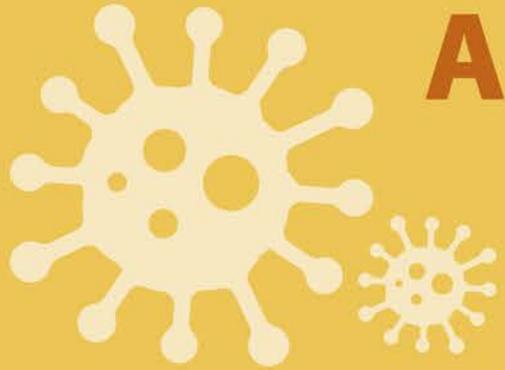


# LIVESTREAM

## The Coronavirus Series Automotive Supply Chain

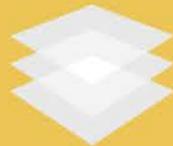
June Monthly Update



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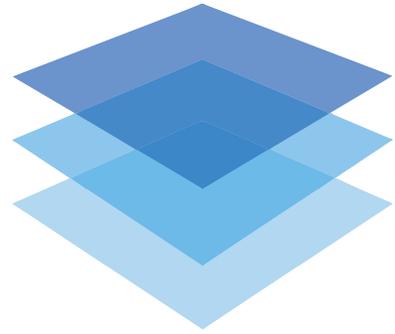
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# Today's Guests



**Anu Goel**  
Executive Vice-President  
Group After Sales & Service  
**Volkswagen Group of America**



**Antonio Manuel Marcelo**  
Vice-President  
Global Supply Chain  
**Visteon**



**Host:**  
**Christopher Ludwig,**  
Editor-in-Chief  
**Automotive Logistics**  
**AMS**

# June Update: Supply Chain Leadership in a Crisis

**9.30 EST/15.30 CET**

**Global supply chain roundup**

Christopher Ludwig, Automotive Logistics, AMS

**9.40 EST/15.40 CET**

**Q&A parts service & outbound leadership at VW Group of America**

Anu Goel

**10.00 EST/16.00 CET**

**Q&A managing disruption at Visteon**

Antonio Marcelo

**10.20 EST/16.20 CET**

**Panel discussion on supply chain leadership during Covid**

**10.40 EST/16.40 CET**

**Wrap up**

# The week's global ramp ups...



- OEMs have restarted most plants in Europe – mainly on reduced shifts and at 50-60% capacity
- **BMW, Audi, Volvo Cars** among those who are increasing shifts



- All OEMs in North America have now restarted vehicle assembly after **VW** in Puebla last week
- **Ford, Honda, GM, FCA, Toyota** ramping up to replace low truck and SUV inventory especially



- **Ford** restarted Camacari vehicle and engine plants – most Brazilian plants have restarted



- In July **Toyota** expects Japan production at 90% (from 60% in June)
- **Mazda** back to 80% levels by July



## ...but it is not all smooth sailing



- Return of lockdown in Tamil Nadu until July impacts output at **Ford, Renault-Nissan, Hyundai**



- **FCA** (Cassina, part of Melfi, Serbia) closed to at least end of month



- **JLR** (Castle Bromwich) closed to at least August
- **PSA** (Ellesmere Port) at least September



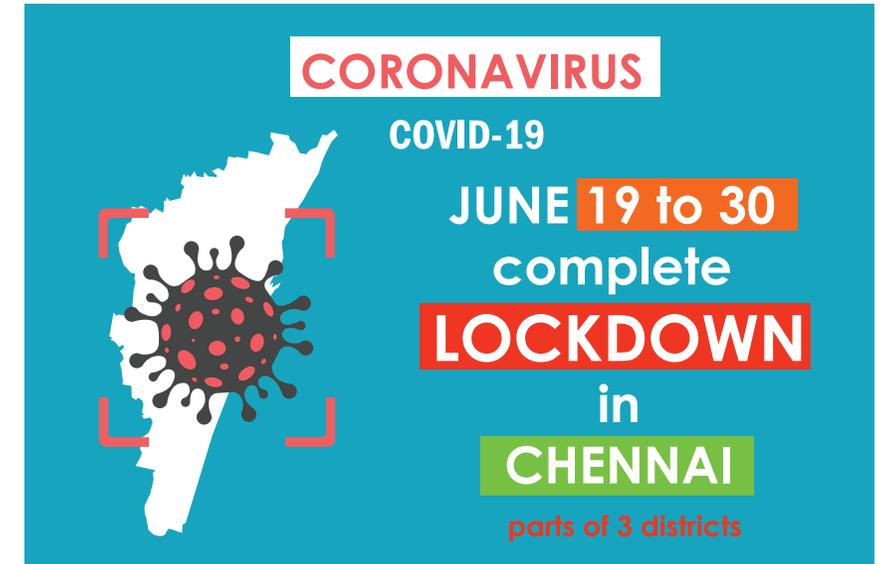
- **Nissan** reducing further shifts and closures in Japan on lower export demand



- **Hyundai** lowers output on low output in Korea



- Rising infections in key regions a risk – i.e. 14 positive cases at BMW South Carolina, high levels in Mexico (but no stop to production)





## Supply chains recovering, but still fragile

- Rising infection in major markets (US South, Mexico, Brazil, India)
- Localised restrictions after outbreaks in Germany, China, India impact supply and demand
- Demand planning highly volatile: government stimulus/incentive, delayed seasonality and low supply of certain products could distort shape of recovery
- Collapse of rental/fleet market will reshape industry
- Supplier liquidity a challenge though may be improving – but many would not survive second lockdown
- Logistics networks under strain – but capacity returning to container shipping, air freight and rail



## Trade tensions add to supply chain crisis

- India Customs reportedly has stopped clearing Chinese imports and imposing full checks – would hit auto & electronic parts imports hard
- Indian state halts Great Wall investment in Talegaon
- Worry over hard Brexit – though signs of possible progress in EU-UK talks
- Auto manufacturers faces challenges with USMCA implementation
- US tariff threats – China tensions, ‘Lobster tax’, tariffs on Canadian aluminium

# Major changes to R&D and manufacturing

## Supply chain & product planning

- **Short term:** Reduce model configurations and prioritise profitable and incentivised products
- **Longer term:** Significant reduction in platforms and more parts sharing to lower R&D and reduce supply complexity

## Safety protocols, social distancing & PPE

- **Short term:** Redesign layouts, provision of equipment, changing shift patterns
- **Longer term:** Increased overall costs & higher automation



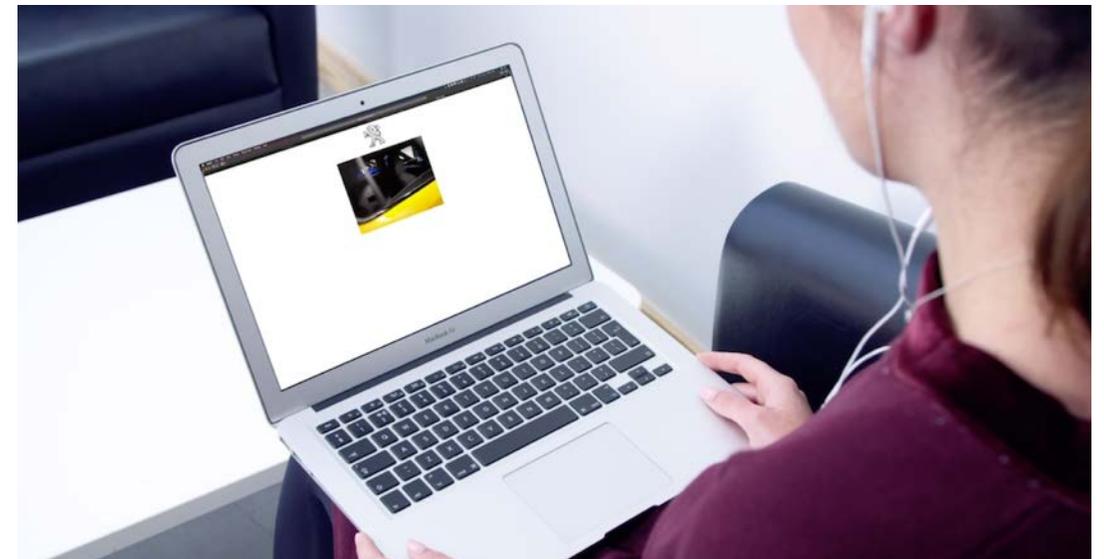
# And across inventory and service models

## Sourcing & inventory management

- **Short term:** Disruption risks require higher stock levels
- **Longer term:** Relocation of supply chains, including regional sourcing, DCs and warehousing, digital & data tools

## Online sales and service

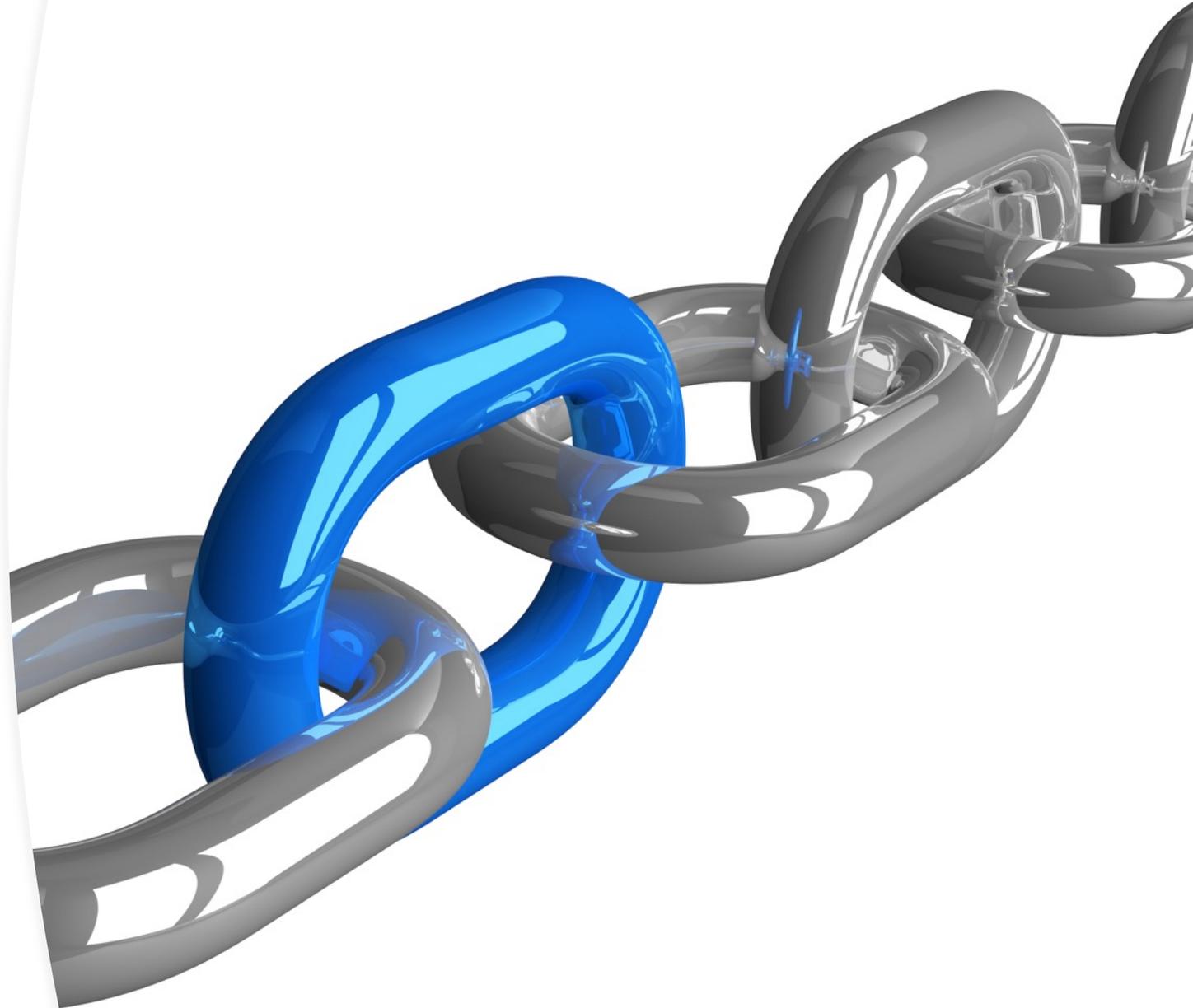
- **Short term:** Online tours, testing & contactless delivery
- **Longer-term:** Integrated online showroom & order process, home delivery



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## Has the crisis strengthened supply chain leadership?

- New ways of working and engaging **teams**
- Enhanced **purpose** for SCM leaders: supporting medical & relief efforts; protecting workers, suppliers and customers; rebuild and recovery
- **Supply chain recognised** as critical at top levels of companies
- **Acceleration** of **digital** transformation
- Deeper **collaboration** with suppliers
- More focus on **cross-functional**, integrated planning and operations



# Q&A: Leading parts service and vehicle distribution



**Anu Goel**  
Executive Vice-President  
Group After Sales & Service  
**Volkswagen Group of America**



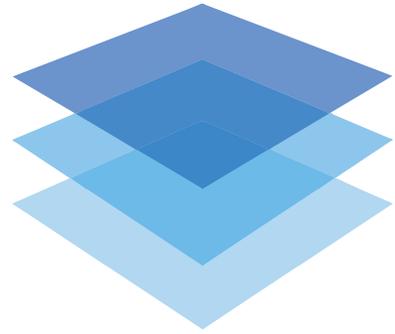
# Q&A: Managing disruption through digital innovation



**Antonio Manuel Marcelo**  
Vice-President  
Global Supply Chain  
**Visteon**



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**01 JULY**

**THE LIVESTREAM HOUR:**  
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**08 JULY**

**THE LIVESTREAM HOUR:**  
REBUILDING GREENER SUPPLY CHAINS

**15 JULY**

**THE LIVESTREAM HOUR:**  
NORTH AMERICAN VEHICLE PORTS

PARTNERS:



**22 JULY**

**THE LIVESTREAM HOUR:**  
STARTUP OEM SUPPLY CHAINS

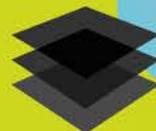
**23-30 JULY**

**SEASON FINALE:**  
MULTI-PART GLOBAL SPECIAL:  
ASIA, EUROPE, NORTH AMERICA

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# Livestream Hour guests in the coming weeks...

- **July 1st** – **Lars Bäumann** Director Information Management and Digitalization **Volkswagen**  
**Dr. Jürgen Schmelting** Head of Department Logistics **Fraunhofer ISST**  
**Dr. Wolfgang Hackenberg** CEO & Co-founder **SYNAOS GmbH**
- **July 8<sup>th</sup>** – **Payam Dehdari** Professor of Sustainable Logistics **Stuttgart Technology University**  
**Heike Schulze** Coordinator Drive Sustainability **CSR Europe**
- **July 15<sup>th</sup>** – **Chris Connor** President & CEO **American Association of Port Authorities**
- **July 22<sup>nd</sup>** – **Marko Weisshaar** Head of Supply Chain Management **INEOS Automotive**
- **July 23-30<sup>th</sup>** – **Multi-part season finale!**  
**Matthias Braun** Head of Digitisation and Concept Development  
**VW Group Logistics**
- *Plus many more industry leaders & experts to be announced soon...*

# Get in touch with news, ideas and comments

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