

V4VN Workshops

Kecskemet, Hungary

18th and 19th November 2019

Introduction to the 2 day event

1 The changing shape of business

The shape of business has been changing due to both internal and external pressures. What may have been recognised as a business, say 20 years ago, has changed so much that it is not easily recognised as being in that same business sector. Equally, with the rapid changes that are happening (even as we speak) it is not easy to predict what the shape of business will be in 10, 20, 30 years from now.

If we accept this scenario, then the key question is: -

If we do not know what business will look like in the future, how can we hope to be a part of it?

2 The Automotive Industry

The Automotive Industry has witnessed many remarkable changes over the last 30 years with many new innovations. What may have been considered cutting edge technology (e.g. “anti-locking braking system”, or car telephone, or GPS, etc.) reserved for the luxury or “supercar” market, now are “standard” features in many small cars.

The structure of the Automotive Industry has changed very little since the “Assembly Line” was first introduced by Henry Ford, all those decades ago. Of course, equipment has been modernised, assembly lines are more automated, components have changed (although the ICE and Drive Chain has changed very little in principle in over a 100 years), materials have changed, etc. The Supply Chains are still very much driven by the need to save costs and improve efficiencies, and it the lower Tiers in the Supply Chains that is forced to bear much of the pain. It is widely accepted that the scope for any further “improvements” in reducing costs and improving efficiency has been exhausted, i.e. there is little or no room for them. The result has been that many SMEs are not able to cope with the constant demands of reducing costs and improving efficiencies – and either have to move away from the Automotive Industry

So, is there is a need for a radical rethink about how businesses in the Automotive Industry work together, create value and move away from the “top down” – demand-led approach that has been around for so long?

3 Workshop Topics

- a) Workshop 1 – will focus on getting a good understanding of each partner's Automotive Industry;
- b) Workshop 2 – will focus on a better understanding of the changing shape of business, of the need for strategic positioning for the future, discussing is the current Supply Chain model fit-for-purpose, introduction to the Value Networks model;
- c) Workshop 3 – will focus on what challenges we may find in adopting a collaborative approach, the value in effective networks, elaboration of the Value Networks approach;
- d) Workshop 4 – will focus on the benefits of Value Networks vs Supply Chains, activity in and between Value Networks;
- e) Workshop 5 – will focus on how we create Value Networks, how do we support Value Networks to achieve their aims and objectives;
- f) Workshop 6 – will focus on a recap of the 2 days, summarise its findings, agree recommendations and agree the next steps.

4 Aim of the 2-day event

There is much debate about the merits of the approaches of “value creation” vs “traditional supply” of x number of components, in a specific timeframe, for a specific price – **no ifs, no buts!!**

The V4VN project is step 1 in this process. During the 2-day event: -

- a) We will seek to identify the current and likely future challenges to the Supply Chain SMEs in the V4 countries;
- b) By better understand the challenges, we can begin to think about possible solutions to address the challenges;
- c) By looking at a range of possible solutions, we can think about developing a strategy that will support us to create the most suitable instruments and methodologies, to implement the identified solutions.

By the end of day 2,

- d) It is hoped that we can agree, as the V4 countries, to collaborate to find common approaches and solutions;

- e) It is hoped that we can agree and plan the next steps together,
- f) It is hoped that we build on results of this project to develop the next project and begin to create the most effective mechanisms and instruments to strengthen the resilience, competitiveness and strategic positioning of our Automotive SMEs in the Global Automotive Industry.