# PSA PEUGEOT CITROËN
## ACHIEVING OPERATIONAL EXCELLENCE IN PLANT MAINTENANCE

## QUICK FACTS

**Industry**
Automotive

**Revenue**
€48.4 billion (2009)

**Employees**
186,220 (2009)

**Headquarters**
Paris

**Web Site**
www.psa-peugeot-citroen.com

**SAP® Solutions and Services**
Standardizing plant maintenance processes with the SAP® Enterprise Asset Management solution

**Implementation Partners**
CSC, BearingPoint, Capgemini

Automotive leader PSA Peugeot Citroën wanted to improve productivity in its 28 manufacturing facilities worldwide, 4 technical centers, and 1 tertiary site. PSA replaced its legacy plant maintenance applications with the SAP® Enterprise Asset Management solution and developed standard business processes based on best practices. In the next few years, the solution will pay back PSA's investment through heightened efficiency and a better spare-parts list.

### Key Challenges
- Improve maintenance efficiency and effectiveness
- Replace disparate plant maintenance software at 33 global sites with a single information system
- Harmonize plants' rules and processes
- Reduce the number of unknown spare parts of the equipment
- Properly balance corrective and preventative maintenance

### Implementation Best Practices
- Closely involved future users from the outset
- Obtained close support and frequent communication from senior management
- Emphasized user interface simplicity
- Used a standard implementation template
- Deployed plants in manageable waves but went live within each of them in "big bang" style
- Focused on change management and training for both IT and business users

### Financial and Strategic Benefits
- Undergoing savings by applying processes and followup with the application
- Carried out preventative maintenance better
- Increased equipment availability
- Established product feedback loop to engineering

### Why SAP Was Selected
- Native integration with SAP® software already in place
- Strong reliability and robustness references
- Superior functionality

### Low Total Cost of Ownership
- Implemented on an x86 platform to reduce investment costs
- Created single instance for the entire company to minimize support costs
- Held customization to a minimum
- Retired legacy applications

### Operational Benefits
- Made productivity and organizational improvements throughout the plants
- Achieved production and quality targets
- Eliminated reentry of data
- Cut inventories by eliminating spare parts that were no longer required

PSA PEUGEOT CITROËN

**SAP Business Transformation Study**
Automotive

SAP

PSA Peugeot Citroën is Europe's second-largest automaker and number seven globally, producing 3.2 million cars in 2009. Until recently, PSA's 33 industrial sites in Europe and Latin America had their own procedures for performing maintenance and spare parts management based on diverse applications – creating many challenges. The sites had large performance differences that, due to the disparities, were hard to understand and rectify. Supporting so many applications was costly. Inventories held many parts without known use, driving costs up further.

## Adopting Corporate-Wide Solutions and Processes

To save plant maintenance costs and improve effectiveness, PSA launched a project called COMPAS. Its goal was to revitalize maintenance methods and boost productivity by standardizing asset management, reporting, and developing highly efficient process standards for plant maintenance throughout the company. COMPAS also called for a better application of preventative maintenance, and for instituting a feedback loop so that engineering could benefit from experience gained from the plant floor. Concurrently PSA formed a companion project to address its spare-parts management.

Objectives as sweeping as these required comprehensive new plant maintenance software. PSA was already using the SAP® ERP application for administration and procurement and realized the integration benefits that would accrue from choosing another SAP solution. This application covered most of PSA's requirements and came with abundant references from customers for reliability and ease of implementation and use. PSA best practices serve as models for the new global process standards.

PSA and its implementation partners took a systematic approach. They began by engaging stakeholders from shop-floor users to the senior managers who would provide vital change management communication. Then they developed business processes that took advantage of the solution provided, as well as an interaction portal that emphasized ease of use. Finally they created a standard implementation template and used it for all 33 deployments. When they finished, 22,000 users were live with common software and processes.

## Meeting All Cost-Effectiveness Goals

PSA's project deployment was a profound success. The deployment was efficient; the firm has accomplished the project more quickly with fewer plant personnel and less outsourcing. IT's support burden is down. With these cost savings, PSA will recoup its investment sooner.

On the effectiveness front, the project COMPAS has set the basis for better process management, that is, equipment availability, quality, and performance are starting to converge towards targets. Preventative maintenance is tightly followed, and equipment designers are getting feedback from their shop-floor partners.

Instituting entirely new methods throughout such a rich network was an ambitious undertaking, but PSA's results have shown that it was worthwhile.

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