

## SAP Customer Success Story

**“Our employees here have made a significant contribution to the successful implementation of the system . . . Users of data-based business processes are impressed by the up-to-the-minute and accurate quality of the information.”**

Peter Havelka, Project Manager, BMW Motoren



### AT A GLANCE

#### Company Name

BMW Motoren GmbH  
Austria  
www.bmw-werk-steyr.at

#### Industry

Automotive manufacturing

#### Key Challenges

- Recording goods movements quickly, reliably, and accurately
- Recording data on-site (not manually or having to use a PC)

#### Implementation Partner

LogiPlus Consulting GmbH

#### Solution and Services

mySAP™ ERP Operations, including mobile data entry and warehouse management

#### Existing Environment

- SAP® R/3® software for financials, controlling, human capital management, production planning, materials management, sales and distribution, quality management, and plant maintenance (this functionality is now available in the mySAP ERP solution)
- SAP for Automotive

#### Implementation Highlights

- Took only 4 weeks to go live with radio-frequency solution
- High degree of acceptance by users

#### Key Benefits

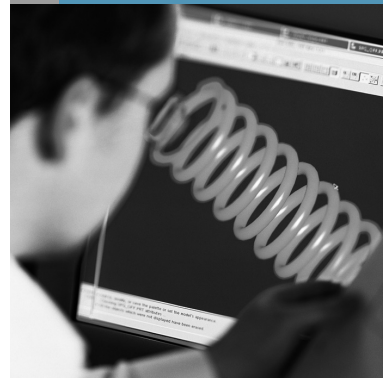
- Physical processes executed more timely with greater precision
- Warehouse quality standards have risen (manual errors eliminated)
- Easy and intuitive operation
- New possibilities in business areas such as change management, production control, and warehouse management

#### Hardware

- Telxon 960 SL handheld devices
- IBM RS 6000 for the SAP server

#### Operating System

- Microsoft Windows NT for SAPConsole
- AIX for the SAP server (with Oracle database)



## BMW MOTOREN

### SAP® RADIO-FREQUENCY FUNCTIONS OPTIMIZE INFORMATION AND MATERIAL FLOW AT BMW MOTOREN

Back in 1997, BMW Motoren GmbH in Steyr, Austria significantly improved the efficiency of its stock control and transport management when it installed the logistics processes that are now part of the mySAP™ ERP Operations solution. Since February 2000, the BMW plant has been using the SAP® radio-frequency functions for mobile data entry and has significantly improved its physical processes.

#### BMW GROUP'S LARGEST ENGINE PLANT

BMW Motoren GmbH in Steyr, Austria is the BMW Group's largest engine plant and the site of its diesel center of competence where all BMW diesel engines are designed. More than 597,000 engines rolled off the assembly line in 2003, including four- and six-cylinder gas and diesel engines. The company currently employs around 2,600 people, and in 2003 achieved sales of approximately €1.86 billion. In all, the group has invested some €2 billion in the Steyr site.

#### MOBILE DATA ENTRY FOR OPTIMUM LOGISTICS PROCESSES

When dealing with warehousing and production processes, it is essential to record goods movements quickly, reliably, and accurately. The mySAP ERP Operations solution offers integrated radio-frequency functions to help ensure direct and error-free data transmission. Mobile radio-frequency devices equipped

with scanners ensure direct and error-free data transmission, resulting in a high standard of quality. The radio-frequency devices, which can be either portable handhelds or forklift-mounted, receive data directly from the SAP solution and transmit the results back.

Information previously recorded at BMW (either manually using computer printouts or on a PC workstation) can now be immediately entered on-site using the mobile scanner solution. Seamless integration with mySAP ERP Operations means the data is immediately ready for additional processing. BMW is the first company in the automotive industry to directly link portable radio-frequency scanners to mySAP ERP Operations.

#### **BUSINESS EXCELLENCE WITH mySAP ERP OPERATIONS**

In November 2000, BMW won the Austrian Quality Award (AQA) for its outstanding quality management system. The company pursues a consistent no-fault strategy in all areas, so implementing the new functions was an obvious choice to further improve quality. The radio-frequency solution meant that BMW could sync the flow of information and material because the data is entered at the manufacturing site. This transparency opened up new possibilities in other business areas, such as change management, production control, and warehouse management.

Because BMW already used the warehouse and transportation management systems that are part of mySAP ERP Operations, the prerequisites for expanding the range of functions were in place. Working with consultants from LogiPlus Consulting GmbH, BMW introduced the mobile devices while it upgraded. After only four weeks, all users had been trained and the radio-frequency solution was live.

#### **IMPRESSED BY THE UP-TO-THE-MINUTE AND ACCURATE QUALITY OF THE INFORMATION**

For BMW, the system proved to be very efficient and was readily accepted by the users. “Our employees here have made a significant contribution to the successful implementation of the system. The new functions are seen as another step in the continuous improvement process. Users of data-based business processes are impressed by the up-to-the-minute and accurate quality of the information,” says Peter Havelka, BMW project manager.

BMW’s Austrian engine plant saw a number of major advantages after implementing the system. The biggest advantage was that physical processes – involved in shipping, mechanical production, engine assembly, goods receipt, maintenance, warehousing tools, and operating materials – could all be executed in a more timely fashion and with greater precision. And that meant better support for BMW’s production, assembly, and shipping processes.

Quality standards have risen in the warehouse as well because many sources of error introduced by manually entering item numbers have been completely eliminated by bar-code scanning. As a result, numerous search operations are no longer necessary. Transport orders are controlled by the system and combined logically, which optimizes itineraries. And all pick orders are triggered and transmitted electronically. In addition to its outstanding technical features, the mobile data-entry system was attractive from a cost point of view. The radio-controlled mobile units are linked directly to SAPConsole and require no communications middleware, which allowed BMW to save on initial costs. Second, operation is easy and intuitive, and the user interface can be customized to the company’s language requirements.

#### **CONTINUING TO OPTIMIZE BUSINESS PROCESSES**

For Havelka’s team, the radio-frequency solution is yesterday’s news. They are already working on the system’s next enhancement – the reengineering of the stock receipt process using the mobile handheld devices.

## **LOGIPLUS CONSULTING GmbH**

LogiPlus® Consulting GmbH was founded in 1999 by consultants and developers of SAP AG and is a partner of SAP AG. The LogiPlus corporate goal is the customer-centric implementation and integration of all the distribution and storage processes of the SAP R/3® logistics executions system (now available as part of the mySAP ERP Operations solution), including storage technology. Its customers include large industrial and commercial companies in Germany and abroad.

## **CONTACT**

LogiPlus Consulting GmbH

TechnologieZentrum

Donnersbergweg 1

67059 Ludwigshafen

Germany

Tel.: +49 (0) 621-5953240

Fax: +49 (0) 621-5953119

E-mail: [info@logiplus.de](mailto:info@logiplus.de)

[www.logiplus.de](http://www.logiplus.de)

[www.sap.com/contactsap](http://www.sap.com/contactsap)



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