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Wednesday, August 6, 1997

The Detroit News

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# Chrysler reports savings on new models

**Chrysler says computers cut costs on the 1998 Intrepid. Computer engineering cut \$80 million, sliced time to develop line by 8 months.**

By Dave Phillips / The Detroit News

TRAVERSE CITY -- Chrysler Corp. says it achieved major cost reductions in the design and production of its new Dodge Intrepid and Chrysler Concorde sedans, which debut this fall.

Chrysler Controller James Donlon said Tuesday the firm's new large-car lineup will produce "bigger net profit margins" in spite of Chrysler's plan to introduce the cars with low-rate lease deals.

Boosting profit per vehicle is important for Chrysler, which has been forced to use profit-sapping price discounts of \$1,000 to \$3,000 on the current large car models.

Donlon spoke at the University of Michigan's annual auto industry seminar in Traverse City.

Chrysler says it saved at least \$80 million by designing and engineering the cars entirely by computer, reducing development time by eight months to 31 months.

The company sliced manufacturing costs 10 percent by cutting the number of parts by 15 percent, making the vehicles easier to build and requiring some suppliers to provide more preassembled parts.

For example, the glove box now comes attached to the instrument panel when the dashboard is delivered to the plant, saving one assembly step in the plant.

Analysts believe the manufacturing savings should cut up to \$1,500 from the cost to build each vehicle.

Chrysler spent \$2.1 billion to develop the 1998 Intrepid, Concorde, Eagle Vision, Chrysler LHS and 300M. That includes \$625 million for three new aluminum V-6 engines and \$400 million for equipment upgrades and an improved paint shop at Chrysler's Bramalea, Ontario, assembly plant.

By comparison, Chrysler's last large car program cost \$1.6 billion and produced just four models -- Intrepid, Concorde, LHS and Vision.

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The 1998 Intrepid goes into production in Bramalea in two weeks, followed six weeks later by the Concorde. Assembly of the LHS and 300M begins next spring, and the 1999 Vision a year from now.

Computers linking Chrysler with all its suppliers allowed the company to design 1,182 new parts for the cars in a shorter period, leaving more time to test the reliability and performance of components.

So Chrysler only had to build 27 Concorde and 31 Intrepid prototypes compared to as many as 50 mock-ups on previous vehicles.

"The end result is a design and manufacturing process that yields much higher quality levels right from the very start while getting the most efficient use out of our development dollars," said John Miller, general manager of Chrysler's large-car platform engineering.

Example: The 1998 Intrepid's improved rear defroster reduces the time needed to clear the back window by up to two minutes.

Chrysler, plagued by quality snafus and recalls just after launching the Neon and Cirrus, set its most ambitious quality target ever with the automaker's first so-called "digital cars."

"Our goal is to launch these cars at a quality level equal to the cars we just phased out," Miller said.

Based on J.D. Powers and Associates' initial quality survey, the 1997 Concorde averaged .68 defects per car during the first 90 days of ownership. The 1997 Intrepid averaged .88 defects per car.

If successful, the 1998 Intrepid and Concorde may be the first restyled cars ever introduced by Chrysler with less than 1 defect per car.

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