

Introduction

At the end of the 80s Fiat Auto's structure was widely compared to the most important car makers, although it was going through a good competitive period.

Twenty strategic projects were defined in Fiat Auto during 1991 to favour the adoption of a new style of management and the transition to a more flexible organisation aimed at continual improvement. These projects were the first elements of the Total Quality Project.

In Fiat Auto the Technical department is responsible for product development. It employs about 4,000 staff and is organised by function. The Technical department has been directly involved in two Total Quality Project projects: Time To Market and Carry Over.

The new set-up of the Technical department is structured in such a way as to operate using two different methods.

On the one hand, in the horizontal sense, the new product is developed by cross-functional teams (platforms). Platforms have to meet times, contents, costs and quality expectations defined by the Product Range Plan in the mission statement of the new model.

On the other hand, in a vertical sense, the Technical department sectors will have to guarantee the know-how of the resources: labour, facilities and technologies. Moreover, contribution to the development of a new vehicle also takes place by improving the Component Development Plan (shelf engineering).

Therefore we have the formation of a matrix structure along product lines that correspond to the various market segments (platforms) and the Technical department sectors.

The new organisational set-up can thus be seen under a twofold articulation:

- Platforms have to control the process to reduce times and costs, and guarantee the integrity of the new model.
- Sectors have to oversee the know-how of the projects to ensure quality and innovation.

1. Description of the product development process

Fiat Auto's product strategy has tried to emphasise the different car items highlighting the needs of the vehicle as a whole from that of its parts. Such a breakdown has brought about a dual form of management that briefly refers to two functional structures.

It is the Marketing department's role to oversee the stages that will lead to the identification of the new vehicle, especially as far as the formulation of the characteristic contents are concerned (client viewpoint). It is the Technical department's role to find and perfect new solutions for the development of components (factory viewpoint).

The definition of the final product has been considered as the moment of synthesis of these two realities, the meeting point in which the market needs detected by the Marketing department are satisfied in the innovative process carried out on each component by the Technical department.

The identification of the development procedures for each new car would not be so significant if it were not seen as part of the global product strategy. In Fiat Auto's case,