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Chrysler Group LLC Opens State-of-the-Art World Class Manufacturing Academy in Warren, Mich.

- · Chrysler Group executives, UAW officials and elected officials help dedicate new training center
- Academy expected to host more than 2,500 each year for WCM training, tours and meetings
- Utilizes latest technology for training modules, including 3D simulation and human motion capture equipment

January 23, 2012, Warren, Mich. - With touch screens on the walls, iPads on table tops and plenty of hands-on laboratories, Chrysler Group LLC's new World Class Manufacturing (WCM) Academy looks more like a high-tech store than a training center. But training is exactly what will take place in the state-of-the-art facility that was officially dedicated today.

During a ceremony attended by Chrysler Group's Senior Vice President of Manufacturing Scott Garberding, Vice President of the UAW Chrysler Department General Holiefield, Macomb County Executive Mark Hackel and Warren Mayor Jim Fouts, the ribbon was cut to officially open the new training center, located on Nine Mile Rd., in Warren, Mich. Occupying about 25,000-square-feet of the UAW-Chrysler Technology Training Center, the Academy's mission is to transfer WCM "know-how" to more than 1,200 participants each year and cultivate an enriched culture of continuous improvement and learning. Another 1,300 will visit the Academy for tours and meetings.

"When Chrysler was developing its survival plan in partnership with Fiat in 2009, one of the key elements of turning the Company around was the implementation of World Class Manufacturing," said Garberding. "Now, after two and a half years, our Chrysler Group manufacturing facilities are some of the most productive and efficient in the industry, and several are positioned to achieve Bronze status, a significant milestone on the WCM journey, within the next six months.

"The results that have been achieved in our plants could not have been realized without the support of our UAW partners," said Garberding. "From the leadership to the shop floor, everyone has become an advocate of WCM and understands that it is critical to maintaining Chrysler Group's competitiveness into the future. It's this knowledge and expertise that we want to make available to everyone within the organization through this new academy."

WCM is a methodology that Fiat began developing, implementing and refining in 2005 with the purpose of reducing waste, increasing productivity and restoring dignity to the employees. As a result of the collaboration with Fiat and the sharing of knowledge, WCM has become the driving force behind the improvements in all of Chrysler Group's manufacturing plants.

"WCM has engaged and empowered our UAW-represented workforce by challenging them to become more involved in driving change within our plants," said Holiefield. "Our employees understand that WCM is the foundation of Chrysler Group's continued success and the WCM Academy provides the opportunity for continued growth and development. By embracing WCM, we can secure manufacturing jobs and additional investment in our plants."

The WCM Academy

With 10 pillars representing the 10 technical pillars of WCM adorning the outside of the building, the WCM Academy is a place where employees throughout Chrysler Group's manufacturing operations can come to learn the WCM methodology and using the WCM tools, collaborate to find the best solutions to issues within their facilities.

"The sharing of 'know-how' and best practices is the key to success in World Class Manufacturing," said Massimo

Risi, Head of World Class Manufacturing, Chrysler Group LLC. "The new WCM Academy will allow us to accelerate the pace of change within our facilities by providing a central location where information can be exchanged and solutions found in a hands-on environment."

Among the many unique aspects of the Academy are the curriculum and the trainers. Course material is created internally with input from the plants and based on specific needs to increase levels of competence in a defined area. Hands-on games and activities create competition and help take the mystery out of WCM. To deliver the course material, trainers were selected from within the Company who have hands-on, practical experience achieving WCM results in their facility.

"Unlike the classic concept of training, training for WCM has to be focused on addressing specific needs within the manufacturing facilities," said Risi. "No longer will a 'cookie cutter' approach drive continuous improvement."

The Rotunda

From the first step inside, someone coming to the WCM Academy knows that they are in for something special. The Lobby greets guests and makes them feel welcome. The Lobby leads into the Rotunda, an area that personalizes the WCM experience by featuring videos of 12 employees – shown on a giant touch screen so visitors can select which personal stories they want to view – who have adopted WCM and been witness to the changes it has brought to their facilities.

Once through the Rotunda, participants enter the "Labby," which serves a dual purpose as a lobby and additional learning laboratory. The Labby provides a "window to manufacturing" through touch screens that explain the logic behind the 10 different WCM pillars, a dozen different videos that highlight the Company and iPads that encourage self-training.

The Lab

Through double glass doors, participants enter the WCM laboratory. The training lab is broken down by the 10 technical pillars that make up WCM. Each pillar has a classroom color coded to coordinate with a dedicated area of the lab where hands-on training can take place. Unlike past training programs, only 30 percent of the learning will be done in the classrooms. The other 70 percent of a participant's time will be spent participating in hands-on activities in the laboratory.

One of the first stations in the lab is the safety area. Employing the same 3D technology used by the U.S. Department of Defense to train soldiers deployed to Afghanistan, participants don 3D goggles to become fully immersed in a plant setting full of unsafe acts and conditions. Through several videos highlighting various situations, participants become aware of unsafe conditions, identify potential risks and work through possible solutions within the three dimensional manufacturing environment. While only currently used in the safety area, the 3D technology could be expanded to other pillars.

The Human Motion Capture Arena uses the same technology used to create video games. A participant dresses in a suit with sensors that capture the individual's movements, from the largest such as walking to the slightest such as the movement of a finger. By seeing how an operator would move to perform a given job function, improvements can be made to reduce the number of movements or make the movements more complementary to a person's natural movements, thereby reducing waste. By employing this technology, the walking distance during a single operation was reduced from 23,000 cm to just 7,000 cm.

Even a popular children's toy is used to teach WCM methodology. A slot car track helps demonstrate the seven steps of micro-stoppages, small equipment breakdowns that can cause major losses. The cars on the track and the track itself are altered to "breakdown" while racing. A high speed camera captures the movements, helping participants see that there might be more to the breakdown than what is obvious to the naked eye. In this way, operators are trained to apply a disciplined process to find the root cause of a problem.

Door panel lines have traditionally been an area where there can be lots of waste – waste in how parts are delivered to the line, waste in how operators need to move to retrieve the parts. To help participants visualize where and how improvements can be made, the Academy has incorporated a simulated door line to teach the idea of kitting or mizusumashi. In the exercise, all of the parts are initially located line side, then participants are taught how to create kits that will reduce inventory and material handling while mistake proofing the assembly process for the operator.

A key to success in WCM is workplace organization. Using a "destroy and build" philosophy, participants in the Brownfield Simulation area initially run a line the "wrong" way, being timed along the way. Participants then go back and redesign the line to run the WCM way by using available tools and applying their analysis.

Because of the flexibility of the lab, the training modules and course materials can be modified and adapted as needed to meet the requirements of the plants.

Verification

Once classroom and lab sessions have been completed at the Academy, which typically last two days, participants return to their home plant with a trainer for some practical sessions. In this way, students are able to apply what they learned to a project assignment at the plant.

At a specified later date, the students return to the Academy for validation from the core team and to share best practices, adding to the learning process. This validation process also provides a measure for how well the Academy is performing and allows for improvements in its operation.

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