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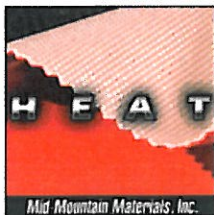
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European Automakers Warned Not to Scrimp on Research and Development

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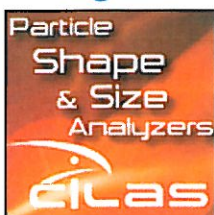


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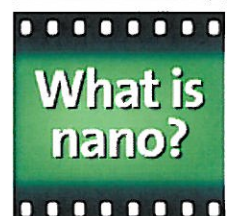
will soon be in, financial trouble, he said.

But he warned that tough times like these are no excuse to cut research and development budgets. "If we want to come out of the crisis in a competitive position, we have to keep R&D going during the crisis," he suggested.

New technologies to meet the EU's CO2 requirements, for example, should give Europe a competitive advantage over rival automakers in the USA and

European automakers are feeling the economic pinch like the rest of the world. But this is no time to scrimp on research and development, warned experts at the recent CLEPA Technology Day. It's time to move up a gear and ICT is the right driver. News of bailouts and loan packages to keep Europe's automakers and suppliers afloat is a sobering reality of the current economic crisis.

"We are facing an extremely difficult situation," said Lars Holmqvist, CEO of the European Association of Automotive Suppliers (CLEPA) at the Technology Day hosted by his organisation last week. Up to a third of auto suppliers are in, or





Japan. "We will be the first to do it!" said Holmqvist.

On the technology front, "it is also a straight line to electric", he predicted, so a proposed call for projects related to electric and more efficient vehicles under the EU's Framework Programme for research would be a welcome boost, he suggested.

From 40 to five (or so) days

Even before the credit crunch kicked in last year, European researchers in the ILIPT project were working on a range of "intelligent logistics" concepts and systems aimed at delivering on the idea of a "five-day car" from order book to owner's garage, compared to the average 40 days using current methods.

But to escape the "factory-floor myopia" of the past 25 years, Europe's automotive industry needs to make some tough decisions. Automakers have optimised systems for leaner and leaner "mass production", resulting in millions of cars people don't want and lower and lower profit margins. They have failed to tackle the problems of capacity and demand.

According to ILIPT partner Bernd Hellingrath of Fraunhofer IML, we need to "change from 'economies of scale' to 'economies of scope'," in order to be more customer orientated and meet today's challenges.

Better management of the whole system, not just improvements in production, will mean Europe can deliver cars that customers want, when they want them, and quicker than ever before, suggested Andrew Graves of the University of Bath, also an ILIPT partner.

A five-day car is a theoretical possibility under optimum conditions, but the ILIPT team concede the reality is closer to an eight-day car. But that is a vast improvement on the nearly eight-week process on today's timescale.

All that is left for ILIPT to do now is to get the word out about its holistic, intelligent approach to auto-making. To this end, the partners hope their new book, *Build to Order: The Road to the 5-Day Car*, launched at the Technology Day event, will show just how Europe can take a leadership role in built-to-order vehicles.

"The opportunity is currently there, but needs to be acted upon quickly and before new entrants adopt the concepts," notes Holmqvist in the book.

The credit and resource crunch could be the push needed to force the hard changes, not unlike what Henry Ford must have faced when he revolutionised the industry a century ago, concludes Graves.

Source: [ICT Results](#)

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