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## Software face-off at Chrysler

Switched CAD system would send ripples down supply chain

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Sergio Marchionne's plan to meld the engineering operations at Fiat S.p.A. and Chrysler Group is spurring a battle between two software giants over whose products will be used to create Chrysler cars and trucks.

The battle has multimillion-dollar implications that will ripple down through the supply chain.

For 20 years, Chrysler has used CATIA, which replaced drafting boards for engineers designing parts, subsystems and vehicles. Those digital designs also are the basis for testing parts and creating the tools and dies used by factories. Other users of CATIA, a product of global giant Dassault Systemes of Paris, include Honda Motor Co. and Daimler AG.

But Fiat uses a competitor, Siemens PLM's NX software. So do General Motors Co. and Nissan Motor Co.

Marchionne, CEO of both Fiat and Chrysler, aims to phase out Dassault and integrate Siemens PLM for design software over several years as Chrysler introduces new platforms, said a source familiar with the plan.

But Dassault plans to fight to hold onto Chrysler, one of its premier customers, a Dassault execu-

### What happened?

- Chrysler, suppliers use CATIA design software for 20 years.
- Fiat, which uses rival software, takes control of Chrysler.
- Fiat/Chrysler CEO Marchionne plans to shift Chrysler away from CATIA.

tive responsible for Chrysler sales said.

At stake are software sales and licensing pacts for thousands of computerized work stations — and not just at Chrysler.

Suppliers have to hook into these companies' systems. A switch in software suppliers would affect engineers at thousands of Chrysler suppliers because of the need for the automaker and its suppliers to share engineering designs.

Spokeswomen for Chrysler and Siemens PLM, a U.S. arm of the German company, declined to comment.

Computer-aided design is the use of three-dimensional software to design and engineer parts and simulate their use in vehicles and the processes needed for production.

Managing that process, from design through engineering and manufacturing, is called product lifecycle management.

CATIA is short for Computer-Aided Three Dimensional Interactive Application.

Already, Fiat has broken the mo-

nopoly that Dassault's CATIA software held at Chrysler.

The Italian automaker is requiring the use of NX computer-aided-design software for the North American revisions being made to the Fiat 500 and the powertrain for the minicar that will be built in Mexico, the source said.

As part of Fiat 500 development, Fiat also has introduced Siemens PLM software that captures product-development data, the source said. Until that recent introduction of Siemens PLM's Teamcenter software, Dassault's Enovia software had ruled that domain at Chrysler as well.

Robert Brincheck, Dassault's client executive for Chrysler, acknowledges that Chrysler is now using rival software for Fiat 500 design.

He said a "political struggle is going on" at Chrysler whether to unify on one CAD software or allow CATIA and NX to co-exist. Ford Motor Co., for example, uses CATIA for design software but uses Siemens PLM products as well.

But Brincheck said Dassault remains the dominant player at Chrysler.

And the company intends to fight to participate on all future Chrysler vehicle programs, including platforms brought to Chrysler by Fiat, he said.

"Actually, CATIA usage at Chrysler has increased in the past year," Brincheck said.

He said Chrysler has been adding designers and engineers in

recent months as Fiat and Chrysler hustle to jointly develop new vehicles.

Marchionne re-emphasized last week the carmakers will undertake a unified product-development process that will give Chrysler access to Fiat's small-car technology and Fiat access to Chrysler's truck and large-car expertise.

CATIA has been a linchpin in Chrysler product designs since the late 1980s, Brincheck said.

The software traces its heritage to Dassault Aviation of Paris, where engineers interested in aerodynamics developed the product in the 1960s.

Chrysler was a pioneer of CATIA's use in the U.S. auto industry, Brincheck said. Today CATIA is a fixture in the auto and aerospace industries, with Dassault Systemes touting 8,000 CATIA customers.

Siemens PLM is the other leader in the industry, along with Parametric Technology Corp., with its Pro/ENGINEER software.

GM is Siemens PLM's largest and one of its longest-running customers. GM has used the software for years, going back to when the software was known as Unigraphics and owned by EDS.

Siemens PLM acquired UGS Corp. in 2007 and began marketing the software as NX.

The battle may spill over beyond Chrysler. Brincheck said Dassault is pitching CATIA and its suite of design software to GM. **AN**