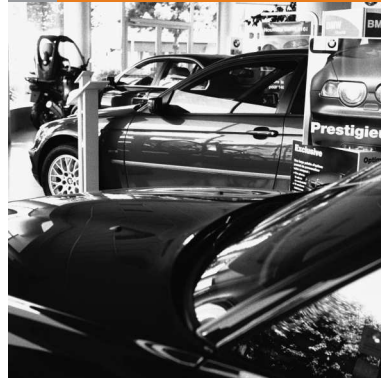


SAP Customer Success Story

“We are well equipped to face future challenges with SAP XI. Its openness enables us to communicate easily with all the manufacturer portals we need to access.”

Thorsten Keim, Information Systems, Sales and Marketing, CAS



AT A GLANCE

Company Name

Continental Automotive Systems (CAS)
Germany
www.conti-online.com

Industry

Automotive

Key Challenges

- Manage quality notifications from automobile manufacturer more effectively/eliminate manual processes
- Implement operational and strategic quality management procedures
- Increase customer satisfaction and retention

Implementation Partners

- iPoint-systems GmbH
- SAP® Consulting

Solution and Services

SAP NetWeaver™:
SAP Exchange Infrastructure (SAP XI) and SAP Business Intelligence (SAP BI) components

Existing Environment

- SAP R/3®, functionality now available in mySAP™ ERP
- iPoint Automotive Agent

Implementation Highlights

- Involved worldwide rollout of new quality processes
- Successfully enabled quality notifications posted on customer portals to be automatically forwarded to CAS back-end SAP software

Key Benefits

- Rapid access to customer complaints, enabling quality issues to be resolved faster
- Ability to track customer satisfaction and generate higher-level reports reflecting customer view
- Less risk of recurring errors
- Ability to analyze quality problems in-depth

Database

Oracle 9204

Hardware

HP

Operating System

HP-UX 11.11

CONTINENTAL AUTOMOTIVE SYSTEMS

MAKING QUALITY A PRIORITY WITH SAP NetWeaver™

Imagine this: 163,000 wheel speed sensors, 130,000 brake hoses, and 45,000 electronic brake and safety systems – each day Continental Automotive Systems (CAS) manufactures nearly 700,000 units for its nine main products alone. To avoid manufacturing faulty components, the company needs to detect and eliminate quality defects at an early stage. “Quality management is our number-one priority,” explains Thorsten Keim, information systems, sales and marketing, CAS. “We aim to deal with customer complaints as fast as possible in line with the 8D processes used in the automotive industry. We have therefore set up identical continuous monitoring and improvement processes based on SAP software at all our sites.” By focusing on quality, CAS particularly wants to boost customer satisfaction and learn from its mistakes so it can avoid repeating them.

CAS, based in Frankfurt, Germany, is a leading technology partner in the global automotive industry. CAS includes the electronics specialist Continental Temic and Continental Teves, a manufacturer of electronic and hydraulic brake, stability, and chassis control systems, electronic air suspension systems, and sensors. The company operates 44 sites worldwide, giving it a presence in all major markets. In the 2003 fiscal year, CAS posted revenues of approximately €4.6 billion with a workforce of 19,700.

FROM PUSH TO PULL

At CAS, quality notifications are divided into two categories: “line faults,” which are defects detected by the manufacturer during vehicle assembly, and “field faults,” which are defects reported to the manufacturer by customers. The 8D process is a procedure defined by the automotive industry for problem-related troubleshooting and the elimination of problems by the supplier.

The way in which manufacturers and automotive suppliers collaborate has changed significantly in recent years. At one time manufacturers sent quality, delivery, and stock notifications directly to their suppliers. Today, some of them place this information on their Internet portals, meaning that suppliers have to access these portals several times a day.

CAS used to process customer complaints as follows: CAS employees logged on manually several times a day to the manufacturer portals, which use different technologies, and looked for quality notifications relevant to CAS. Having evaluated them, they copied and pasted them to the company’s SAP® R/3® software (now available in mySAP™ ERP). SAP R/3 then analyzed the error and generated a response, which was sent to the manufacturer. This customer-specific “quick response” had to be – and still has to be – sent within a day, while a final statement must be submitted within a 14- to 28-day period. If a supplier does not respond within this time frame, the manufacturer will downgrade them and in the worst case, they may even be dropped from the manufacturer’s list of suppliers.

This practice entailed extensive manual effort and resulted in a high rate of error, because employees had to log onto and work with two systems that were not integrated. “We wanted to automate the portal query function, so we decided to implement iPoint Agent,” explains Keim. iPoint Agent is a solution widely used by automotive component suppliers to collect data from portals.

“TRANSLATING” PORTAL INFORMATION USING SAP EXCHANGE INFRASTRUCTURE (SAP XI)

iPoint Agent performs automatic portal queries. From the perspective of improving quality management, it is crucial for CAS to be able to process customer complaints swiftly in its back-end SAP software. Since this involves “translating” the iPoint Agent XML protocols for the SAP enterprise resource planning (ERP) software (mapping to SAP R/3 data structures), CAS opted to implement SAP Exchange Infrastructure (SAP XI), the process integration component found in the SAP NetWeaver™ platform. “SAP XI converts the portal information for SAP R/3 – for example, if the manufacturer uses a different number to designate an item than we do,” says Keim.

“We use SAP BI to check compliance with our internal quality threshold values and goals. This enables us to spot quality problems at an early stage.”

Thorsten Keim, Information Systems, Sales and Marketing, CAS

SAP XI and iPoint Agent fulfill another important function: they break down the automobile manufacturer’s operations, which are combined into a test report, into individual activities for in-house system processing. For example, the manufacturer might submit complaints about 10 different items in a single report. On the basis of this information, CAS must trigger activities (quality notifications) relating to individual components, check the components, and take corrective action – this is where SAP XI and iPoint Agent come in. The reverse process, whereby the SAP R/3 software combines 10 activities into a customer report and forwards it to the manufacturer portal via iPoint Agent, is scheduled for implementation in the first quarter of 2005.

“EARLY WARNING” WITH SAP BUSINESS INTELLIGENCE (SAP BI)

CAS has been applying this quality management process at its North American and European facilities since August 2004. General Motors is the first customer portal with which CAS is integrated. CAS is going to review the possibility of linking up to Audi, BMW, and Opel portals in 2005.

The interaction of SAP XI, SAP R/3, and iPoint Agent covers quality management at the operational level: The original equipment manufacturer (OEM) quality notifications are processed as individual activities, ensuring data integrity.

Equally as important is how customers assess the quality of CAS products. CAS deploys SAP Business Intelligence (SAP BI) to meet its strategic requirements and provide meaningful data analyses. “In a way, we simulate our customer portals in SAP BI,” notes Keim, “as we map the histories of all customer complaints.” SAP BI combines customer data with CAS data from the ERP software. This yields an exact picture of CAS product quality and enables CAS to closely track the error rate per million units – the vendor evaluation key used by manufacturers.

“We use SAP BI to check compliance with our internal quality threshold values and goals. This enables us to spot quality problems at an early stage,” says Keim. “You could call SAP BI our early warning system.”

INVESTMENT IN THE FUTURE

Automobile manufacturers are displaying a growing tendency to transfer information, documents, and processes to their portals. The processes concerned typically include queries, auctions, and quality issues. Additionally, manufacturers are increasingly publishing standards, vendor manuals, and procedures on their portals. “We are well equipped to face future challenges with SAP XI,” says Keim. “Its openness enables us to communicate easily with all the manufacturer portals we need to access.”

“SAP XI helps us increase customer satisfaction at the operational level.”

Thorsten Keim, Information Systems, Sales and Marketing, CAS

The new quality process supported by SAP XI offers further benefits for CAS: First, the process is automated, enabling the company to avoid dual input effort and loss of data. Second, CAS now becomes aware of quality notifications more quickly. The company can resolve quality issues faster, respond more quickly to the manufacturer, and run special reports to analyze quality problems in-depth. “SAP XI helps us increase customer satisfaction at the operational level,” notes Keim.

INTEGRATION OF SUPPLIER PORTAL

CAS hopes to have finished implementing its standardized quality processes worldwide by 2006. It is currently planning to roll them out in China and Japan. The next SAP XI project will involve integrating SAP software for quality management with the supplier portal SupplyOn in 2006. “Our ultimate goal is to extend system and process integration along the supply chain to our vendors,” explains Keim. “We want to set up a process linking the manufacturers, CAS, and our suppliers.”

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