

Summary

ATLAS stands for **A**dvanced Par**T**s **L**ogistics in **A**fter**S**ales. The scope of ATLAS Wholesale Europe Extended Template was the global rollout of an SAP-based solution for the spare parts business with the following tasks:

- Enhancement of the existing SAP Templates
- Execution of global planning
- SAP Rollout in 8 important European key markets in more than 20 locations

Initial Situation

In 2008, Lodestone took over the running wholesale project that had already implemented the two pilots, one of which was in Italy and one in the US.

The Solution

Based on the existing template, Lodestone developed an approach with a common design and realization phase. The team travelled to all markets and did an upfront gap analysis. The design-to-budget approach was then used to evaluate all collected requirements according to different criteria such as legal requirements, strong business case, ...

All legal and necessary requirements with a strong business case were then developed in a common release and fitted into the existing template. The team thus managed to keep a short cyclical rollout sequence. In between the rollouts there were only minor new developments and therefore very small intermediate releases.

With this industrialized rollout approach we managed to roll out 8 markets with a total of 6 warehouses and 12 Dealer Metropolitan Distribution Centers between October 2009 until March 2011.

Key improvements

Highlights of the solution

- Late Shipment Assignment (LSA)
 - With the unique outbound solution, deliveries and HUs are only assigned to a shipment at the very last step. We therefore kept a high flexibility in the warehouse regarding shipping and the possibility for extended monitoring
- Multi-country delivery
 - Multi-country delivery enables shipment from one warehouse into more than one country including invoicing and automated inter-company invoices
- Pricing strategy
 - With the new pricing strategy the national sales companies get more transparency and freedom in the way they set their prices
- Dealer Metropolitan Distribution Centers (DMDC)
 - With the DMDCs, which make fast-moving items more available to dealers in urban areas by sending out deliveries up to four times a day, the BMW Group introduced a new approach in their spare parts business. Those small warehouses were also equipped with a stripped-down SAP solution to fit their needs

ATLAS Program

Vision/Mission

The company program ATLAS aims to redesign the processes and systems of the spare parts business in the logistical supply chain from the supplier all the way to the dealer in order to improve them. Implementation with the standard software SAP is happening on two levels. One team is concerned with the introduction of SAP into the central logistics departments (in Munich and Dingolfing) and another team is taking care of the implementation in wholesale markets around Europe.

Objectives

Business objectives

- Implement worldwide transparent, consistent, and integrated parts processes (vertical integration)
- Improve parts availability throughout the network
- Reduce operating cost and parts inventory levels
- Increase overall parts business productivity

IT objectives

- Support revised and standardized parts processes
- Implement solid and scalable IT solutions
- Standardize IT systems in line with the global IT roadmap
- Reduce IT infrastructure, operating, and maintenance cost

Outcomes logistics

- Standardized core processes
- Inventory reduction and improved inventory management
- Supply chain planning throughout all distribution levels
- High transparency about stock and orders

IT

- Replacement of the current heterogeneous system landscape (different platform, databases, and operating systems)
- Implementation of standard software
- Implementation according to the BMW Group IT strategy (SAP in the finance and logistics areas)

Outlook

- Further rollouts in other countries
- Integration with ATLAS Central (the solution for the central distribution in Dingolfing)
- Enhancement of the functionality in the ATLAS Template (i.e., Pick by Voice)

Why Lodestone?

The long-term experience in the automotive area, the knowledge about the challenges of a large-scale global logistics program combined with in-depth hands-on technical and functional SAP implementation knowledge formed the basis for the selection of Lodestone as the implementation partner.



Detailed Solution

There are several areas that work together in the ATLAS template:

Supply Chain Planning (SCP)

SCP comprises all processes related to the tactical and strategic material planning for the attainability of the best possible service level. This is done in the SAP APO module.

Supply Chain Execution (SCE)

SCE comprises all processes from dealer order processing to the invoicing of the goods (order-to-cash process). This is done in the SAP SD/ MM modules.

Warehouse Management (WM)

WM comprises all inbound and outbound warehouse processes including shipment processes. This is done in the SAP WM module.

Finance (FI)

FI comprises all financial processes related to the spare parts business including interlinking with the International Finance Template at BMW.

Development

The development team managed around 1200 days of development for the solution implementing all the enhancements for the template solution.

Communication/Training

In order to prepare the users for their future tasks the communication/training team followed a communication concept and training plan that were both adapted for each market to fit their individual needs.

Key success factors

Cooperative model

With mutual trust, both sides worked cooperatively together and therefore managed to roll out several warehouses and markets in a short time. One main reason for this success is the well-attuned team.

Fixed budget limit

Due to a pre-set budget, the requirements were limited to a realizable amount (design-to-cost) .

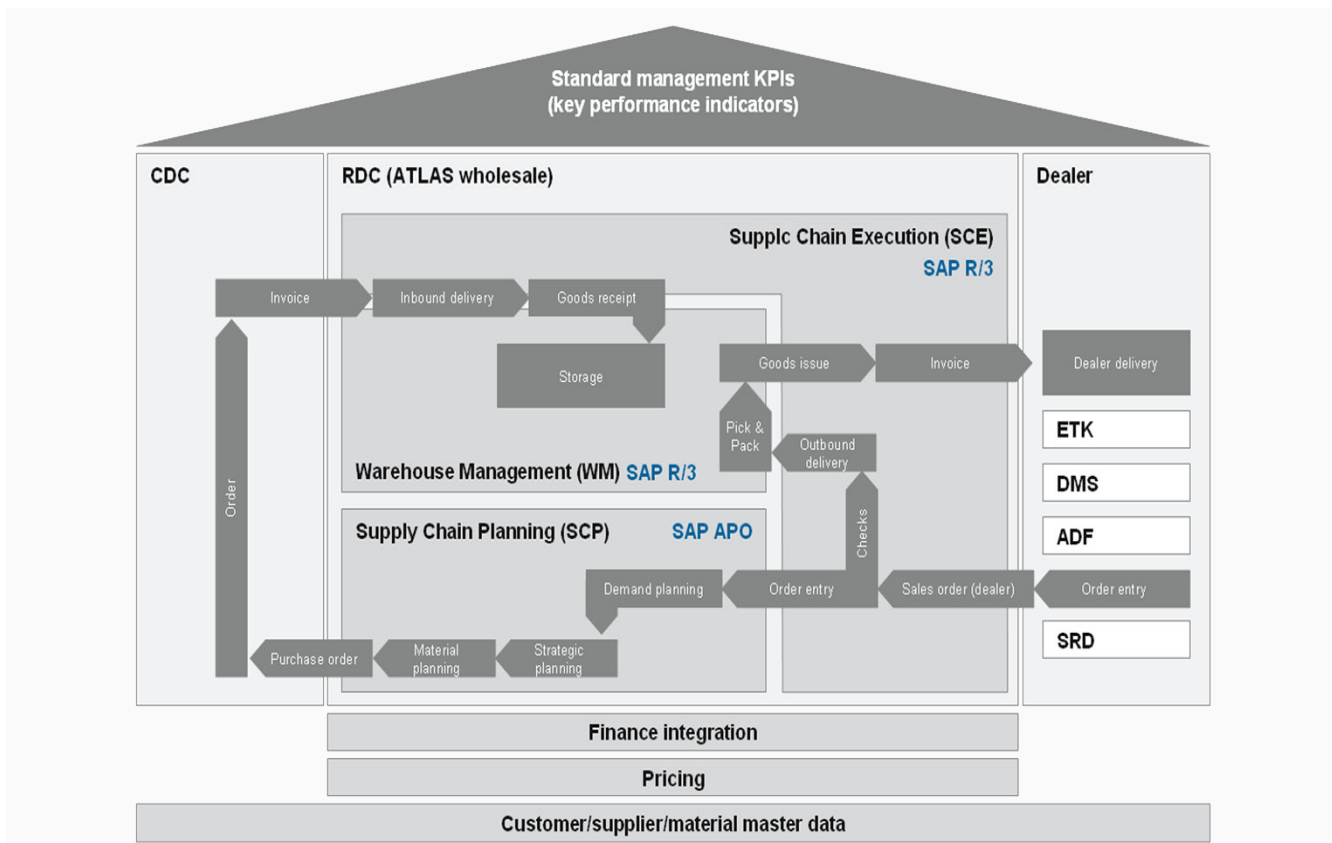
Flexibility

The mixture of experts and generalists on both sides gave us a change to flexibly put together the different rollout teams based on needs.

Lodestone Contribution

Planning, execution, and support of project through project leads, with up to 60 experts and team members:

- Design and build the enhancement of an existing SAP template (SAP R/3, APO) and a release upgrade to ECC 6.0 and unicode conversion
- Rollout of the enhanced template
- Providing subject matter expertise in special tasks such as master data strategy, reporting strategy
- Communication and training



Lodestone Management Consultants AG

Obstgartenstrasse 27, Kloten, 8058 Zürich, Switzerland
 Phone: +41 44 434 11 00, Fax: +41 44 434 11 01
 www.lodestonemc.com