

GXS in Automotive

The Automotive Industry Today

Today's automotive industry is going through a radical transformation, Original Equipment Manufacturers (OEMs) and suppliers are under increased pressure to reduce costs as competition increases through globalization. The OEMs are redesigning manufacturing and supply networks to embrace lean manufacturing principles and become demand driven. Due to increased customer requirements, OEMs have to develop more niche vehicles and this puts pressure on the entire supply chain to produce lower volume, higher quality products in much shorter manufacturing times. The Tier 1 suppliers are evolving to take on greater roles in product design, vehicle assembly and supply chain management.

Many automotive manufacturers are taking advantage of the financial benefits of establishing new manufacturing facilities in emerging markets such as China and Eastern Europe. These regions are seeing significant investment from Western OEMs that want to build cars more cost effectively. The major suppliers have also established a presence in these regions, closer to where the OEMs are based. Since the suppliers are now closer to their customers this has simplified the logistics associated with delivering components 'trackside,' resulting in improved operational efficiencies.

Manufacturing in these regions has seen the OEMs introduce global supply chains. This has caused many companies to re-evaluate their respective IT and B2B infrastructure strategies in preparation to work with their trading partners on a 24/7 basis. Even though emerging markets offer low cost production opportunities, these regions need to make significant investments in their IT and communications infrastructures to ensure continued investment from Western-based companies.

Today's B2B environments are complex in nature. They need to support global operations, yet they must remain flexible in order to meet varying market conditions and customer needs. There are a number of ways in which an automotive company can improve its B2B infrastructure. Outsourcing part of a B2B infrastructure can help to save costs and release valuable resources for other projects. The emergence of global manufacturing centers, long distance supply chains and more complicated logistics processes has led companies to seek ways to improve how information is shared across the extended enterprise. Providing a common B2B platform can help to improve communications and shield users from the complexity of interacting with individual enterprise systems. Finally, improving visibility across a supply chain helps prevent bottlenecks and improve the delivery of goods to automotive dealers and spare parts retailers.

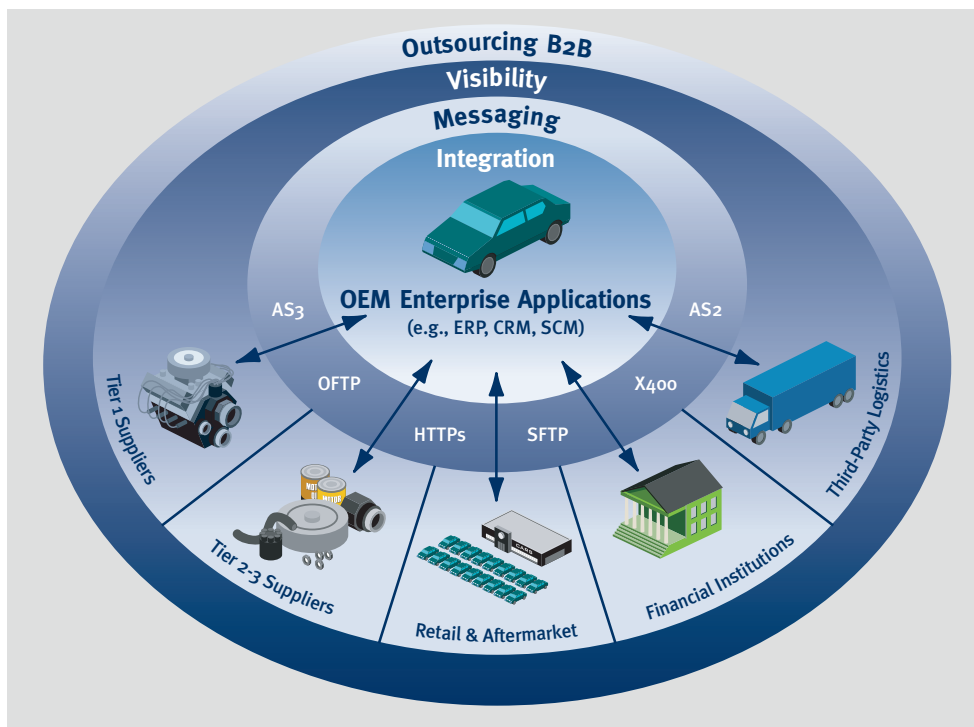
B2B Solutions for Automotive

In order to address the IT and B2B challenges faced by the world's automotive companies, GXS offers a number of B2B solutions that can enhance customer service levels, streamline supply chains, improve time to market and increase overall B2B flexibility.



GXS INDUSTRY LEADERSHIP

- A global company with 1800 employees, operating directly in 20 countries, and with partners in 30 countries
- More than 40 years of automotive industry experience
- Largest automotive e-commerce community in the world
 - 80% of the top 10 global OEMs
 - 70% of the top 100 global suppliers
 - 70% of the top 20 suppliers in North America
 - 85% of the top 20 suppliers in EMEA
 - Nearly 75% of the automotive companies in the Fortune 500
 - Over 6,000 Tier 2-n suppliers
- The world's largest B2B network, global availability, reliability and security
- Global, multi-lingual community enablement services to help connect trading partners quickly



Built on the GXS Trading Grid® platform, GXS solutions enable companies to integrate their customers and suppliers around the world with a broad range of B2B transaction capabilities—from direct system integration to Web-based form interfaces. GXS Trading Grid® is a global B2B e-commerce and integration platform that supports the creation and adoption of on-demand supply chain management solutions for companies of any size. GXS Trading Grid provides customers with visibility into daily e-commerce transactions, enabling dynamic, instant provisioning and manipulation of global trading partner networks. GXS Trading Grid provides access to analytics and reporting about the performance of its suppliers as well as the needs and response rates of its logistics providers.

B2B Outsourcing

Staying focused on your core competencies can be difficult. As business needs change, processes that were once a competitive advantage soon become the cost of doing business. Technology can be a competency that quickly moves from core to commodity. As supply chains have extended around the world and B2B requirements have become more diverse, many companies have turned to B2B outsourcing. This helps to not only reduce operating costs, but more importantly enhance B2B capabilities, improve customer service and responsiveness and increase the focus on higher value business objectives.

- **GXS Managed Services**—provides the people, process and technology necessary to perform all day to day management of an organization's global B2B operations, including:
 - On-demand translation service that provides any to any data format and protocol conversion
 - Daily global B2B operations conducted via world-class and geographically dispersed data centers

GXS MANAGED FILE TRANSFER SERVICE

GXS Managed File Transfer Service is a fully hosted environment allowing users to exchange files of any type (e.g., CAD/CAM design files) and any size between users. Files are uploaded and downloaded via an easy-to-use Web based environment. The new MFT service provides:

- Secure B2B file transfer
- Protocol mediation
- Internal/external user implementation
- File monitoring and reporting
- Program management and user support

- A trading community on-boarding service that enables customers to reach 100% of their trading partners
- B2B transaction visibility for document tracking and reporting
- Dedicated program managers to help execute customers' global B2B programs

GXS has 40 years experience in B2B e-commerce and nearly 20 years supporting full service B2B outsourcing programs. GXS Managed Services enables you to trade electronically with more trading partners, improve your business visibility and meet your current and future business requirements.

B2B Outsourcing Case Study

GXS helped one of the world's largest suppliers of fastenings and assembly solutions to manage their EDI infrastructure. GXS Managed Services was used to consolidate numerous global EDI platforms as part of an ongoing Six Sigma project. This company decided to outsource this project due to the lack of internal resources to successfully execute and manage the project. GXS Managed Services was used to consolidate four EDI platforms across Europe. This project also included the management of numerous trading partners and direct connects to 110 automotive trading customers. The result was significant cost reductions realized from having a single, unified EDI platform across the company's global locations.

GXS CUSTOMER SURVEY RESULTS

GXS Managed Services customers have experienced significant return on investment (ROI) with GXS:

- 42% savings in operational costs
- 39% increase in customer satisfaction
- 38% improvement in B2B system uptime/availability
- 30% improvement in responsiveness to new trading partner requirements
- 24% increase in number of trading partners integrated via the outsourced systems

The Need for B2B Integration in Emerging Markets

Today's automotive industry faces many supply chain integration challenges. Globalization of automotive supply chains has caused OEMs to integrate widely dispersed manufacturing plants and suppliers located in emerging markets such as China and Eastern Europe. Different enterprise applications, data formats and communication protocols further complicate how OEMs share information efficiently with their trading partners. In order to improve collaboration between trading partners everyone must have access to any type of information, from any location and at any time of the day.

GXS Enterprise Gateway provides a means for companies to exchange information with manufacturing partners or suppliers, including those located in new, emerging markets. It also allows mature companies to rationalize their existing B2B infrastructures to a single, seamless infrastructure across their extended enterprise.

- **GXS Enterprise Gateway**—provides a range of adapters or interfaces that allow you to connect to back-office systems such as SAP. The integration is achieved through the use of a services-oriented architecture with rich Web services and XML support. This allows you to integrate enterprise systems with customers and suppliers. GXS Enterprise Gateway enables:
 - Integration to most commonly used ERP and accounting packages
 - The ability to rapidly map data from virtually any source to any destination and perform high speed EDI/XML translations
 - The management of global trading partner relationships without the intervention of IT resources

B2B Integration Case Study

One of China's largest iron and steel producers required a single and consolidated B2B platform to allow them to efficiently support data gathering, translation and integration into its forecast to payment execution process. There was also a requirement to integrate with external trading partners and internal enterprise applications. The architecture of this new integration platform is based on GXS Enterprise Gateway and Visibility solutions. The project integrated 22 subsidiaries (nine located overseas) and nearly 30 separate enterprise applications. The platform has allowed this company to establish new OEM partnerships and as a result their online business transaction volume is increasing rapidly. The management of inventory with an automotive customer originally took two days to process—on the new platform this has been reduced to two hours.

Global Automotive Network Communications & Interoperability

GXS, via its Trading Grid® Messaging Service, can help automotive companies exchange electronic documents in a range of formats using globally recognized communication protocols. These include but are not limited to OFTP, AS2, AS3, SFTP, HTTPS Internet protocols and X400, X25, Async, Bisync and MQ Series legacy protocols.

In addition to Internet connectivity, Trading Grid Messaging Service provides full interoperability to all of the major automotive networks around the world, including American Network eXchange (ANX), European Network eXchange (ENX) and Japanese Network eXchange (JNX).

GXS has the ability to connect an OEM or supplier to any trading partner around the world. In addition, Trading Grid's Ultra architecture allows companies to have access to a safe, secure and highly reliable service offering 99.9% availability.

Improving Supply Chain Visibility

Today's automotive supply chains are complex and there is an increasing need to manage trading partners in emerging markets such as China, Eastern Europe and India. Keeping track of all your supply chain transactions across the world can appear to be a daunting challenge. Monitoring supplier shipments via logistics providers and across border controls is key to improving supply chain efficiency. In addition, automating processes for monitoring critical supply signals can help improve inventory visibility, cash flow and overall supply chain performance. GXS Visibility solutions can help to address some of these issues:

- **GXS Visibility Solutions**—allow you to keep track of all your supply chain transactions. Trading Grid Visibility solutions allow you to keep track of customer consumption patterns, shipping status and monitor in-transit inventory. Features of GXS Visibility solutions include:
 - Detection of critical supply signals such as shipment or manufacturing delays
 - Detection of demand signals such as increased sales, out of stock situations, or inventory shortages
 - Track and trace capabilities enable you to determine whether an order has been

GXS TRADING GRID® MESSAGING SERVICE

This service enables automotive companies all over the world to trade business documents electronically in a fast, secure and reliable fashion. Trading Grid Messaging Service:

- Mediates the technology and process differences between trading partners
- Combines established and proven EDI capabilities, such as support for all of the common EDI data standards and connectivity protocols
- Provides visibility and tight process controls that enable businesses to react immediately to unforeseen challenges

- acknowledged, shipped, received, invoiced or paid
- Inventory monitoring services detect out of stock situations

Supply Chain Visibility Case Study

A Japanese automotive OEM was faced with a problem of improving the visibility of spare parts distribution to their global network of dealers. They were using manual processes, resulting in lost purchase orders and shipping information. They also had no advanced planning for shipments, resulting in slow receiving processes and frequent receiving errors. Overall this resulted in poor supplier performance. GXS Visibility solutions were implemented to handle advanced shipping notices with inbound supplier shipments and drop shipments directly to their customers. They managed to obtain order lifecycle visibility and eliminated lost purchase orders through extensive automation of manual processes. Overall they realized a faster, more accurate receiving process, decreased inventory levels and better overall supplier performance.

Standards Leadership

GXS plays an extensive role in global automotive and industry standards organisations. GXS is a member of a number of automotive industry associations including the Automotive Industry Action Group (AIAG), ODETTE, GALIA and VDA to name but a few. GXS also supports many different document formats including EDIFACT, ANSI X12 and XML.

About GXS

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration, synchronization and collaboration among trading partners. Organizations worldwide, including 75 percent of the Fortune 500, leverage the GXS Trading Grid® to extend supply networks, optimize product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. With an unmatched global presence, proven trading partner management and B2B outsourcing services, GXS's on-demand solutions maximize the benefits of integration for businesses.

Based in Gaithersburg, MD, GXS's extensive global network serves customers throughout the Americas, Europe, the Middle East and Africa and Asia Pacific regions. GXS can be found on the Web at www.gxs.com.



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GXS SERVICE PARTS VISIBILITY SOLUTION

GXS Service Parts Visibility Solution allows automotive companies to keep track of service parts related shipments anywhere in the world. The fully hosted, web based environment has pre-configured connections to 80% of the world's freight companies and provides the following benefits:

- Improves cross border processing of parts shipments
- Minimizes the chance of counterfeit parts entering the supply chain
- Improves monitoring of logistics partners
- Improves customer satisfaction levels

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