

Valeo Drives Global Best Practices

Automotive parts giant Valeo knows first-hand about the complexities of globalization. With 10 product families manufactured at 121 plants and designed at 61 R&D centers, it supplies every major automaker with original equipment market (OEM), original equipment spares (OES) and independent aftermarket (IAM) parts and services. Since 2000, Valeo's operations and logistics teams have improved manufacturing and supply chain processes by embracing Lean and other continuous improvement initiatives. As part of this program, Valeo expanded their Apriso software deployment, realizing efficiencies that ultimately led to winning Toyota's Vendor of the Year award.

Valeo's vision is to continuously improve product innovation, operations and logistics performance. As part of this vision, Valeo standardized on a dual platform IT strategy. Valeo selected SAP as a platform for Enterprise Resource Planning (ERP) and Apriso as a platform for Manufacturing Operations Management (MOM), including logistics execution across their entire organization.

Continuous Process and Innovation Improvement

"We realized SAP lacked an execution layer, so would need great customization for integration to manufacturing operations," says François Blanc, CIO. "At the same time, we had a lot of confidence in Apriso, based on their excellent eight-year track record with us. FlexNet has all the capabilities we required, and with its seamless integration with SAP, we maximize the value of our ERP investment."

Apriso is installed at 82 locations to achieve inventory tracking, material flow visibility, and packaging and labeling compliance goals across its enterprise. Valeo sees Apriso's FlexNet as an "end-to-end" solution for manufacturing operations management and execution to streamlining operations while supporting and enabling continuous process and product innovation.

Valeo partnered with Accenture as part of their Apriso deployment to help accelerate implementation by standardizing best-practices and sharing these processes across multiple locations.

FlexNet applications share a common unified data model and Business Process Management (BPM) capability to deliver real-time visibility and control for superior operational performance and an unprecedented agility to respond quickly to changing market conditions. FlexNet has a Services Oriented Architecture (SOA) for simplified integration to third party enterprise applications, including SAP's ERP.



Benefits Achieved

- Logistics incidents reduced
- Transportation cost reduction
- Customer returns declined
- Idle inventories dropped at multiple locations
- Real-time inventory tracking provides accurate visibility to help reduce inventory levels

Platform for Global Lean Initiatives

Consistency and product excellence at the lowest possible cost are core values at Valeo. As a result, Lean manufacturing plays an important role within Valeo's operations. Even though they generally manufacture parts where they sell them, parts in China must be exactly the same as parts made in Spain to ensure global brand integrity is maintained.

As an enterprise MOM solution, FlexNet helps to standardize business processes, operations performance and logistics execution on a global scale. A Center of Excellence collects, evaluates, prioritizes and delivers global business processes. As new products are launched, best-practices are identified and tested, to then be easily uploaded to some or all of the firm's locations, creating a highly flexible platform for executing and maintaining Lean initiatives.

"We have a team that prioritizes the requirements of various plants to determine whether a practice is both portable and universally relevant," says Pierre Kuhn, IT Manager. "If yes, we publish and distribute the process throughout the company. Apriso plays an important role in the process of extending our best practices to achieve inter-plant harmonization, which has been instrumental in helping us function as a global, best-in-class enterprise, rather than as a collection of individual plants."

Apriso has helped slash inventory levels and waste while maintaining customer compliance requirements. "Our customers have very sophisticated logistics processes, imposing big fines for mistakes," says Kuhn. "We're dealing with massive volumes every day, so we can't afford a single error. Apriso has been instrumental in improving our quality and compliance performance, which is essential, as quality is imbedded everywhere in our 'DNA' or culture."

Near-Perfect Execution

The results of Valeo's process improvement program have been impressive. Implementing Apriso has had a direct impact on reducing logistics defects, helping to improve overall customer returns from 185 parts per million (PPM) in 2003 to just 10 in 2007, with 77 percent of sites demonstrating single-digit returns by 2008. Even more remarkable is the fact that 26 plants achieved return rates of zero PPM, indicating flawless performance.

"Apriso has helped Valeo to consistently apply Poka-yoke and standardization principles in our plants around the world," says Blanc. "By using Apriso to standardize our global manufacturing processes, we achieved significant cost reductions from improved logistics, reduced transportation costs and higher quality, as evidenced by fewer PPM customer returns."

About Apriso

Apriso Corporation is a software company dedicated to helping manufacturers achieve and sustain operational excellence. Apriso serves 180+ customers in 40+ countries across the Americas, Europe and Asia. Learn more at <http://www.apriso.com>.

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