



Chrysler's SPIN on the Web boosts productivity, improves ties with suppliers

Managing a nationwide supply chain of vendors is challenging for most companies. For Chrysler Corporation, a major U.S. manufacturer of vans, sedans, Jeeps, and trucks, communicating standards and sharing critical software applications with its almost 20,000 suppliers of parts, packaging, and technology is a monumental task.

"IBM made it easy for Chrysler to extend its enterprise, communicate with suppliers, and put as much information online as possible."

—John Kay, Manager of Electronic Commerce, Procurement and Supply Department, Chrysler

Even though Chrysler provides vendors dial-in access to its mainframe systems—IBM S/390 and UNIX servers—so that they can download information and applications, many suppliers with outdated PCs, incompatible hardware, or limited technical knowledge continued to rely on mail, faxes, and phone calls to stay informed. Other suppliers were often frustrated by the dozens of application diskettes sent to them by Chrysler's Supplier Communications Group.

With the help of the IBM Network Computing group, Chrysler developed and implemented the Chrysler Corporation Supply Partner Information Network (SPIN), an intranet-based supply chain management and support environment for distributing files over the Web. In its first year of operation, SPIN has increased productivity over Chrysler's entire "Extended Enterprise" family of suppliers by 20 percent, and has reduced operating costs significantly.

Chrysler uses Internet for universal solution
Chrysler learned by experience that the Internet presents an excellent medium for transferring time-sensitive information, applications, and other large files to a multi-platform universe. John Kay, Chrysler's manager of electronic commerce, says, "We knew where we wanted to go, but we didn't have the technology to develop the solution ourselves. IBM knew just where to take us. Their solution was right on target. IBM made it easy for Chrysler to extend its enterprise, communicate with suppliers, and put as much information online as possible."

The SPIN solution from IBM enables Chrysler to distribute applications and communications packages about policy, procurement, and inventory methods over the Internet. According to Jeremy Hamilton-Wright, the team leader in Chrysler's IS department, "SPIN supports everything from developing product to delivering parts and sending payments. SPIN works for all of Chrysler's different types of suppliers: production suppliers, parts suppliers, and the suppliers that package parts."

Over 3,500 supplier locations are registered to access the Chrysler SPIN Web site. More than

Application	Web-based secure Internet/intranet utilizing Distributed Computing Environment (DCE) for external communications
Business Benefits	20% increase in productivity; reduced operating costs
Software	Custom security integration code IBM® DCE Security
Hardware	IBM S/390®
Services	IBM Network Computing solutions, IBM Global Services



The SPIN solution offers Chrysler suppliers easy access to critical product information over the Internet.

12,000 users have IDs with which they can access information, such as portable document format (PDF) files of Chrysler's EDI Guide, and QS9000 certification policies and procedures. They can also access dynamic database applications, such as real-time materials requirements data, procurement analyses, and strategy applications.

According to John Kay, "Being able to get critical production information to our external suppliers as soon as it becomes available internally is a definite competitive advantage for all concerned." He explains that Chrysler's Part Quality Supply System now tracks parts notices online from engineering to purchasing to the supplier—a first for Chrysler. If any part has a quality problem, or if there is a parts change notice, that information is available online immediately, saving both the supplier and Chrysler time and money.

IBM provides basis that Chrysler can build on

While Chrysler programmers developed the applications and Web pages for SPIN, the IBM Network Computing team delivered the infrastructure that made SPIN possible. That infrastructure includes a server for the Transarc® Distributed Computing Environment (DCE) Security software, which performs user authentication. The Network Computing team also wrote performance benchmarks, which it used to help Chrysler determine the required capacity for its Web server.

But the most critical element of the infrastructure that IBM offered is the security integration code. This piece of software acts as a gatekeeper between the Web server and the Chrysler applications and data. When users access the Chrysler network from a standard Web browser, the security code checks the validity of incoming user IDs and passwords. If there's no match, the user's login request will either be rejected or the user will be asked to log in again.

Leveraging the resources of the Internet experts at IBM Global Services, the IBM Network Computing team also provided Chrysler with standards and guidelines for developing its Web pages and layouts, site navigation schemes, and graphics. These guidelines helped ensure that the Web site Chrysler designed would perform as expected and be user-friendly as well.

John Kay predicts that soon, all 20,000-plus Chrysler suppliers will be SPIN-enabled, especially as the company adds applications to its site, such as business process information and invoicing information. "Anything that Chrysler previously communicated to suppliers on paper will eventually go up on the SPIN site," he says.

And with so much business depending on the SPIN extranet, Jeremy Hamilton-Wright is glad he chose IBM as Chrysler's development partner for this project. "Our proof of concept showed that SPIN was doable and scalable. IBM helped in the development, and they had the technical expertise—the approach was their idea."

Chrysler SCORES big with Lotus Notes/Domino

With the help of Lotus Notes and Lotus Domino, Chrysler is moving its incredibly successful Supplier Cost Reduction Effort (SCORE) application to the Web. SCORE is a Lotus Notes cost-savings program that challenges supplier members of Chrysler's Extended Enterprise to continuously seek out and identify opportunities to reduce costs from the vehicle manufacturing process. If a supplier's suggestion is implemented, Chrysler awards that company half of the total savings, which ultimately improves the profits of both companies.

Today, users dial into SCORE using full Lotus Notes clients. Concerns about security have made Chrysler reluctant to let suppliers access the system using a Web interface. But Russell DuRoss, system administrator at Chrysler, notes that the company is working on creating an extranet that will allow suppliers to access the system securely using a Web browser. Using Lotus Domino to publish measurement reports on the Web, suppliers will have access to the SCORE system via Web browser rather than Lotus Notes. "Because the Internet is so standardized," he says, "it will be easier for the suppliers to communicate with Chrysler."

SCORE achieved moderate success when it was first introduced in 1989. But in the three years that the program has been online, it has yielded substantial dollar savings, an amazing \$2.5 billion since 1993 and \$1.2 billion for the 1996 model year alone. These savings have helped Chrysler go from a net loss of \$2.6 billion in 1993 to a net gain of \$3.5 billion in 1996, thus becoming the most profitable of the nation's Big Three auto makers.

For more information please contact your IBM Marketing Representative or IBM Business Partner.

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Chrysler's interactive Web site can be found at www.spin.chrysler.com



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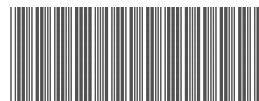
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