PSA Peugeot Citroën needed to consolidate its relations with its suppliers to enhance the efficiency of its collaborative design, procurement and supply chain processes. Sun answered this need with a SunONE-based supplier portal providing a single secured communications channel with its suppliers. This has allowed PSA Peugeot Citroën to address immediately any issues that come up, at whatever stage, leading to improved supplier relationships. Also, by enabling online digital models and mock-up sharing, development time and therefore lead times have been reduced.

Ranked number two in Europe with 15.5 percent market share, PSA Peugeot Citroën has enjoyed the strongest organic growth of any carmaker in the last five years (+55.1%). In 2002, the Group sold more than 3.26 million vehicles worldwide, representing a year-on-year gain of 4.3%. Suppliers play a key role and PSA Peugeot Citroën has over 6000 with whom it works on a daily basis. PSA Peugeot Citroën has therefore implemented a forward-looking B2B strategy. This is aimed at consolidating relations with suppliers and to enhance the efficiency of its collaborative product design, procurement, and supply chain processes.

“Today’s fast-paced competitive business environment and the high growth targets of the PSA Peugeot Citroën Group require a strategy of vehicle launch and renewal that is much more sustained than in the past. Supplier relations are critical and the means to develop optimised and modular designs, as well as a reduction of development times, are essential,” said Yvon Louvain, Internet Centre Manager at PSA Peugeot Citroën.

The Situation
PSA Peugeot Citroën is reliant on the relationships it has developed with its suppliers to execute its business. In the past, there was no easy or economical way for PSA Peugeot Citroën to collaborate with its suppliers or to disseminate critical information to all interested parties involved in new product design. In addition, applications each had their own look and feel, requiring extensive training.
Today, as part of an overall B2B strategy, the company has established a portal to serve as a focal point for its supplier relationships and streamline these activities. PSA Peugeot Citroën has also joined Covisint, a global e-business exchange for the automotive industry.

The PSA Peugeot Citroën Portal is based on a Solaris operating environment powered by Sun Enterprise ™ Servers and combined with SunONE ™ Portal Server. This is a powerful Web Services solution that also establishes a framework for future developments. It provides a single secured point of entry for PSA Peugeot Citroën’s suppliers and improves processes impacted by supplier relationships, both for the Group and for its suppliers. In addition, by capitalising on digital models now accessible online through the Portal, it also facilitates faster development at each phase in the model life cycle and consequently cuts lead times.

The Portal enables several lines of interaction including collaborative design and digital-mockup sharing with trusted suppliers. It supports procurement and supply chain applications. This Portal therefore provides the means to gather a holistic view of PSA Peugeot Citroën’s engagement with each supplier, improving supplier relations by enabling issues to be addressed at every phase of interaction.

Prior to installing the Portal, PSA Peugeot Citroën’s supplier communications were either by paper or by face to face meeting. This meant information was not spread as fast as it is now and, in many cases, the right people didn’t receive it. Now, a supplier can provide important but private information about innovations in the manufacturing process or new materials and be assured it will reach the people who need it.

In addition, the Portal provides the means to exchange information on digital mock-ups with suppliers. Suppliers access parts they are allowed to see, bring back a digital model to their environment, do their work off-line and then send the modified mock-up back to the Portal. “Shortly, we will be able to have online design conferences with shared access to the digital models so that PSA Peugeot Citroen and supplier engineers can collaborate directly,” said Louvain.

The Portal allows very quick reaction as well. “If a quality or supply problem occurs, all the people on the supply side know where to put information so those who need the information will get it immediately,” said Louvain. “This means we can address issues in hours, instead of days or weeks, before they become big problems.”

Why Sun

The initial plan was to quickly have more than 500 suppliers connecting to the Portal. PSA Peugeot Citroen needed a flexible scalable platform on which to build. They also needed a solution they could implement rapidly to meet their deployment timeline.

“We made a comparison of different platforms and we chose Sun and the SunONE Portal Server because they are a year ahead of everyone else,” said Louvain. “The SunONE Portal Server is real, not slide-ware. We had to do our pilot and show a demonstration very quickly. The only way to do that was with SunONE Portal Server.”

Key highlights

Key Business Benefits
- Rapid prototyping of portal services
- Established shared design process
- Consolidation into a single communications channel
- Enhanced communication with PSA Peugeot Citroën’s suppliers and partners, leading to improved relationships
- Cuts development time and therefore lead time
The Future

There are now over 1,500 suppliers using the Supplier Portal, with between 700 to 800 visitors a day. It is evolving rapidly and now the full exchange solution has been built out, providing each supplier with its own secure area in which to exchange and share information with PSA Peugeot Citroën.

The next phase will be to make procurement and collaboration tools available through the Portal. There are real benefits to be realised right away and the Sun Portal Solution allows PSA Peugeot Citroën to enhance its long-term communication environment with suppliers and partners, and prepare them for the future.

In parallel with the Supplier Portal, a Business to Employee (B2E) prototype was also developed. This took just four months to develop, as it also used the Sun Portal Solution and the same architecture as the Supplier Portal. This has now been successfully implemented.

"I am glad we chose Sun," commented Louvain. "If we had to decide again today, we would still make the same decision."