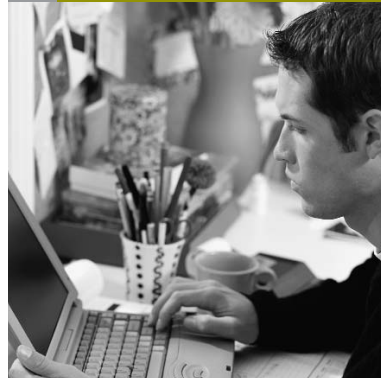


SAP Customer Success Story

“Porsche’s parts logistics is now highly integrated and benefits from the ongoing development of mySAP SCM.”

Stefan Arnold, Project Leader at Porsche



AT A GLANCE

Company Name

Porsche AG, Germany
www.porsche.com

Industry

Automotive

Key Challenges

- Streamline parts logistics
- Ensure superior service to customers

Solution and Services

mySAP™ Supply Chain Management (mySAP SCM)

Existing Environment

Stand-alone legacy systems

Implementation Highlight

Represents one of the company’s most ambitious implementations (replaced Porsche’s own parts transaction system)

Key Benefits

- Enabled company to dynamically map and monitor global logistics processes in real time
- Reduced stock
- Lowered logistics costs
- Eliminated errors regarding stock availability
- Enhanced service

PORSCHE AG

PORSCHE OPTIMIZES ITS GLOBAL PARTS MANAGEMENT USING mySAP™ SUPPLY CHAIN MANAGEMENT (mySAP SCM)

PERFECT SERVICE: THE KEY TO SUCCESS

One of Porsche’s corporate goals is to offer superior service to its demanding customers. One area in which this is vital is spare parts, which means the company has to ensure efficient delivery to its business partners. “Perfect service in the spare parts business plays a substantial role in Porsche’s future success, because it is one of the largest sources of revenue after new car sales,” says Stefan Arnold, who led the supply chain management (SCM) spare parts management project – called PorTello – at Porsche.

In Germany, Austria, and Switzerland, Porsche dealers receive deliveries once or twice a day from the central spare parts warehouse in Ludwigsburg, Germany. In all other countries, supply is handled by import dealers. Any breakdown in this system can be felt all the way to bottom line. To ensure this process functions seamlessly, Porsche chose mySAP™ Supply Chain Management – a solution with attributes it knows intimately: speed, flexibility, and reliability.

CENTRAL, GLOBAL CONTROL WITH mySAP SCM

In 1999, Porsche made the decision to begin networking its parts logistics on a worldwide basis, in order to remain the fastest parts service in the world. The goal was to have all future logistics planning (scheduling, material allotment, and so on) take place at a single location. Porsche wanted to map and integrate all of its warehouses using a single system, which would help reduce safety stocks. This coincided with the company's overall IT strategy: to replace its stand-alone legacy systems with a standardized, integrated business solution. Porsche selected SAP for a number of reasons. First of all, SAP provides integrated solutions for numerous business processes such as financial accounting, controlling, and procurement, eliminating the high maintenance costs incurred with the legacy systems.

Also, SAP continuously works to develop and update its standard processes, which can be integrated across all corporate departments. But mainly, Porsche needed a supply chain management solution that would enable it to meet some hefty demands.

"In the automotive spare parts industry, huge demands are placed on performance," says Christiane Sagkob, project leader with the consulting firm Mieschke Hofmann & Partner (MHP). "Because a lot of things have to happen very quickly, there is enormous operational throughput, which has to be structured. Whether for individual orders or volume transactions, perfect coordination is all-important."

mySAP SCM also allows for redistribution in back-order processing, an important industry-specific requirement. "We have made great efforts to stay within the standard," says Sagkob.

GLOBALLY INTEGRATED MANAGEMENT

The mySAP SCM implementation enabled Porsche to optimize and restructure spare parts management company-wide. To date, the PorTello project represents the company's most ambitious implementation, replacing Porsche's own parts transaction system (TAS).

All around, mySAP SCM proved to be the ideal solution as it enables the company to dynamically map and monitor its global logistics processes in real time. Now, both dealers and end users in Ludwigsburg can connect to the same central system.

What began as a regional implementation is going global. Today, Porsche operates an integrated parts management system throughout Germany, Austria, and Switzerland that supports the entire process from dealer via importer to Porsche. A virtual warehouse enables customers, dealers, importers, and Porsche employees to locate spare parts from anywhere in the supply chain around the world, at any given time. And, because the parts warehouse receives dealers' data in real time, misrepresentations regarding warehouse stock are a thing of the past. This superior planning reduces safety stocks and logistics costs, and enhances overall service.

Porsche planned to have all its subsidiaries around the world connected up to this system by 2004.