

## SAP Customer Success Story



For the **BMW Group**, one of the world's premier manufacturers of automobiles and motorcycles, systematic and standard cost monitoring is a top priority. **BMW AG** used SAP® Business Information Warehouse, the data warehouse solution within mySAP™ Business Intelligence, to create transparency in its system, right down to the individual cost center level. Today, approximately 2,100 users monitor the development of staff and material costs with a Web-based reporting tool, and can react quickly when action is required.



## **mySAP™ BUSINESS INTELLIGENCE AT BMW DELIVERS IMMEDIATE INFORMATION AND FLEXIBLE ANALYSES**

The BMW Group, based in Munich, Germany, is the only multiple-brand manufacturer focused entirely on the premium sectors of the car and motorcycle markets. In 2002, BMW employed over 100,000 people and sold more than 1 million vehicles, achieving revenues of €42.3 billion. The company recognized that its success is due, in part, to knowing the value of timely information and how it is used to maintain its position as a market leader.

BMW vehicles reach dealers and end users through a worldwide network encompassing 23 production and assembly plants, suppliers, and importers in over 120 markets. BMW continually strives to increase sales and revenue with effective product and marketing strategies. To achieve these goals, processes and structures must be revised and adapted constantly to meet ever-changing customer expectations. Thus, the ability to analyze and distribute a wide variety of data is critical. That's why the company decided to implement SAP® Business Information Warehouse (SAP BW), a component of mySAP™ Business Intelligence from the SAP for Automotive portfolio of solutions. Now, reports regarding personnel and material costs are consolidated with faster and more cost-effective distribution.

## **SUCCESS FACTORS: COST CONTROLLING AND TRANSPARENCY**

Until now, personnel and material costs were evaluated once a month within the SAP R/3® ERP solution using BMW's own reports. The results were then printed and distributed within the organization. Because this process was manual and work intensive, it could take several days to complete, and with so many

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recipients, it was also very expensive. The workload associated with distribution maintenance and user administration was also considerable.

Another major disadvantage was that a planned/actual comparison was possible only in a fixed view. Alternative views, such as comparisons between different cost centers for a certain cost element, required manual effort on the part of the recipient, or a controller's support. Therefore, the BMW Group initially set up the “electronic planned/actual comparison” (eSIV) project for BMW AG – for all German plants, central areas, development, and sales and distribution. The aim of this project was to realize the planned/actual comparison electronically using Web access and interactive navigation options. The intended beneficiaries were the central controlling group and decentralized plant, technology, and department controlling, and more importantly, the far greater number of employees responsible for cost centers and departments. In total, about 2,100 employees will be using the solution.

## **AUTOMATED USER ADMINISTRATION**

To accommodate such a large number of users, the automation of user administration and authorization was a key factor in selecting an eSIV solution. SAP BW was best able to fulfill this requirement in contrast to competitors' applications. Plus, it also offered business content for accounting and close integration with SAP R/3, the main source of data. Several other SAP BW projects had already been completed or were underway at the BMW Group. “Synergy is very important for us, and the greatest synergies are achieved with a unified solution,” explains Eberhard Betz, from the central controlling department at the BMW Group in Munich.

## **PRODUCTION START-UP ACCORDING TO SCHEDULE**

Before the eSIV project kicked off in February 2002, BMW undertook a feasibility study and a cost efficiency analysis comparing the software and consulting costs to the cost of printing and distributing the reports. “The review showed that the project would pay off after only two years, even without considering how improved processes would increase efficiency,” comments Betz.

With approvals and a plan in place, the aim was to go live in October 2002. The next key step was to train the 150 employees in central and decentralized controlling, and to familiarize the 2,000 people responsible for cost centers and departments with

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the reporting and analysis options for the planned/actual comparisons. During this training phase, which concluded at the end of January 2003, reports were distributed in both paper and electronic form.

## **KEEPING COST DEVELOPMENT IN MIND**

Betz sums up the advantages of SAP BW: "SAP BW has enabled us to achieve our main objective of speeding up the delivery of information to the people responsible for cost centers and departments." One particular challenge was processing any changes made to the users' tasks and responsibilities automatically to provide them with access to the evaluations important for each individual. For this automated user administration, the current users' data available in SAP R/3 is reconciled once a month. Authorizations are either confirmed or adjusted as required. "The employees responsible for cost centers and departments are now able to monitor costs in their areas as they occur," says Betz. "As a result, we can achieve greater cost awareness."

"The users are initially offered a view that is familiar from their previous reports," adds Martin Seidler of the BMW Group's IT financials department. "However, they then have the option of displaying new views of the data using the navigation and analysis functions." After logging on to the eSIV page, the user's per-

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sonalized initial screen appears. He or she can then choose from different views of actual cost statements or planned/actual comparisons for each business year.

Users not only benefit from having easy access to SAP BW Web-based reports, previously available only on paper; they can now develop and integrate new standard reports using the Web Application Designer in connection with JavaScript. Another welcome benefit is that users can display more detailed information due to the comprehensive navigation options (for example, drill down). Such transparency is conceivable only in an

electronic system. SAP BW offers users analytical options for generating comprehensive data views quickly and flexibly. Thus, it is easier for users to analyze cost development and take appro-

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priate corrective action if necessary. Important information can be made available as soon as the consolidation period is released. If they choose, users can print out their data just as before.

"Last but not least," says Seidler, "SAP BW eases the workload of the decentralized controllers, since those responsible for cost centers and departments now have direct access to data. As a result, controllers do not have to answer as many queries, so they can concentrate on their actual task of evaluating and analyzing data."

## **NEXT STEPS**

After the successful project launch, the BMW Group is fine-tuning the new system in 2003 based on user feedback, which it has already begun to receive. For automated user administration, decentralized controllers will also be able to manage the substitutes of those responsible for cost centers and departments (approximately 500 employees). The company also plans to achieve greater transparency and standardization of processes by enabling users to access the original documents – even in non-SAP systems – from line items. In addition, eSIV will serve as a reference for other projects in which Web reporting is used. SAP BW and Web reporting also have roles to play as the BMW Group considers implementing a future portal solution at the company. Several approaches are now being considered.

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