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Chrysler Group, LLC

Corporate Profile

Famous Automotive Manufacturer

Automotive giant the Chrysler Group, LLC is saving millions of dollars each year as a result of streamlining its operations with parts suppliers. Working with GXS, the company implemented an electronic data interchange (EDI) system to replace the paper-based communications once used to communicate with smaller suppliers. This has put Chrysler Group, LLC on the road to achieving its goal of becoming the world’s premier automotive manufacturer.

Business Challenge

Drive Down Costs by Going Paperless

Long before the company merged with Daimler-Benz in 1998, Chrysler Group, LLC recognized that exchanging information with suppliers via paper-based forms and mail was a slow, expensive process. Early on, the Chrysler Group embraced new technologies that would speed communication with suppliers and support just-in-time (JIT) shipments. As EDI became more commonplace, many of the Chrysler Group’s larger suppliers began to communicate with the company this way. But the smaller suppliers who were sending most of the paper could not afford their own EDI systems.

The Chrysler Group continued to search for ways to tighten its supply chain, reduce costs and improve productivity. Even though large suppliers were using EDI, it was taking the Chrysler Group weeks to process purchase orders and invoices because smaller suppliers still relied on paper forms. In 1995, the company made a landmark decision—to become completely paperless by the year 2000. To achieve this, the Chrysler Group needed an inexpensive EDI solution for small, low-volume suppliers.

The Chrysler Group called on GXS for help.

The Solution

Ramp Smaller Suppliers with GXS

In its quest to become paperless, the Chrysler Group chose GXS and selected a web-based EDI service that was the first of its kind in the market. All a supplier needed was a personal computer and Internet connection to exchange business documents with the Chrysler Group for a nominal per-transaction fee. This solution made sense for the Chrysler Group’s small low-volume suppliers who couldn’t justify the expense of a PC-based EDI system.

A PC-based EDI solution was selected for higher-volume suppliers that sent more than 30 documents a month to the Chrysler Group. This desktop translation and business docu-

ment management software, could be fully integrated with a company's applications. It allowed suppliers to exchange EDI documents not only with the Chrysler Group, but also with their other trading partners.

The Results

Driving Home Savings

The Chrysler Group benefits from:

- Savings of several hundred dollars for every supplier on GXS, totaling more than \$2 million to date
- Invoices and purchase orders processed in under 24 hours instead of weeks
- Improved accuracy on all documents
- Better trading partner relationships

Suppliers benefit from:

- Faster payments from the Chrysler Group within one month instead of several months
- Reduced follow-up time on problem invoices
- Improved cash management

Quotable Quotes

Ken Horn

Manager, Global EDI Communications-International Project Coordinator Procurement and Supply, Chrysler Group, LLC

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"By choosing GXS, the Chrysler Group has benefited from having a single global partner with truly leading-edge solutions."

"This is not a Chrysler Group project. It is not a GXS project. It's a team project. We're in for the long haul."



About GXS

GXS is a leading B2B integration services provider and operates the world's largest integration cloud, GXS Trading Grid®. Our software and services help more than 550,000 businesses, including 22 of the top 25 supply chains, extend their partner networks, automate receiving processes, manage electronic payments, and improve supply chain visibility. GXS Managed Services, our unique approach to improving B2B integration operations, combines GXS Trading Grid® with our process orchestration services and global team to manage a company's multi-enterprise processes. Based in Gaithersburg, Maryland, GXS has direct operations in 20 countries, employing more than 2,800 professionals. To learn more, see <http://www.gxs.com>, read our blog at <http://www.gxsblogs.com> and follow us on Twitter at <http://twitter.com/gxs>. You can also access our public filings with the Securities and Exchange Commission at <http://www.sec.gov/edgar.shtml>.

The Chrysler Group can now process invoices and purchase orders in less than 24 hours instead of weeks.

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