Every employee can inspire improvements with Ideas

Henry Ford once said, “If you think of standardization as the best that you know today, but which is to be improved tomorrow, you get somewhere.” He seems to be speaking about the philosophy of continuous improvement – that the job of doing better never really ends.

Faurecia embraces the idea of continuous improvement at all levels of the organization, in every site and in every country in which it operates. One of the tools used to capture this push to do better is the Improvement Idea (II). And it requires active participation by every employee.

Continued on page 4
Faurecia plans through 2014

On June 14, Chairman and CEO Yann Delabrière and the Executive Board brought together around 100 investors to present the Group’s strategy through 2014. “A new step for Faurecia,” which is intended to consolidate its technological leadership, accelerates its growth in Asia while still remaining attentive to opportunities for consolidation in the automotive equipment industry.

With forecasted sales of $21.5 billion in 2014 (based on the current exchange rate), Faurecia is making no attempt to hide its ambition. The sixth largest automotive supplier in the world today, Faurecia intends to capitalize on its achievements in 2009: greater market share thanks to the acquisition of EMCON and Plastal; improvements in operational performance; increased competitiveness; and an enhanced and more diverse customer portfolio.

Encouraged by these successes, the Group has set several priorities to further drive growth. First, is a commitment to development, in each area of activity, of added value technological content, particularly around the area of weight reduction, emissions control and energy recovery. Then, in the development of environmentally friendly content. And finally, in response to growing customer demand, Faurecia is going to oversee the development of global platforms while still continuing to build on its modular approach.

In terms of geographical growth, Faurecia is mainly relying on Asia and North America, where Group sales should increase significantly between now and 2014: +19% in China, +13% in South Korea and +15% in USA/Mexico.

Faurecia receives the Volkswagen Group Award 2010

On June 10, Volkswagen awarded the Volkswagen Group Award 2010 to Faurecia, an honor given each year to the best international suppliers. Martin Winterkorn took advantage of the awards ceremony, held in Wolfsburg, Germany, to convey VW’s thanks to Yann Delabrière, Faurecia Chairman & CEO, and all Faurecia employees. He emphasized his gratitude for: “your sterling support and for your rapid response and smooth crisis management in difficult times. We would not wish to do without the support of such a flexible, strong and committed partner be it now or in the future. Keep it up!”

Faurecia acquires Plastal Spain

At the end of June, Faurecia signed an agreement to purchase Plastal Spain, a leading supplier of external plastic parts to the automotive industry. Combined with its acquisition of Plastal Germany, this new operation will enable Faurecia Automotive Exteriors to expand its European manufacturing footprint, consolidate its position as the leader in the market and safeguard production for its customers, which include Ford, SEAT, VW and Iveco. Plastal has four factories in Spain (Barcelona, Tudela, Valencia and Valladolid) and employs 700 people.
FAS announces new President

Richard Kolpasky has been appointed President of Faurecia Automotive Seating in North America. He is based at the Troy, Mich. Technical Center and reports directly to Patrick Koller, Executive Vice President of FAS.

Kolpasky was most recently the Co-owner and Founder of M3 Consulting. He was previously President of Global Fluid Carrying Systems, a division of TI Automotive.

“Faurecia is extremely impressive. It has a firm foundation and exciting strategy for profitable growth for the future. I am very pleased and honored to be a part of the Faurecia team,” said Kolpasky. He replaces Pat Zarsotetta, who has taken another position in the company.

New VPs of Operations, Programs named in FAS

Philippe Cabassol has been appointed FAS Vice President of North America Operations with responsibilities for all JIT, Soft and Metals operations. Cabassol was previously President of FNC. He is based in Troy, Mich. and reports directly to Rich Kolpasky, President of FAS North America.

Cabassol replaces Ray Boufford, who has been appointed FAS Vice President of North America Programs. Boufford replaces Philippe Paumier who will return to France for another role. Boufford is based in Troy, Mich. He reports directly to Kolpasky.

FECT shows innovation at Ford NVH Conference

FECT North America participated in Ford Motor Company’s annual NVH (noise, vibration and harshness) conference in Dearborn, Mich. The goal of the conference was to advance technology that will allow Ford to meet more stringent NVH requirements while also lowering vehicle weight. Representatives from FECT’s engineering and Ford CBU teams had the opportunity to discuss solutions with nearly 300 Ford attendees who specialized in exhaust system design and release, vehicle integration, safety, NVH and CAE.

Faurecia displayed two complete exhaust systems at the event, as well as a number of components that help improve NVH performance and offer weight reduction potential. In a closed session with Ford, Faurecia presented “Delivering Balanced Solutions for NVH and Weight Reduction.”

Throughout the conference, customers were able to ride in a Ford Taurus SHO that featured a specially tuned exhaust system. Faurecia was able to reduce the weight significantly when compared to the current vehicle and also tailored the system to offer a sporty sound, which is in line with the image of the Taurus SHO and its turbo-charged engine.

Employee winners announced

Linda Davenport from the Cleveland, Miss. Plant (FAS) and Tim Gawrych of the Toledo, Ohio Technical Center (FECT) have been named winners in the Faurecia Infos North America Readers’ Survey drawing. Davenport and Gawrych were among more than 300 employees who responded to the survey.

Since April 2009, a small group of employees, chosen at random, has been receiving a Readers’ Survey in the mail at home. Infos North America is looking for feedback on how we’re doing and what can be improved in the newsletter. The suggestions are tracked and reported to the Group and many are implemented on a continuous basis. Employees who respond and send in their name and contact information are entered into a drawing. One winner is chosen from the group sent out with each issue. They receive a $50 eCertificate for thefaureciastore.com.

James Bishop from the Franklin, Ohio Plant (FECT) and Travis Tombs from the Riverside, Mo. Plant (FAS) were previously named winners. Thanks to all those who filled out their surveys.

Chairman visits six Mexico plants

During the first week of June, Faurecia Chairman and CEO Yann Delabrière and Vice President of Production Systems Alain Prioul visited six plants in Mexico. Beginning June 5, they toured Puebla (FIS), Puebla Cut & Sew (FAS), Querétaro (FECT), Ramos Arizpe (FIS), San Luis Potosi (FAS) and Silao (FECT). Delabrière’s visit focused on gaining familiarity with the plants and production in Mexico, as well as meeting with key members of the management team as Faurecia’s presence in Mexico continues to grow.

At many of the sites, Delabrière and Prioul received tours and were presented with the plants’ general performance results. Products for new programs and new production areas were also detailed. The feedback was positive and both Delabrière and Prioul offered many suggestions to site management. At Puebla Cut & Sew, Delabrière was impressed by the training area, which is being improved to achieve a reduction in absenteeism. In Ramos Arizpe, he suggested improvements to Kanban and the Truck Preparation Area.

In Faurecia’s new Querétaro site, the CEO urged management to continue to strive for integration with the Faurecia Excellence System.

Troy Tech Center mentors students

In June, the Troy, Mich. Technical Center (FAS) participated in the Utica, Mich. Center for Math, Science and Technology Internship program. For the past six years, the Tech Center has accommodated two to three students who, for several hours each day, job shadowed in the Engineering department.

On their first day, the students attended a new-hire orientation and viewed an OSHA safety video. The students worked with a different mentor each day and each of the mentors had a unique specialization in their field. The students were required to keep a daily journal throughout the program. On the last day, they gave a presentation to review what they had learned.

“This program gives the students a great learning advantage,” said Renee King, Human Resources Intern in Troy. “It allows them to gain hands-on exposure and real work experience under the supervision of professionals in the field.”
Simple Ideas

An II is defined as an idea made by any employee or team that will generate improvement to the way we work. Improvement can be related to quality, productivity, safety, work organization and environment and more.

In practice, an II is any idea that is a simple, to-the-point, step-by-step improvement. It is meant to be easy and inexpensive to apply and a result of day-to-day teamwork. The idea should be written down on the II form and submitted to a supervisor. An employee should receive a response to the idea within one week. Implementation should be completed within three months, if it’s accepted.

The Group’s target is an average of two Improvement Ideas submitted by every employee worldwide each year. This goal applies to all employees, whether on the shop floor or in an office.

The objective is neither to come up with the invention of the century, nor to redevelop entire processes or technologies, even though this may occasionally occur. And, an Improvement Idea does not necessarily result in an immediate measurable pay back, though often times it does.

FAS employees’ best Ideas

At the end of June, Faurecia Automotive Seating in North America reported that employees for its nine sites had submitted 8,005 Improvement Ideas. Approximately 90 percent of those, or 6,917, were implemented. Each month, FAS sites submitted their best II’s for review. The FAS management team considered those and named the division’s best for that month. Here are the best II’s for the first six months of 2010.

January

Internal PPM reduced by 75 percent

Gerardo Hernández Ayala suggested that at Puebla, Mexico Cut & Sew, a digital vernier replace the current analogue version. The vernier is a caliper used to measure the width of cutting blades, to see how much they are wearing down with use. The analogue version allowed for up to 2 mm of variability. The digital tool reduced the variability of measurement to 0.01 mm. The benefits included the elimination of overcuts, which caused internal PPM. In fact, at Puebla, the internal PPM was reduced by 75 percent.

Saved $166,000 in transportation costs

Brad Messinger proposed that the Riverside, Mo. daily milk runs, or routine trips to suppliers, be consolidated into one. This eliminated one inbound truck per day at the plant. This is calculated to save $1,238 per day. In total for the first semester, this II saved $166,000 in transportation costs.

February

Internal PPM reduced by 75 percent

Gerardo Hernández Ayala suggested that at Puebla, Mexico Cut & Sew, a digital vernier replace the current analogue version. The vernier is a caliper used to measure the width of cutting blades, to see how much they are wearing down with use. The analogue version allowed for up to 2 mm of variability. The digital tool reduced the variability of measurement to 0.01 mm. The benefits included the elimination of overcuts, which caused internal PPM. In fact, at Puebla, the internal PPM was reduced by 75 percent.

Every employee can inspire improvements with Ideas

Continued from page 1
Quick recognition

Each Business Group has a recognition program for its employees’ best ideas that are implemented. Usually, all of the implemented Improvement Ideas are gathered from the division’s sites at the end of each month. One is chosen as the best and the winner is awarded. At the end of June, Faurecia Automotive Seating in North America compiled its best II’s of the first half. In total, FAS employees submitted 8,005 ideas in the first six months of the year. Here is a list of the employees who submitted the best II of each month.

- **January:** Brad Messinger, Riverside, Mo.
- **February:** Gerardo Hernández Ayala, Puebla, Mexico Cut & Sew
- **March:** Keith Ross, Fountain Inn, S.C.
- **April:** Tim Cook, Fountain Inn
- **May:** Len Lusty, Blaine Richards, Luke Granados and Mark Willox, Bradford, Ontario, Canada
- **June:** Rosario Rangel, Beatriz Torres and Laura Martinez, San Luis Potosí, Mexico

### March

**Three-month savings of $66,000**

The Improvement Idea from Keith Ross of Fountain Inn, S.C. reduced operator fatigue, improved safety and could realize a savings of $700,000 annually. The customer’s work week had changed to 50 hours per week, which led to an increase of overtime (about 40 hours per week). His suggestion to supplement the GAPs brought the standard work week for Faurecia back to 40 hours and it changed the schedule to a four-day work week. In the first three months that this II was implemented (April, May and June), the site saw a savings of $66,000.

### April

**Scrap reused and eliminated**

Tim Cook, from the Fountain Inn Plant, wanted to improve the scrap situation at the site. He suggested the use of scrap parts in the weekly air bag deployment tests. Conformity of Production (COP) testing is required by the customer for seats that include air bags. The idea would use scrap or returned parts with no functional defects and the parts would qualify only after a verification process. The plant runs tests on two seat sets per week, or 96 seat sets per year. Scrap would be reused and eliminated. Since April, savings of $3,600 have resulted.

### May

**Improved ergonomic safety**

Len Lusty, Blaine Richards, Luke Granados and Mark Willox teamed up in Bradford, Ontario to offer their Improvement Idea for the plant’s train. They proposed setting up a dollie supermarket, which eliminates the need for the train operator to lift totes onto the train. The result was the elimination of a black AGREPT ergonomic rating of the train workstation and improved safety. This solution also resulted in improved management of empty containers. The train operators responded very positively to the change overall and productivity rose 33 percent.

### June

**FR2t down from 12 in May to 8 in June**

The team of Rosario Rangel, Beatriz Torres and Laura Martinez noticed that safety awareness at the San Luis Potosi Plant could be improved. They suggested a plan to improve the safety of all 480 employees. The program lasts 15 weeks and includes a series of 10-minute videos on topics such as PPE (personal protective equipment), attitude, machine safety, reports, audits and more. A Q&A session with the plant’s HSE coordinator followed. Since the program began, FR2t dropped from 12 in May to 8 in June. FR0t fell from 1 in May to 0 in June.
Faurecia recently acquired a new plant in Tuscaloosa, Ala. to supply Nissan. What are the plans for this plant?

Nissan is a new customer for FIS in the United States and we’re very pleased to welcome the Tuscaloosa employees to Faurecia. Our plans are twofold. The first is to ensure continuous improvement of the existing programs there (Nissan Armada, Frontier, Pathfinder, Titan and Xterra), and to implement Faurecia standards. Plant management and all of the employees are already making progress to align the plant’s performance with the rest of FIS NA in terms of safety, quality and efficiency. These improvements will help us meet Nissan’s standards and expectations. The second is to pursue and begin production of new programs in this plant. The significant open capacity leaves room for expansion. The site would be an appropriate location for other programs by OEMs like GM and Daimler.

What is it like to work with Nissan as a new customer?

With any new customer there is a sense of excitement and exploration as you get to know each other as business partners. Faurecia’s goal has been to be a Global Champion for Renault-Nissan’s Purchasing Organization (RNPO). For this, we have to be a supplier to Nissan North America and to supply global programs from any region around the world. We have the capability now with Tuscaloosa. We also are committed to learning from Nissan’s Production System. There are many best practices to benchmark, as we know. In fact, the QRQC approach was inspired from this Nissan system. So far, it has been a good learning experience for both sides and we are building a strong foundation.

What are some of the benefits of expanding our footprint in the southeastern United States?

For Faurecia Interior Systems, the southeastern U.S. is becoming a very important region for our footprint. We can now overcome the disadvantages we had, such as the cost of transporting bulky product like instrument panels, and be more competitive with potential customers like Mercedes, Nissan, VW, Hyundai, Honda and Toyota, who are expanding in the region.

In Short

Faurecia is ranked No. 6, including the revenues of EMCON and Plastal. This is up from No. 8 in 2009. Here are the top 15 on the list.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Delphi</td>
</tr>
<tr>
<td>2</td>
<td>ZF Friedrichshafen</td>
</tr>
<tr>
<td>3</td>
<td>TRW</td>
</tr>
<tr>
<td>4</td>
<td>Hyundai Mobis</td>
</tr>
<tr>
<td>5</td>
<td>Valeo</td>
</tr>
<tr>
<td>6</td>
<td>Toyota Boshoku</td>
</tr>
<tr>
<td>7</td>
<td>Lear Corp.</td>
</tr>
<tr>
<td>8</td>
<td>Johnson Controls, Inc.</td>
</tr>
<tr>
<td>9</td>
<td>Denso Corp.</td>
</tr>
<tr>
<td>10</td>
<td>Aisin Seiki</td>
</tr>
<tr>
<td>11</td>
<td>Continental</td>
</tr>
<tr>
<td>12</td>
<td>Faurecia</td>
</tr>
<tr>
<td>13</td>
<td>Magna International</td>
</tr>
<tr>
<td>14</td>
<td>Valeo</td>
</tr>
<tr>
<td>15</td>
<td>Lear Corp.</td>
</tr>
</tbody>
</table>

Source: Automotive News
2011 Volkswagen Jetta: new refinement for North America

In June, Volkswagen released the first images and preliminary details of its all-new flagship for the North American market. This Jetta is the beginning of a new era for Volkswagen, according to the company. It features clean lines, refined side architecture and premium style combined with Volkswagen’s precision German engineering. “The all-new 2011 Jetta is a class-up driving experience with the kind of styling, design and power under the hood normally found in more expensive luxury cars,” said a company spokesperson.

Faurecia will supply parts for several of the Jetta systems, including seat recliners from the Bradford, Ontario Plant and frames from San Luis Potosí, Mexico. Faurecia Interior Systems will produce door panels at the Puebla, Mexico facility, while the Faurecia joint venture company, SAS Automotive, will assemble the cockpit at its facility in Puebla. The Dexter, Mo. Plant will supply the catalytic converters for the exhaust system. The new Jetta will be available in dealerships this October.

**DIMENSIONS**
- Length: 182.7 inches
- Width: 70.1 inches
- Height: 57.1 inches

**ENGINES**
- 2.0-liter direct injection clean turbo diesel with 236 lb.-ft. of torque
- 2.0-liter, turbocharged, four-cylinder that delivers 200 hp and 207 lb.-ft. of torque
- 2.5-liter five-cylinder that delivers 170 hp and 177 lb.-ft. of torque
- Available in the S, SE, SEL, TDI and GLI versions

**SAFETY**
- Up to six airbags, including two front, two side and two window/thorax airbags
- Electronic stability control and tire pressure monitoring systems come standard

**INTERIOR**
- Interior accents can be changed out by the dealer, offering a more personalized touch
- Increased legroom by 2.6 inches, totaling 38.1 inches
- New steering wheel design, intuitively arranged instruments and a center console that is slightly inclined toward the driver

**EXTERIOR**
- New dimensions lead to a powerful balance of proportions
- On the front end of the car, the prominence of horizontal lines defines the design; the black radiator grille, trapezoidal headlamps, V-shaped engine hood and other features are derived from the NCC concept car
- Exterior elements emulate the Volkswagen CC, while the side and rear profiles are a clear evolution from the previous Jetta model
- Wheels and tires available up to 18 inches

**Detroit 3 top new car quality survey for first time**

American automakers have beaten their foreign rivals for the first time ever in J.D. Power and Associates’ influential survey of initial vehicle quality, which was released in June.

Ford edged out Honda to claim first place among non-luxury brands and Toyota fell to the middle of the pack. However, for the first time in years, the average number of problems per 100 vehicles in the first 90 days edged up slightly for the industry as a whole, from 108 in 2009 to 109 this year. “Domestic automakers have made impressive strides in steadily improving vehicle quality, particularly since 2007,” said David Sargent, Vice President of Global Vehicle Research at J.D. Power.

Ford Motor Co. had the highest quality ratings of any U.S. manufacturer. Its Blue Oval brand came in fifth, with 93 problems per 100 vehicles, making it the highest rated non-luxury brand. Ford’s Lincoln brand placed seventh with 106, the highest rating of any American luxury brand.

Cadillac and Chevrolet were GM’s highest-rated brands. Chevrolet was the leader in two segments, Chrysler Group’s Ram truck brand came in just below the industry average, with 110 problems per 100 vehicles. It was the first year that its trucks were rated separately from Dodge cars.

**Mercury to end, Ford to focus on Lincoln**

Ford announced it will end production of its Mercury vehicles in the fourth quarter of 2010. It believes that this will open the opportunity to enhance its Lincoln brand lineup. The aggressive growth plan includes seven all-new or significantly refreshed Lincoln vehicles in the next four years, which will highlight standout product design, class-leading technology and new powertrains – all aimed at competing with Cadillac and Lexus.

“The new Lincoln vehicles will transform luxury for North American premium customers through an unexpected blend of responsive driving enjoyment and warm, inviting comfort,” said Mark Fields, Ford President of The Americas.

**Chrysler Group now builds the Fiat way**

After it emerged from bankruptcy, CEO Sergio Marchionne ordered all Chrysler Group plants to adopt Fiat’s World Class Manufacturing system, which is designed to improve quality and productivity by eliminating waste and bottlenecks. Equally important: creating a culture of worker involvement.

The Fiat system is a form of lean manufacturing – a concept introduced by Toyota Motor Corp. World Class Manufacturing. Even the layout of the assembly process has been streamlined with the elimination of smaller lines and more room to work around the main assembly lines.

The Jefferson North Assembly Plant in Detroit was the first to implement the system. It needed to implement it quickly because the all-new 2011 Jeep Grand Cherokee is produced there. It is the first new product since Fiat and Chrysler joined forces.

Source: The Detroit News
Brainstorming at Westworks
North America employees, students focus on sparking innovation in Holland

The team at the Holland, Mich. Innovation Center (Westworks) recently hosted a group of students who were learning about design at a nearby school. The 16 sixth, seventh and eighth graders from Black River Charter School spent almost three hours with the Holland team, participating in a series of brainstorming activities. Their “job” was to design the desk of the future.

Greg Brncick, Rob Fitzpatrick and Jim Hotary, Advanced Innovations Managers from Westworks, helped them brainstorm ideas based on their design brief, research and benchmarking.

The students broke up into four teams and rotated through several areas of focus: technology, integration, cleanability and comfort. “We filled our whiteboards with hundreds of ideas and then led the students through a sorting exercise,” said Fitzpatrick. They left the building armed with many good ideas that they could apply to their final designs for the class.

“The Westworks team ended up with a fresh perspective on innovation,” he went on to say. “Kids have great imaginations that are not tethered by constraints. I think we can use a bit of that in our everyday thinking to push way outside the box – to even view the box from a whole new perspective.”

Igniting innovation

The Westworks team also recently held a brainstorming workshop for Faurecia teams. Early in Q2, 15 people from Automotive Seating Interior Systems and several R&D suppliers (consumer research, engineering and design strategy) attended a two-day “Ignition Workshop” in Holland. The team stepped away from their daily business to think about the future. They immersed themselves in discussions about next steps and innovations in Automotive Seating. Their topic was the Connected Seat.

Generally, a session like this produces three to five workable ideas that can be further explored and developed.

“Considering trends related to our business, end consumers and technology is one of the most effective ways to inspire breakthrough product ideas,” said Hotary. “These ideas, moved forward by the Group R&D organization, can lead to significant increases in profitability.”