Implementing SAP in Faurecia's lean manufacturing environment

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Agenda

- Faurecia
- Project FCS
- SAP implementation in the 240 plants worldwide
- Key success factors

Faurecia

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Faurecia overview

•2010 key figures

- **75,000** employees*
- **238** sites
- **33** countries
- Group revenues: **€13.8 billion**

- **38** R&D centers
- **4,500** R&D engineers and technicians
- **300** patents filed in 2010
- Annual R&D budget: **€1 billion**

- Listed on Euronext Paris (SBF 120 - compartment A)

*4 BGs + HQ

The world's top automotive equipment suppliers (2009 revenues €b)

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Faurecia "on board"

•Peugeot 508

•Citroën DS4

•Renault Latitud

•Audi A6

•BMW 1-Series

•VW Phaeton

•Saab 9-4x

- Automotive seating
- Emissions control technologies
- Interior systems
- Automotive exteriors

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Faurecia "on board"

- Chrysler 200

- Ford Focus

- Chevrolet Avec

- VW Magotan B

- Nissan Teana

- Hyundai Sonat

- Automotive seating
- Emissions control technologies
- Interior systems
- Automotive exteriors

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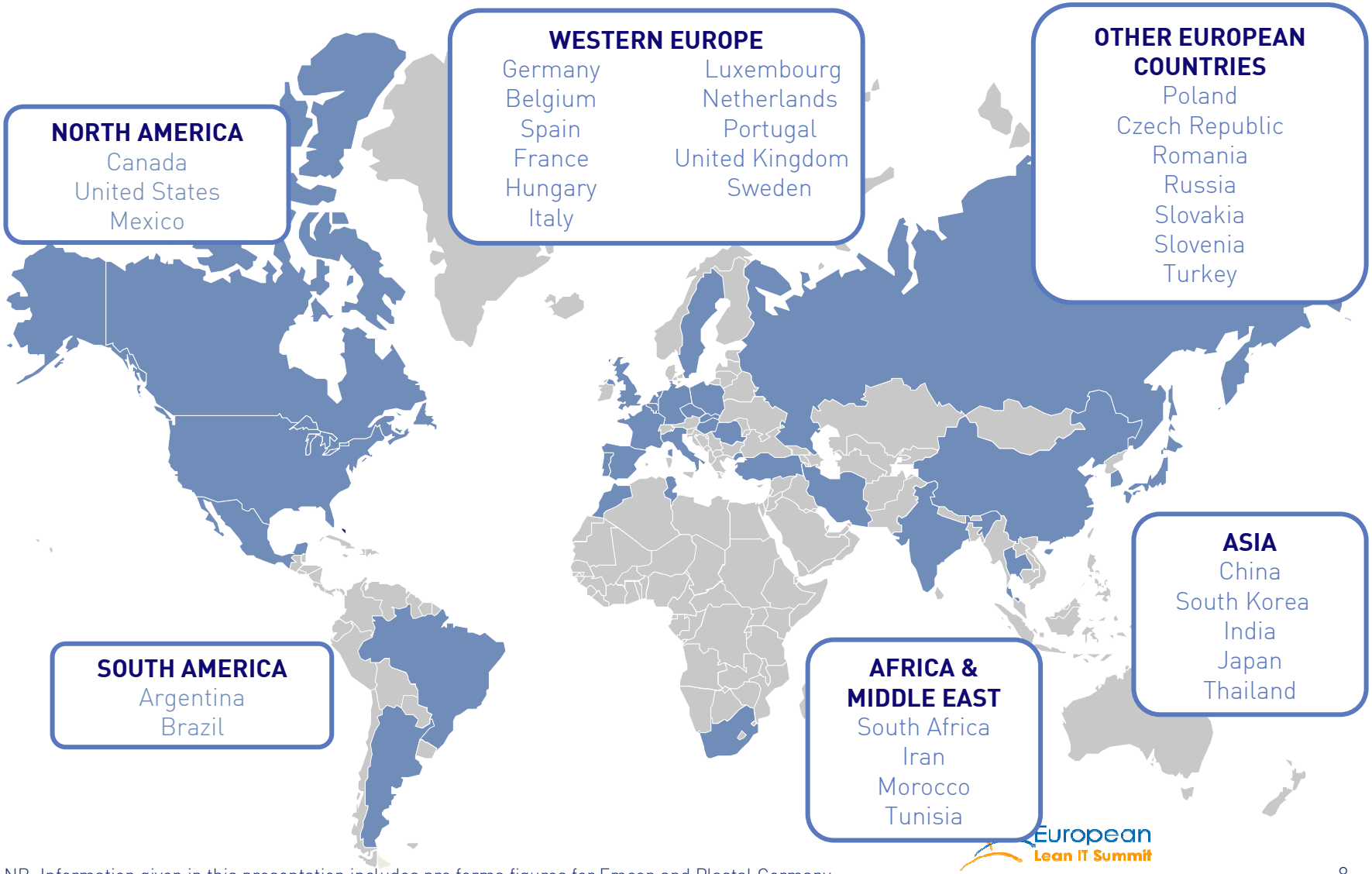
Leader in 4 activities

A global footprint



NB: Information given in this presentation includes pro forma figures for Emcon and Plastal Germany.

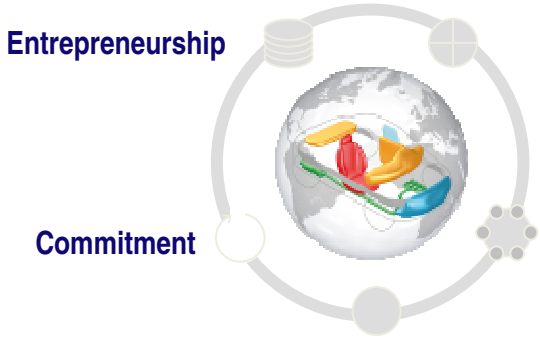
Faurecia fundamentals

The Faurecia Excellence System

•A common approach designed to ensure **continuous improvement** by leveraging **best practices** inside and outside the Group, both in development and production, to ensure Faurecia stays on top of its game in the global automotive industry.

Five core values

Values that continually guide Faurecia's managers and employees.
They play a key role in strengthening **enterprise culture** and represent one of the criteria for evaluating employee performance.



Code of ethics

Charter that sets out the principles of conduct and behavior for Faurecia's daily relations with both internal and external customers.

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The project FCS

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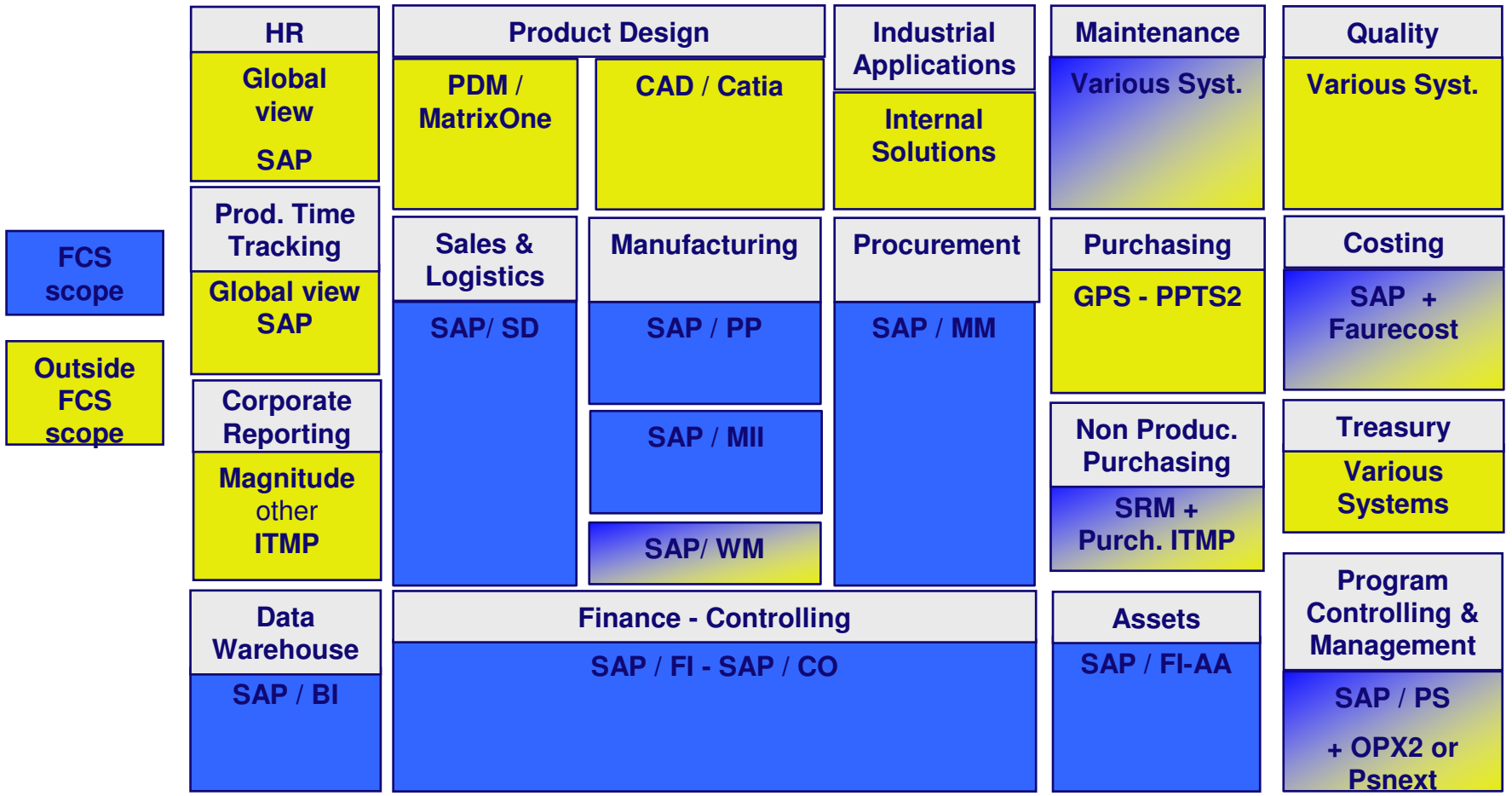
FCS Solution Scope



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SAP implementation in the 240 plants worldwide

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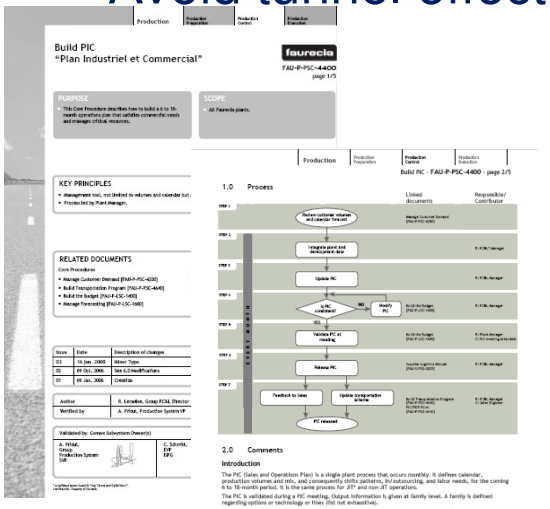
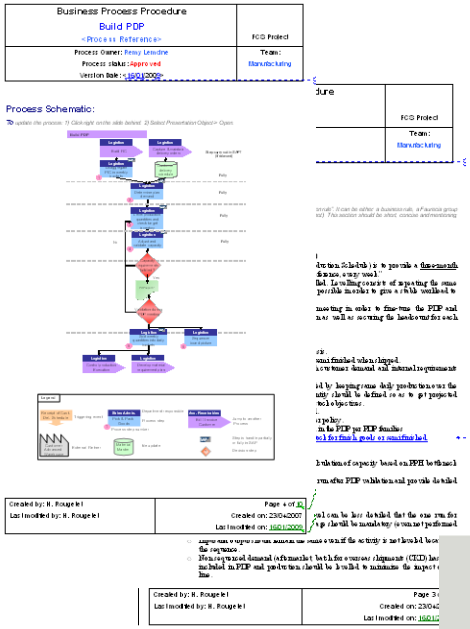
1° The Core Model

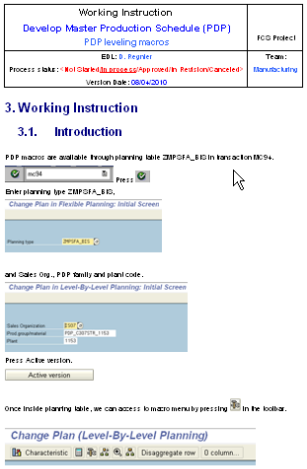
- Starting point FCP, initial workshop with BG representative and process owner to put the base of the solution.
- Avoid tunnel effect and define clear priority

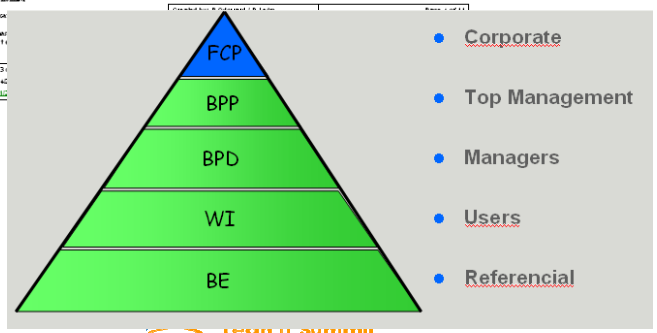


FCP



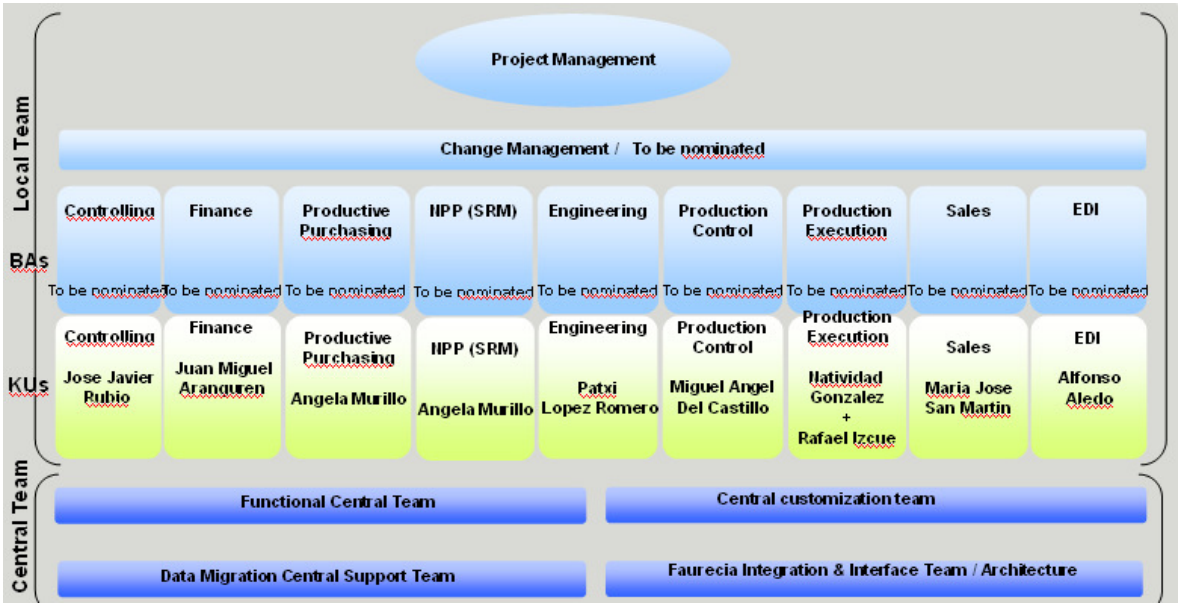
FCS





2° The Organisation (Close to the plant)

- Central Organisation
  - Process Owner : PC&L Group Director
  - Domain Leader : Dedicated and owner of the solution
- Local Organisation for Roll out
  - Team 100 % dedicated to the plant , on site
  - **Key User** as the local relay (best practice is to have 100% on project no daily business)



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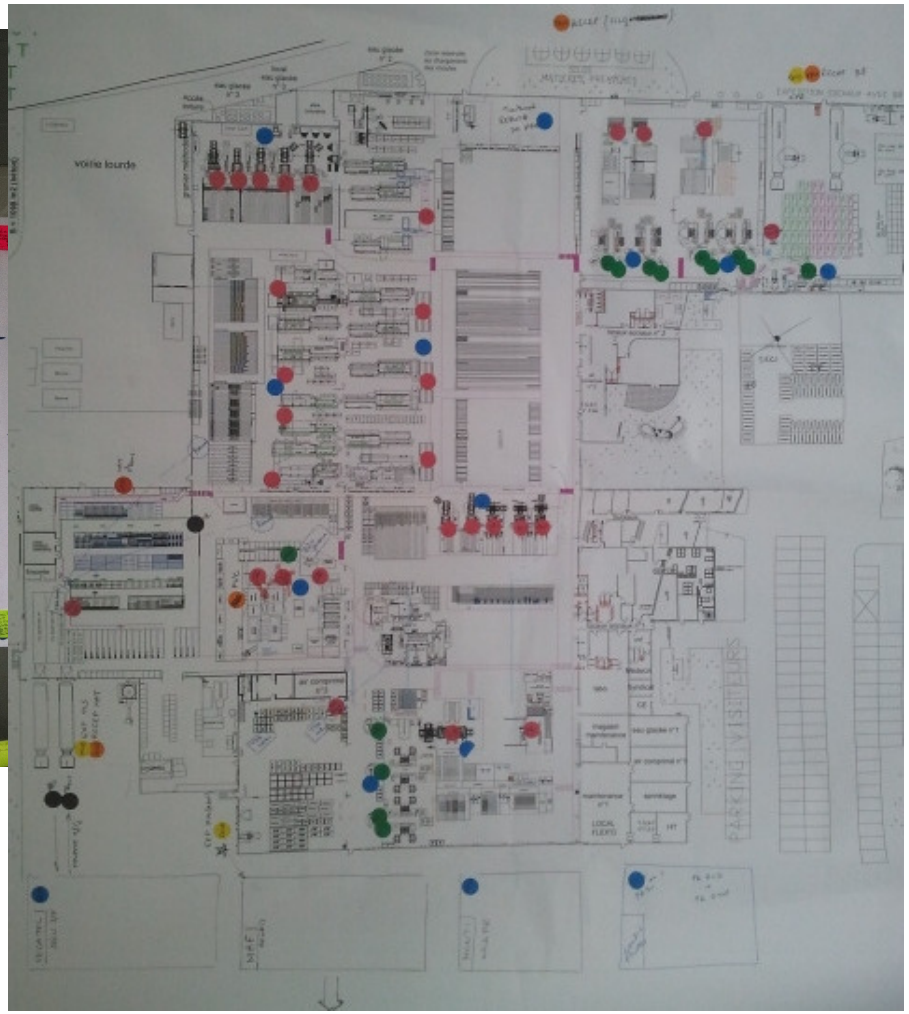
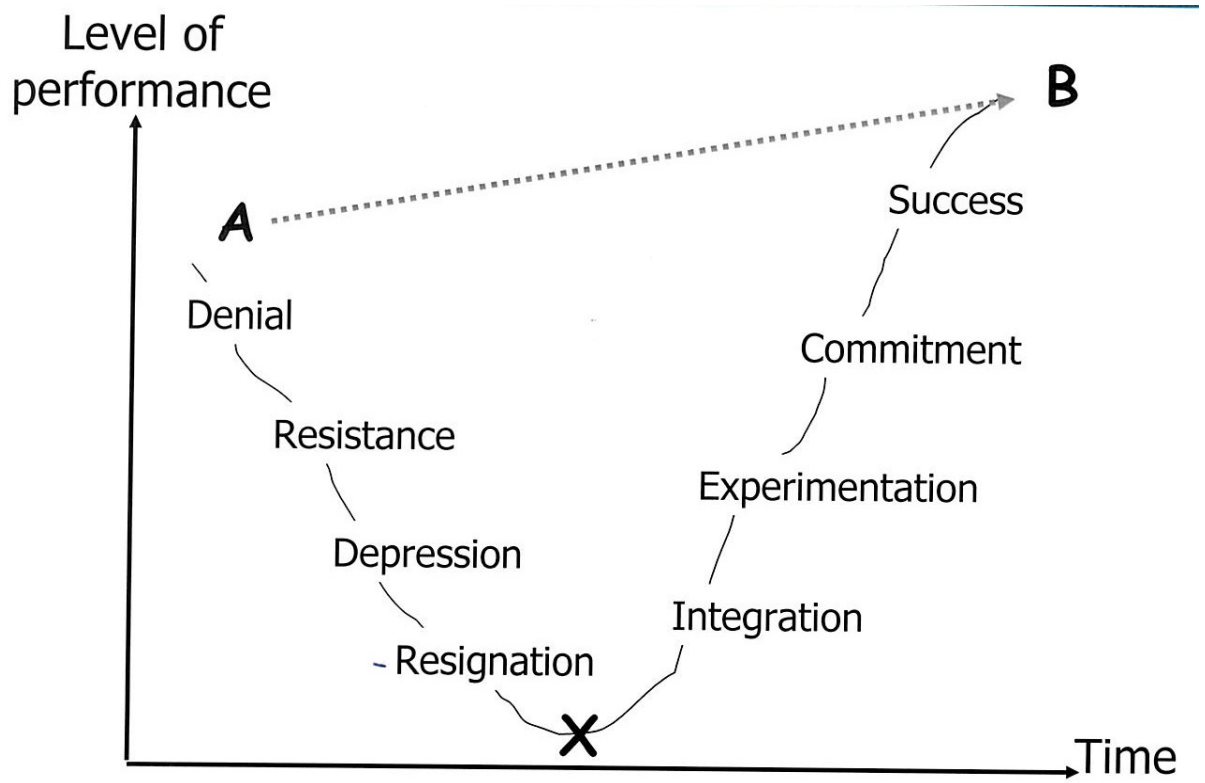
2° The Organisation (Close to the plant)

- Use the tools of the plant for the project (Top 5 / Visual management/ ...)

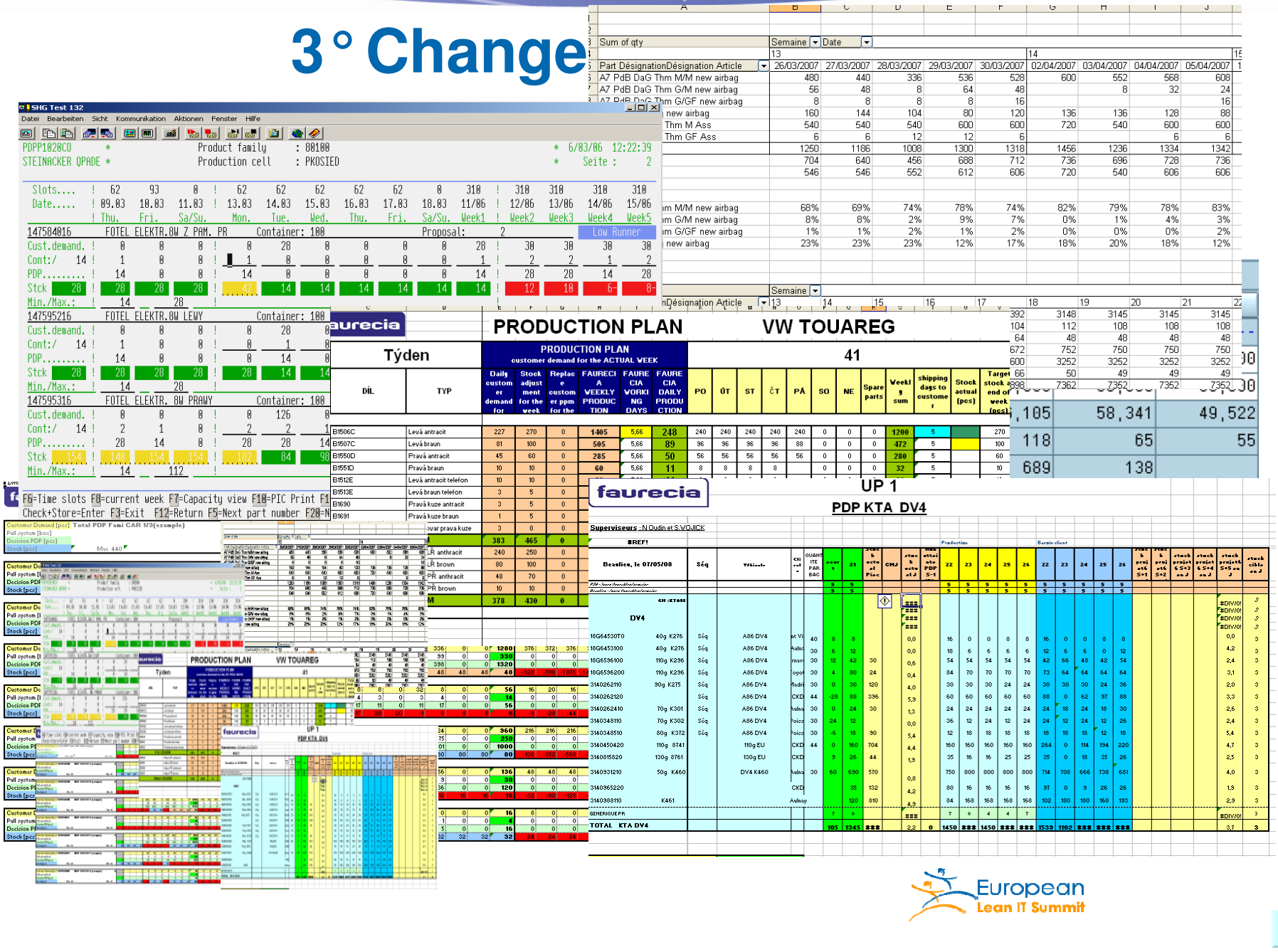


3° Change Management

- The main challenge is to help people to move trough the change curve



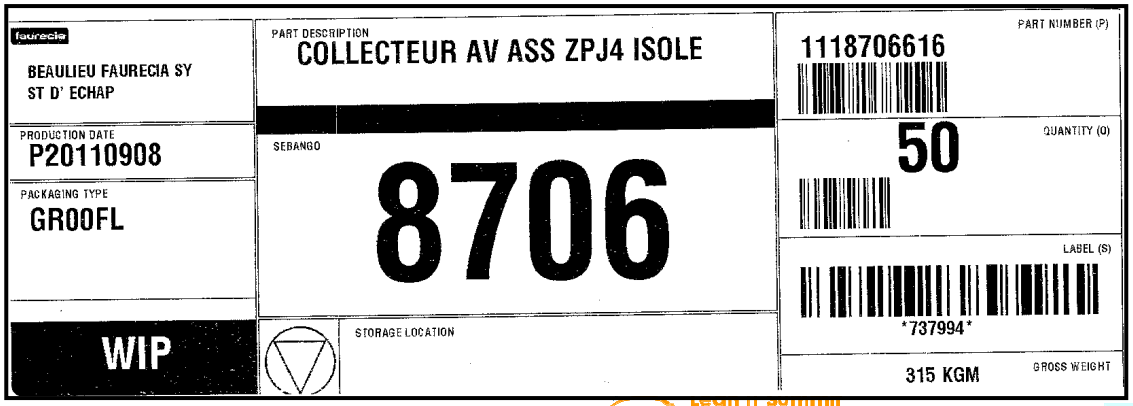
3° Change



3° Change Management

- Dilemma of the chicken and the eggs …
- Do we wait to have the plant up to the standard to implement the system?
- or
- Do we implement the system to force the plant to change and get them in the standard?

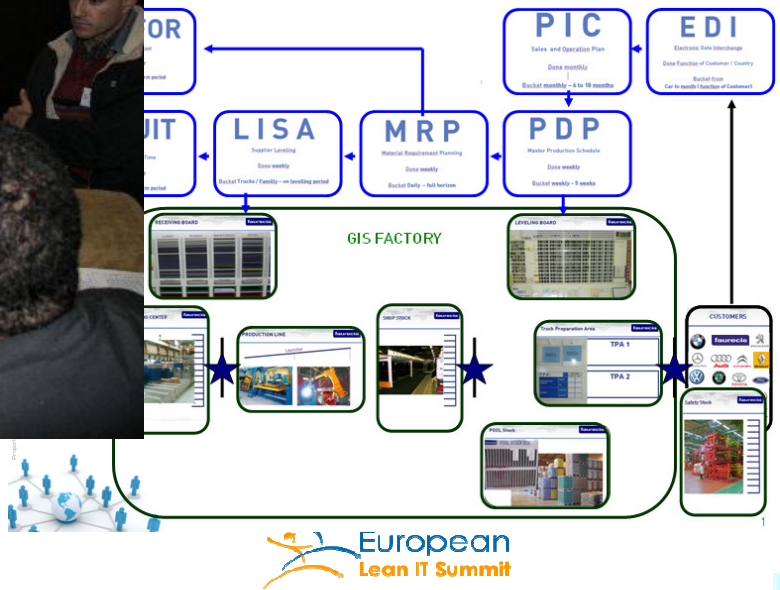
- Eg: Develop in SAP the Faurecia label and use SAP as a tool to pull standards



3° Change Management

- Be able to make simple explanation to the IT team but also the business people sometime.

FCS Game



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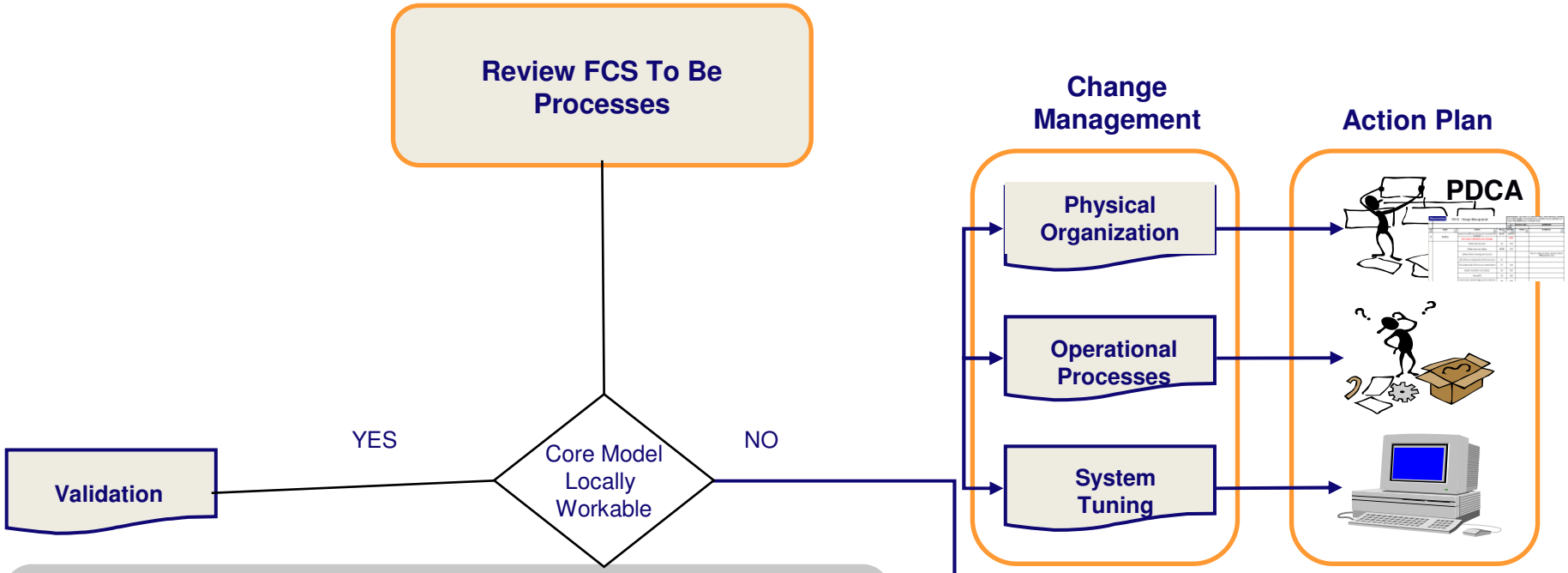
4° Kaizen concept on the roll out



Request For Change (RFC)

- All changes on the core models are recorded and arbitrated in a steering committee. Idea is to have improvement for 1 plant that can be reused to all other plants.
- Some development linked to Customer are developed but without improvement to Core Model

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5° Promote best practice

- When a process is in line with the Group, implemented and working in some plants.
- Use it as a best practice and push the plant to that concept when they request something different.

Small train concept

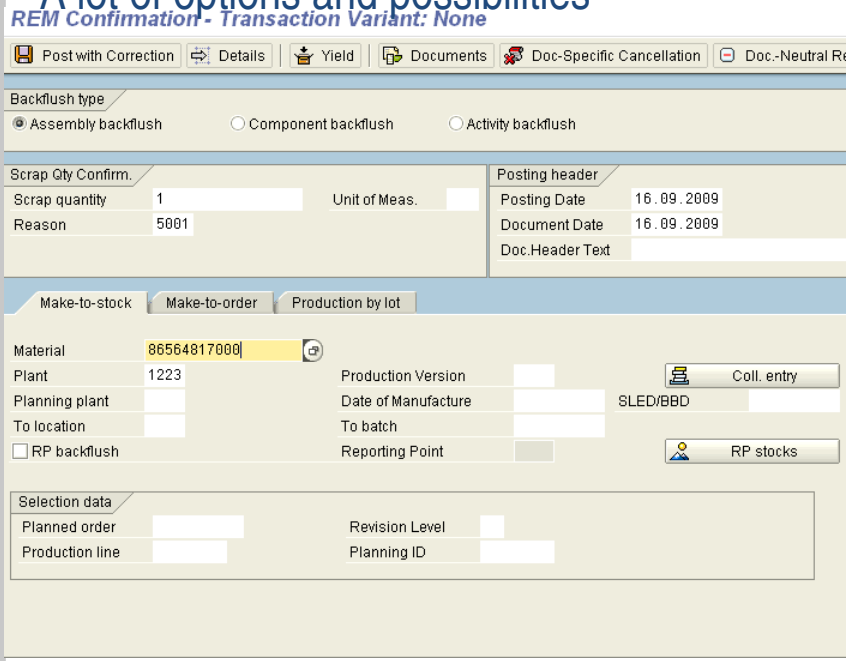
1. Small train driver takes empty boxes and scan every E-kanban label, sticked on the supplier label. No warehouse movement is done at this moment.
2. Small train driver confirms the end of the loop. Two action are done:
   a) Printing of E-kanban labels (sorted according small train and storage location)
   b) Stock movement: “- Inbound warehouse” <-> “+ WIP (no “Black Box”)”

6°The Simplest is the Best

- SAP is not the most ergonomics for shop floor activities. We implemented a local solution MII to simplify and secure the business.

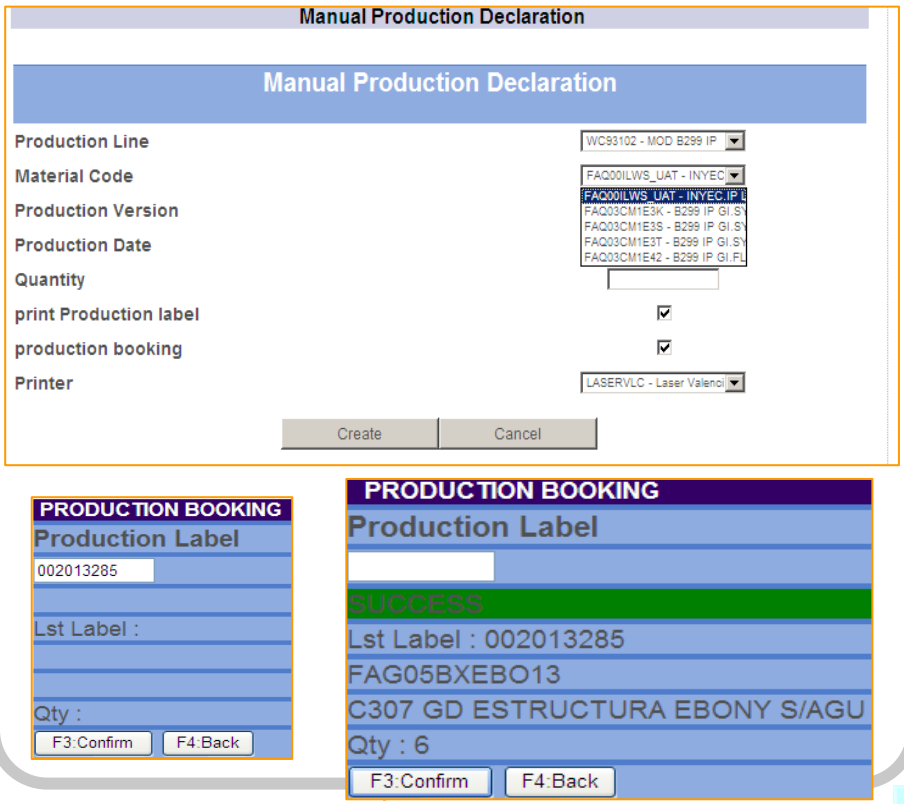
SAP production screen MFBF

•A lot of options and possibilities



MII solution

Customized to the business



Key success factors

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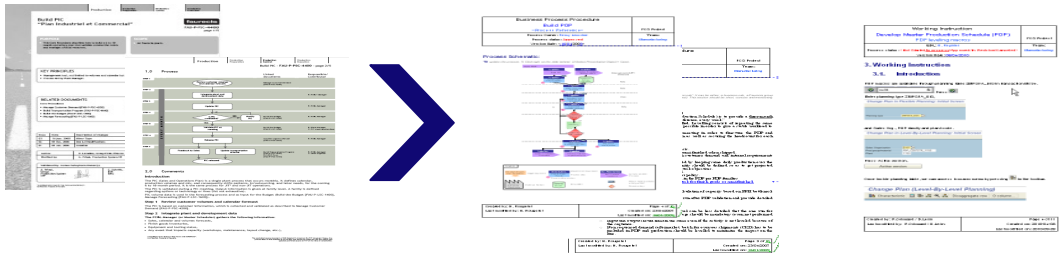
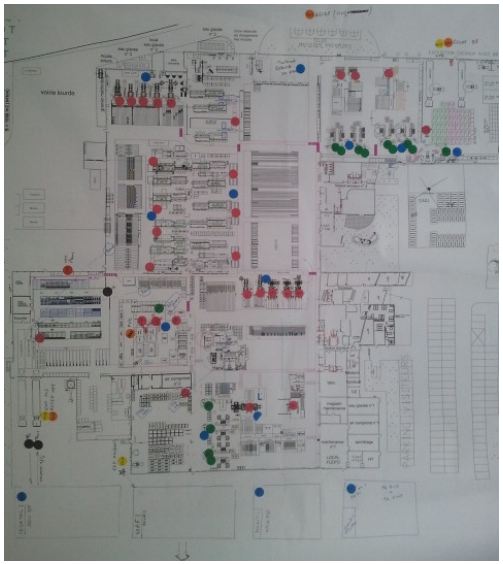
Key success factors (1 / 2)

- Have a Business model shared and validated
- Create and communicate systems work standards



- Be close to the action, people and location (Gemba)



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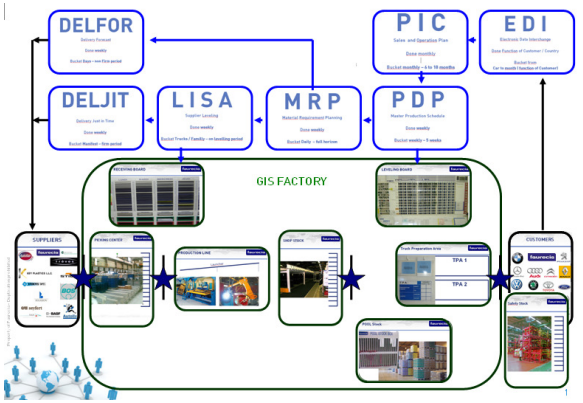
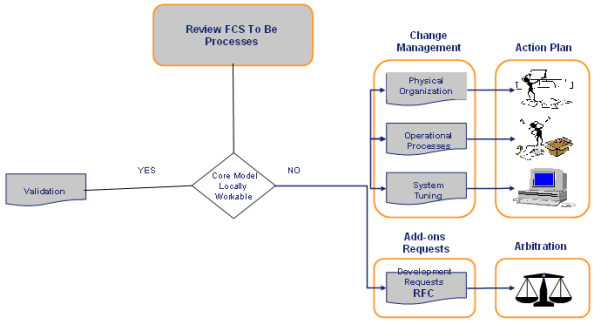
Key success factors (2 / 2)

- Have simple, visual tools to help people to change

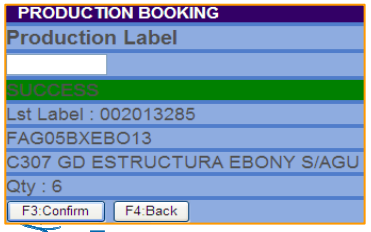


- Work in Kaizen mode

- Promote best practice with the system



- Simplify solution for operational



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Thanks for your time.

Any Questions ?

Technical perfection, automotive passion

faurecia