

## SAP Customer Success Story

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Khalil Nasrallah, Manager of Emerging Technologies, Bombardier Aerospace



## BOMBARDIER

### AT A GLANCE

#### Company Name

Bombardier Aerospace  
Canada  
www.bombardier.com

#### Industry

Aerospace and defense

#### Key Challenges

- Purchasing, logistics, and auditing processes reliant on paper, manual intervention, and fax machines
- Higher process costs by manual handling
- Poor collaboration between stakeholders

#### Implementation Partners

- Capgemini
- SAP® Consulting, part of SAP Customer Services Network

#### Solutions and Services

SAP NetWeaver™ including SAP Enterprise Portal (SAP EP), SAP Business Intelligence (SAP BI), and SAP Web Application Server (SAP Web AS)

#### Existing Environment

- SAP R/3® (available today in the mySAP™ ERP solution)
- Documentum

#### Implementation Highlights

- SAP EP implementation in three months
- Seamless migration from legacy systems

#### Key Benefits

- Stock and materials movement messages more reliable
- Integration platform for future processes and applications
- Easy-to-develop integration environment increases flexibility
- Simplified end-to-end procurement, logistics, supplier audits
- SAP Web AS provides platform to run custom-developed Java iView software in the portal
- SAP BI provides a centralized repository for corporate information across the business

#### Hardware

IBM

#### Operating System

IBM AIX with Oracle database

## BOMBARDIER AEROSPACE

### SAP NetWeaver™ TAKES TO THE SKIES

Bombardier Aerospace is in the Ivy League of aircraft and transportation designers and manufacturers. An €11.5 billion company headquartered in Canada, Bombardier Aerospace employs 24,000 people and is at the forefront of aircraft innovation. In the last 15 years, it has spearheaded 15 aircraft development programs.

### ORDERS FOR ACTION

To compete effectively in a global industry, Bombardier must maximize business process efficiency in areas such as supplier management. While the company relies upon an army of vendors of raw materials, metal sheets, engines, and other assemblies, ordering from these suppliers was expensive, labor-intensive, and time-consuming. Khalil Nasrallah, manager of emerging technologies at Bombardier Aerospace, explains: “Every purchase order generated a paper trail of faxed documents and manual effort. Because we frequently ordered many different products from the same suppliers at the same time, some orders would get lost on the fax.”

Bombardier would have to wait for manual acknowledgements, which would then have to be manually rekeyed into another system. Failed transmissions would be queued for manual retransmission.

## **PILOT TAKES FLIGHT**

Bombardier had been examining the benefits of portals as part of its commitment to leverage and focus information technology investments, enhance collaboration with external parties, and access decision-support information. The supplier management issue provided a suitable proving ground for the portal approach. The goal of the first project – the Pilot Vendor Portal – was to extend its business processes to six key suppliers.

As satisfied users of SAP® R/3® and SAP Business Intelligence (SAP BI), Bombardier turned to SAP first for the pilot project. “Bombardier is SAP through and through. Our positive experiences of SAP matched with the integration between SAP Enterprise Portal and SAP Business Intelligence meant it had to be SAP,” says Nasrallah. Another key reason for choosing SAP was the iView software that SAP provides “out of the box.” And, with the common approach adopted by the SAP NetWeaver™ platform, Bombardier could leverage its internal SAP expertise, rather than employ consultants.

## **REDUCING “DOCK-TO-STOCK” TIME**

The Pilot Vendor Portal implementation was fast. It took just three-and-a-half months to build a team, scope, and design the project, and then roll it out to the first suppliers. Now, instead of having to cope with the enormous paper trail of the past, Bombardier and its pilot suppliers can conduct end-to-end purchasing and acknowledgement online. Bombardier sourcing and logistics agents working on the CRJ700 and CRJ900 aircraft programs now deal with their suppliers through the portal.

Today, purchase orders (POs) are generated electronically via back-end systems. Instead of being faxed to suppliers, POs are held in electronic Adobe PDF format in a Documentum archive, which is accessible by all users. BAPI® and SAP Web Application Server (SAP Web AS) connect the systems that underpin the

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procurement, acknowledgement, shipping, and auditing processes. Some of the iView software was developed in the Java 2 Platform Enterprise Edition (J2EE) development environment.

The Pilot Vendor Portal is also helping Bombardier reduce dock-to-stock time through early identification of quality issues. Inspectors from Bombardier can visit suppliers (so-called “inspection at source”) to compare purchase orders with the goods themselves. Discrepancies can thus be identified before delivery, reducing the time it takes to get products from suppliers and into Bombardier’s inventory – dock-to-stock time. Before the introduction of electronic purchasing, it would have been impossible to compare a mountain of faxed purchase orders with the goods prior to delivery, given the process complexity and number of people involved.

#### **STARTING A NEW ERA OF COLLABORATION**

Ultimately, the new portal will enable Bombardier to streamline its supplier auditing processes. “We keep all our supplier relationships under constant review,” says Nasrallah. “However, the

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Robert Benoit, Vice President of Application Development,  
Bombardier Aerospace

disconnected nature of our supplier management processes meant audits would take time.” With the portal, audits are conducted online and all outcomes are automatically stored by the SAP software.

In fact, whenever orders are reviewed, transmitted, or acknowledged by Bombardier or its suppliers, the orders are automatically updated by the back-end SAP solution. Should there be any queries, these are flagged instantly and dealt with quickly. “We’re already reaping the rewards of managing our suppliers online. We now enjoy total visibility and feedback from them. Orders no longer get lost. We can check the status of every request instantly and access a full audit trail for all our purchases and suppliers,” says Nasrallah. “Also, we’ve brought together our internal people and suppliers in a new era of collaboration.”

#### **LOOKING AHEAD: EXTENDING THE PORTAL**

“In the future, we plan to bring more processes on board, extend the system to over 600 suppliers, and increase the portal’s functionality,” Nasrallah concludes. Robert Benoit, vice president of application development at Bombardier Aerospace, adds, “I am very happy with the success of the pilot project – we are already examining ways in which we can harness portals to enhance the customer order experience.”

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