



*The interior of the Mercedes S-Class.*  
CREDIT: DAIMLER CHRYSLER

With projections that the automotive industry will consume an increasing volume of leather in the next five years, its suppliers everywhere will have to be ready. Faurecia's specialist leather cutting plant in Slovakia believes Europe will remain a key part of the automotive supply picture and that it will be able to respond quickly.

## Wrap artists

There's more to automotive leather than seats and steering-wheels. Cutting, sewing and wrapping leather for instrument panels, centre consoles, door panels and decorative parts is also a specialist business, which is why one of the sector's global leaders, Faurecia, has set up a series of dedicated teams to mark up, cut, sew and wrap leather to components that play an essential role in converting a car's interior into what the company calls "a true living space". One

of the best of these teams works at the Faurecia Interior Systems (FIS) plant in Kosice, Slovakia.

The Faurecia group currently runs 330 sites, 85 of them in FIS. Only 18 of them carry out cutting, sewing and covering and of these, there are just 11 that work with leather in one way or another. Global domain leader for leather, Valerio García, rates the Kosice team as one of the best across the network. Grading and cutting hides is an activity that his company has been carrying out in Slovakia's second

city for more than 10 years and its employees there have built up impressive levels of knowledge and expertise. Mr García is in a good position to comment on this. It is part of his role to help spread best practice to all parts of the company and to gather information about leather and its applications in automotive interiors to use in dialogue with tanners and, especially, with the automotive original equipment manufacturers (OEMs), the buyers of the material.

## Purpose-built

Production began in Kosice in 2004 with PSA Peugeot Citroën as its first customer (a project to cover components for the Peugeot 307). In 2005 it enlarged its customer portfolio to include Volkswagen-Audi, Volvo, Citroën, Daimler and Land Rover. Growth and expansion continued until, in 2011, the operation had to move to a new, purpose-built site near the city's airport. It increased its activity with the Daimler Group, with new projects for the Mercedes SL-Class, S-Class and A-Class, followed last year by a contract to cover components for the interior of the S-Class Coupé.

More than 1,000 people work at the plant now, across three shifts with a current workload of cutting, coating, laminating and sewing leather, using it to cover panels, consoles and other interior parts of vehicles across 16 programmes for OEMs in four automotive groups, with Mercedes-Benz parent group, Daimler, taking the biggest share of the leather unit's output at the moment. The flow starts with whole hides, which Faurecia technicians mark up for any defect. Automated cutting technology scans each hide, carries out a nesting operation and cuts the parts the system has identified as the way to make the best possible use of each hide.

## Interesting steps

After cutting, Faurecia puts the cut parts from each hide through an interesting series of steps: the parts, not the whole hide, go through a small-size splitting machine to prepare the flesh side for the application of glue. The company believes firmly that the added adhesion gives makes the extra step worthwhile. Two roller-coater machines to apply the adhesive are the next stage in the process, followed by lamination, if required, then sewing, before the cut leather parts go to cover the shells of the car interior parts, bonding the leather to the shell through a press or a vacuum process.

The Kosice plant consumes around 300 hides per day. Production manager, Michal Jacko, explains that, of 70 companies sending materials to the plant (which also

works with synthetic materials), three suppliers take a combined total of more than 40% of spend—all three are tanners.

## Cushion for growth

Plant manager Stanislav Hudymac says current production levels are around 15% below full capacity, which he says gives Faurecia a cushion if the anticipated growth in demand for leather for car interiors between now and 2020 comes true. Expert projections suggest light vehicle production will increase by 18% globally between now and 2020, increasing by more than 15 million vehicles to a total of around 98 million per year. Growth in the premium segment could be even greater, running at possibly 32%. This would mean growth from around 8.3 million premium cars per year at the moment to 10.2 million. This is significant because premium cars typically use more leather than mainstream ones. At the upper limits of the projection, this increase could mean the automotive industry in 2020 will require up to 47% more leather than it does at the moment, taking the total from around two billion square-feet per year today to as much as three billion square-feet.

"We are not seeing any signs of that growth yet, but we have the capacity to react immediately by increasing production by up to 15% if required," says Mr Hudymac, "we have that buffer. And if it's above 15%, we can invest in more machinery. There's nothing extraordinary about that—we invest when we need to."

## Wheels within wheels

Covered interior components go from Kosice not to the OEMs directly, but to tier-one assembly plants, with two of these plants in Germany taking 95% of the unit's current output. Both of the assembly plants in Germany are run by Faurecia. Delivering to Faurecia colleagues changes nothing about the need to perform well in terms of quantities, quality and timing, Mr Hudymac points out. The automotive supply chain often seems to work as wheels within wheels and, naturally, the OEMs whose components the Kosice team has to cover take a keen interest in this inter-FIS flow. In the case of Daimler, senior representatives of the quality team for interiors have paid personal visits to the Kosice facility, as recently as spring 2015. "They are satisfied with Kosice," Stanislav Hudymac says. "We deliver on time, in the right quantity



Plant manager, Stanislav Hudymac (right) discusses S-Class door-panel production with colleagues at the FIS facility in Kosice. CREDIT: FAURECIA

and to the right quality and it's through this that we have earned the right to work on new customer projects."

The Mercedes S-Class was distinguished in 2014 by several car magazines for its interior. In 2015, similar accolades went to the S-Class Coupé. Mr Hudymac talks with satisfaction of the effect successes like these have had on the people at the Kosice plant. These cars have a 100%-leather wrapped interior and output from Kosice supported the assembly of more than 500 cars per day. "Our people are proud of their contribution," he says.

## European future

A change in the global footprint in automotive is definitely taking place, with major new production plants opening or under construction and existing facilities expanding in Brazil, Mexico, the US and China. As indicated, FIS, with its 85 plants around the world, is certainly part of this expansion, but Mr Hudymac is confident his leather-cutting team in Kosice will continue to be an important supplier to its OEM customers. The big German groups are committed to keeping production in Germany, especially for their flagship cars, he says, and he finds it hard to envisage a future in which they will seek to supply those production plants from the Americas or Asia. "As long as they stay in Europe, the supply network will remain too," the plant manager says. "We are part of their heritage, part of their culture." Whether or not this will apply to tanners as well is not for him to say. "The materials we bring in are in two main groups," he says: "mandated or ones we select ourselves. On the mandated side, it's mostly leather. The OEMs specify and we have no choice. Yes, that can be challenging and there are things that are difficult to manage, but it's fine. I would give it seven out of ten."

## With one voice

Valerio García and Stanislas Hudymac point out that one of the main challenges is supply chain management, especially when it comes to working in multiple directions with different suppliers, whether



*A door panel in the Mercedes S-Class Coupé. CREDIT: DAIMLER CHRYSLER*



*Open platform. Faurecia would like to be able to join tanners to discuss leather with OEMs, presenting the leather sector's point of view with one voice. CREDIT: FAURECIA*

directly mandated by the OEM or identified by Faurecia. Adapting to complex decision-making processes and various responsibility flows is part of daily business constraints. While discussing technical issues and reaching agreement is never simple to achieve, they feel their company's methods and working standards, as well as constant exchanges with the different business partners, enable them to keep the momentum going and

deliver what their customers need.

Internal discussions are important too and FIS is currently running a series of workshops to foment dialogue and synergies between FIS and its colleagues in automotive seating. Working closely with colleagues, other suppliers, and especially tanners, will, Valerio García believes, eventually make it possible for FIS and its supply chain partners to present a leather industry point of view, with one voice. 🌐