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Chrysler Corporation

Corporate Profile

Famous Automotive Manufacturer

Automotive giant Chrysler Corporation 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 on the road to achieving its goal of becoming the world’s premier automotive manufacturer.

Business Challenge

Drive Down Costs by Going Paperless

Chrysler Corporation recognized that exchanging information with suppliers via paper-based forms and mail was a slow, expensive process. Early on, Chrysler embraced new technologies that would speed communication with suppliers and support just-in-time (JIT) shipments. As EDI became more commonplace, many of Chrysler’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.

Chrysler 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 Chrysler 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, Chrysler needed an inexpensive EDI solution for small, low-volume suppliers.

Chrysler called on GXS for help.

The Solution

Ramp Smaller Suppliers with GXS TradeWebSM and Desktop EDI

In its quest to become paperless, Chrysler chose GXS TradeWeb, a forms and 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 access GXS TradeWeb and exchange business documents with Chrysler for a nominal per-transaction fee. This solution made sense for Chrysler’s small low-volume suppliers who couldn’t justify the expense of a \$2,000 - \$3,000 PC-based EDI system.

Desktop EDI was the solution for higher-volume suppliers that sent more than 30 documents a month to Chrysler. Desktop EDI, a desktop translation and business document management software, could be fully integrated with a company’s applications. It allowed

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

suppliers to exchange EDI documents not only with Chrysler, but also with their other trading partners.

The Results

Driving Home Savings

By implementing GXS TradeWeb and Desktop EDI, Chrysler benefits from:

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

Suppliers benefit from:

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

Quotable Quotes

Ken Horn

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

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“By choosing GXS and its GXS TradeWeb and Desktop EDI solutions, Chrysler has benefited from having a single global partner with truly leading-edge solutions.”

“This is not a Chrysler project, it is not a GXS project. It’s a team project. We’re in for the long haul.”

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About GXS

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration among trading partners. Organizations worldwide, including more than 70 percent of the Fortune 500, leverage the on-demand services on GXS Trading Grid® to extend supply chain networks, optimize product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. GXS Managed Services, GXS' B2B outsourcing solution, empowers customers with the expertise, technical infrastructure and program support to conduct B2B e-commerce with trading partners globally. Based in Gaithersburg, Md., GXS has an extensive global network and has local offices in the Americas, Europe and Asia-Pacific regions. GXS can be found on the Web at www.gxs.com.