



# AutoLiv

## Corporate Profile

Autoliv is a global company that many people may not know, yet every time you step into a car you will be glad they exist. The company is recognised as the worldwide leader in automotive safety and they account for all major technological breakthroughs in the occupant restraint industry. Every year Autoliv products save 25,000 lives and prevent ten times as many severe injuries.

Prominent in automotive safety since 1957, the present company came into existence in 1997 with the merger of Autoliv and Morton in Sweden. The joint company continued its pioneering approach to seatbelt and airbag design and manufacturing. Significant inventions by the company include the side-impact airbag, the side-cushion airbag for convertibles and the world's first airbag with safety vents.

In addition to passive safety equipment, the company is a leader in active safety systems such as Night Vision Systems and an Active Bonnet Mechanism that protects pedestrians against impact. The success of the business growth through innovation is demonstrated by the fact that today the company works with every one of the world's leading automotive manufacturers.

Autoliv has grown to be an \$8 billion organisation with over 48,000 employees operating from 80 plants in 29 countries across the globe. Innovation is only one of the reasons for Autoliv's success. Another is its commitment to exceptional customer service which led it to begin working with GXS in 2004.

## Business Challenge

Servicing a global industry that is driven by Just-in-Time manufacturing and lean operating processes requires a supplier to be agile, responsive and cost effective if they want to be successful. This is a continuous goal for Autoliv's business operations. After a period of rapid expansion, Autoliv looked to consolidate its internal systems to ensure it could effectively manage its business.

Ivan Corvillo, EDI Manager at Autoliv, explains: "In 2004, we embarked on a major project to consolidate our ERP systems. This gave us the opportunity to look at how we were trading with our customers and suppliers and we realised that EDI was an area where we could improve the service we offered our customers."

After evaluating the market, the company selected GXS Trading Grid® as the basis of its new EDI messaging platform Ivan states the reason was because of "the global nature of the GXS service and the quality of support that the company delivers".

However, the fact that GXS could enable the company to implement its preferred business philosophy was just as important. Autoliv's approach has always been to trade with customers and suppliers in the way that was best for the individual cus-

### AT A GLANCE

- 80 manufacturing plants and 600 suppliers in 30 countries worldwide
- New order every minute.
- New product created and delivered within 2-5 hours within Sequencing Centres
- 12 million business documents exchanged each year
- 10-20 new trading partners on-boarded each month
- New partner on-boarded with 'just a few clicks'



tomor or supplier, rather than trying to enforce a particular communication or messaging standard. The result is that the company has to support a wide range of document types and EDI standards.

Ivan explains: “We have over 600 suppliers in 30 countries worldwide that we trade with on a daily basis. In addition, we have automated as many of our business documents and processes as possible from initial purchase order demands to advanced shipping notices, received delivery schedules to invoicing, all integrated to our accounting and back office systems. In all, I’d estimate we are processing over 12 million inbound and outbound messages a year. It’s essential that each and every one is sent and received successfully if we’re to deliver the service levels our customers expect.”

Those customer expectations are very high. It’s quite common for Tier 1 automotive suppliers to locate their production facilities close to those of their customers in order to satisfy the service demands of JIT manufacturing. Autoliv has taken this one step further by introducing the concept of the ‘Sequencing Centres’ in the vicinity of or within the manufacturing plants of its customers.

The centres are responsible for final assembly and ensuring that the correct Autoliv products are fed into the customer’s production process at the right time and in the right order. The company estimates that an Autoliv Sequence Centre receives a new order almost every minute and that order is executed and delivered within two to five hours depending on the product.

The rapid and effective flow of business documents is absolutely essential to ensure this ultra-agile business model operates successfully.

## The Solution

In 2004, Autoliv moved to GXS Trading Grid Messaging Service (TGMS), a worldwide transaction management service that enables companies to exchange electronic business documents quickly and securely. The service allows Autoliv to trade electronic documents with customers and suppliers using a wide range of formats including the latest XML as well as traditional EDI standards.

Ivan comments: “GXS has become a strategic supplier for us and key to our commitment to exchange information in the best way possible with our partners. The company has proved to be very good in ensuring we can exchange a wide range of documents with our partners regardless of their technical capabilities or geographic location. Using TGMS means that we can trade effectively with companies that have communications platforms that we can’t support internally or those with no capabilities at all.”

The global presence of GXS means new suppliers can be enabled and onboarded quickly as the business dictates. “As a business we have quite a mature trading partner community but we are still adding ten or twenty new partners every month. As our customers and our own company seek to utilise some production in low cost countries, the ability to onboard a new network of suppliers quickly is important. GXS Trading Grid gives us this capability and the whole process can be achieved with a minimum of effort,” says Ivan.

Autoliv has developed a great deal of additional functionality in-house and has integrated its in-house systems with GXS Trading Grid, an approach that has given Autoliv the flex-

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EDI MANAGER, AUTOLIV



ibility to respond quickly to business needs. Ivan states: “A large benefit that GXS delivers to us is autonomy. We have the freedom to quickly do what we want. With GXS, everything can be achieved with just a few clicks. We have the confidence that we are successfully exchanging critical business documents in a format that our partners are happy with. This ability has always been good but it has definitely been enhanced by Trading Grid® Online.”

GXS Trading Grid Online provides an easy-to-use, intuitive web-based tool to monitor and manage business-to-business transactions. Ivan has been impressed. “The portal gives me much greater control over the exchange of our business documents and it makes a whole range of tasks, such as partner onboarding or monitoring the status of documents, much easier.”

## The Benefits?

GXS Trading Grid provides the flexibility and scalability to allow Autoliv to be able to support their customers complex JIT manufacturing processes anywhere in the world. Being able to adjust supply levels quickly to meet varying vehicle production levels has allowed Autoliv to significantly increase customer satisfaction levels and build much tighter relationships with their global customers.

Ivan says: “From my point of view, one of the real benefits is the saving in time and effort for us. We have confidence that our documents will be exchanged and actioned in a timely manner. We have been able to get reduce our dealings with support departments to find out what’s happened to an important document or why our partner is unable to work with the document we sent. Now, it just works which is important for our agile business operations.”

As important to Autoliv as the technology solution that GXS provides, is the relationship that has been established between the organisations. “Our original decision to select GXS was partly due to the global reach that matched our business operations. We did evaluate the concept of moving to a completely outsourced solution at the time but retaining in-house EDI systems was the correct approach for our business. As we look to continually make our operations more efficient, it’s likely we will examine the B2B managed services option again. With many years of experience of the capabilities and support that GXS provides, I think we would feel comfortable to extend our relationship in that direction,” Ivan concludes.



### About GXS

GXS is a leading B2B integration services provider and operates the world's largest integration cloud, GXS Trading Grid®. Our software and services help more than 550,000 businesses, including 22 of the top 25 supply chains, extend their partner networks, automate receiving processes, manage electronic payments, and improve supply chain visibility. GXS Managed Services, our unique approach to improving B2B integration operations, combines GXS Trading Grid® with our process orchestration services and global team to manage a company's multi-enterprise processes. Based in Gaithersburg, Maryland, GXS has direct operations in 20 countries, employing more than 2,800 professionals. To learn more, see <http://www.gxs.co.uk>, read our blog at <http://www.gxsblogs.com> and follow us on Twitter at <http://twitter.com/gxs>. You can also access our public filings with the Securities and Exchange Commission at <http://www.sec.gov/edgar.shtml>.

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