Email: sales@iclsystems.com
Web: www.iclsystems.com

AIAG Study Underscores Desire for Improved Visibility

Last fall, as part of the Automotive Industry Action Group's Vehicle Outbound Logistics (VOBL) initiative, a survey was conducted to determine the overall level of visibility within the finished vehicle supply chain, and determine what the major actors within the supply chain (manufacturers, carriers, 3PLs) believe can be done to improve the situation. The survey was the combined effort of two VOBL workgroups, Standardized Electronic Messaging (SELM) and Visibility of Finished Vehicles (VOFV).

The responses represented a diverse cross-section of the supply chain, including both domestic and import OEMs, railroads, haulaway carriers, 3PLs, and technology providers. Not surprisingly, the very definition of "visibility" varied by respondent, with OEMs embracing a broad definition that encompasses the entire order-to-delivery cycle, while carriers tended to view visibility as more of a tactical tool to determine what has been delivered that day, or will be available for shipment tomorrow. While each respondent provided a unique perspective, the majority rated supply chain visibility to be "good" or "very good", but also stated that data timeliness from their trading partners was an area where improvements could be made. To this end, a greater push for "real-time" event reporting was seen as a desirable objective.



Photo courtesy of Waggoners Trucking

Most respondents also saw the value in improving standardization of event reporting across the industry as a way to improve data timeliness and accuracy. Particularly for the haulaway carriers, burdened with having to support different event codes and transmission types for each manufacturer with whom they do business, establishing a single, industry-wide data exchange process would be of tremendous value.

Using the results of the survey, the VOFV and SELM workgroups will be working in the weeks ahead to identify and prioritize a list of initiatives that can help address some of the issues highlighted in the survey. Working in consultation with VOBL and the AIAG, the VOFV and SELM workgroups will focus on implementing those initiatives deemed to have the greatest likelihood for success. "OEMs and carriers have a stake in the success of this effort, and are strongly encouraged to participate if they are not already doing so," said ICL's Tom Swennes, who is co-chair of the VOFV committee.

Benchmarking Initiative's First Phase Enters Beta Testing

As we go to press, the ICL Benchmarking Initiative is set to begin beta-level testing. Leveraging the tremendous wealth of transportation event data collected by ICL, the Benchmarking Initiative will allow manufactures to measure the performance of their finished vehicle supply chain against their peers.

According to ICL President Pat Donahoe, "Benchmarking will give an OEM visibility of the broader FVL network, providing them valuable context in understanding their relative performance within that network. We see this as a tremendous way to help our customers improve the decision-making process when evaluating changes to their vendors and networks."

The first phase of the Benchmarking Initiative is scheduled to enter production this May, and will focus on performance data. Subsequent phases will incorporate cost data, as well. Says Donahoe, "There is a

("Benchmarking" continued on page 3)

Distribution Study to Identify Canadian Best Practices

While the US and Canadian auto markets share many similarities, there are distinct differences in the distribution and logistics process between the two countries. In order to get a better understanding the unique attributes of the Canadian distribution process, in May ICL will be conducting an in-depth study of OEMs in the Canadian market to to gain a better understanding of the organization and processes utilized in the distribution of new vehicles, and how it compares with the US.. We are using this information internally to identify ways to improve our existing solutions, and as a guide for future development efforts. Participants will receive a summary of the results, as well as their choice of a gift card or donation to Habitat for Humanity.

We are pleased to announce Dave Strohman has joined ICL a consultant, and will spearhead this effort. Dave is a 30 year veteran of the automotive industry, with an extensive experience in new vehicle distribution, production ordering, sales planning and logistics. Dave was instrumental in designing and implementing the allocation and production ordering systems for both Hyundai Motor America and Kia Motors America, giving him both a unique understanding of the business processes involved in vehicle distribution, as well as the technical challenges of designing a system that will support those processes. His expertise will be invaluable in this project.

("Benchmarking" continued from page 2)

natural reluctance for manufacturers to share cost data, but we believe we have found a way to protect the confidentiality of the participants, while still being able to provide them meaningful data. As they learn the details, we expect them to embrace this effort."

Once fully implemented, ICL's Benchmarking system will make it possible for manufacturers to realize true optimization, as they will have a level of visibility not possible before. "This will eliminate a lot of guesswork, as the OEM will now have access to solid operational data to include in their analysis. They will be able to create complex models based on fact, rather than assumptions," says Donahoe.

"We believe this information will help facilitate true collaboration within the industry. With carbon cap-and-trade legislation moving closer to reality, it is critical that manufacturers work together to reduce empty miles, as this will have a direct impact on their bottom line. We are excited by the potential of the Benchmarking Initiative, as we believe it will deliver substantial value to our customers."

ICL News Briefs

Five Years and Counting

It may seem like only yesterday since they arrived, but 2009 marks the fifth anniversary for these three employees.

- Michelle Cannon, Operations Analyst
- Stanley Pan, Software Developer
- Jeffrey Sze, Software Developer

We thank Michelle, Stan, and Jeffrey for their years of service. Our employees are the key to ICL's success, and we appreciate all they have done to help the company grow and succeed.

New Employee Announcement

ICL Welcomes Dan Cummings!

We are pleased to welcome Dan Cummings to our talented group of developers. Although new to the company, Dan has been working with ICL for many years as a lead programmer for Brick Software, with whom ICL has a long relationship. During his time with Brick, Dan played a central role in developing much of the reporting and functionality within ILMS.

Dan will be the lead developer working with our ILMS platform, as well as assisting on projects for the MatrixSCM platform. He is a great addition to the team, and we are glad to have him aboard.

Managing the Downturn: ICL Has the Tools to Help



Unused multi-level cars sit in storage near New Castle, Ind.

By any measure, the collapse of new vehicle sales has been stunning. While sales were declining throughout 2008, no one anticipated the precipitous drop that began in September and accelerated through the end of the year. Even “lean” manufacturers like Honda and Toyota, widely considered as two of the best at matching inventory to demand, were caught off-guard by the speed and magnitude of the slowdown.

Consequently, logistics managers are dealing with the complexities of acquiring and managing off-site storage locations to handle excess inventory, while adjusting their supply chains to operate at greatly reduced volume levels. This places a large demand on systems, which must be flexible enough to support the rapid changes in the network brought on with the addition of temporary storage locations. Having a system capable of supporting temporary storage facilities can save a manufacturer a lot of time and expense down the road. The biggest, and most common, mistake manufacturers make is trying to manage these locations manually.

ICL understands the challenges involved in managing high levels of inventory. Many of the capabilities designed into MatrixSCM and ILMS were derived from lessons learned in previous market slowdowns in the early 1990s and earlier this decade. From these downturns, we incorporated the lesson we learned back into the system. This includes the ability to authorize and track the transfer vehicles between storage locations, allowing customers to easily modify routings to handle diversions, the ability to track and manage work performed at off-site locations, and more. Recent system enhancements, such as being able to manage route changes for dealer trades of vehicles already in-transit, also are proving to be of tremendous value as our customers react to fast-moving changes in the market.



Lexus, Toyota product at the Port of Long Beach

Mercedes-Benz Moving to MatrixSCM

Mercedes-Benz USA recently approved a plan to upgrade to the newest version of ICL’s Oracle-based MatrixSCM platform. Preliminary design work is underway, with an anticipated completion before the end of 2009. Once implemented, the system will provide expanded visibility of MBUSA’s finished vehicle network, a wider selection of performance reports, more administrative features, and access to ICL’s latest ETA processing engine.

“ICL has been a valuable partner, and has a great understanding of our business needs. MatrixSCM has a number of features that will help us manage our network more effectively,” said Peter Bresnee, Department Manager, National and Import Logistics at Mercedes-Benz.

ICL Information

Connected Vendors Include:

Active Transport
Aim/Auto Com
Allied Automotive Group
Amports
ATC Logistics
ATSI
ATT
Auto Warehousing
Axis Logistics
Baird
BNSF
Car Fre
Car Transport
Cassens
Canadian National
Canadian Pacific/Illinois Central
Champion

CJ & M
CSX
Diversified Transport
FAPS
FEC
Ferro Mex
Fleet Car
GAPS
Grace
Hansen / Adkins
Hansens Forwarding
Harvey Auto
IHB
International Auto Processing
Jack Cooper
Jack Key
Laberge
MidTexas International

MOL Lines
MWCC
Norfolk Southern
Northside
NYK Lines
Pasha
PVP
Selland
Swift
Sunbelt
Supreme
Tokio Marine / SGS
Tri-Star
Turning Basin
Union Pacific
United Road
Waggoners

ICL Services

- Asset Tracking and Visibility Tools
- Automated Invoice Audit Solutions
- Inventory Management Tools
- Business Intelligence
- Electronic Communications
- Web Based Reporting
- Consulting
- Wireless Applications
- Remarketing Support