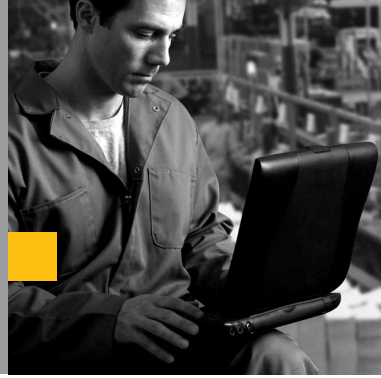


SAP Customer Success Story Automotive



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Helmut Herrmann, Director, Payroll and Information Management, Volkswagen AG

AT A GLANCE

Summary

Volkswagen AG, the famous German auto manufacturer, turned to mySAP™ ERP Human Capital Management (mySAP ERP HCM) to implement innovated HR practices.

Web Site

www.vw.com

Key Challenge

Support innovative HR programs

Project Objective

- Realign personnel administration, time management, and payroll processes
- Shift decision making to local units

Implementation Highlights

- 750,000 transactions processed daily; 1 million transactions peak
- Legal requirements and 10,000 schedules stored in the system
- Automatic work flows help employees complete tasks
- Solution developed for loaning out employees when needed
- Standard features used, eliminating the need for custom programming

Key Benefits

- Improved system operation from eliminating interfaces
- Optimized personnel administration, time management, and payroll processes

Implementation Partner

SAP® Consulting, part of SAP Customer Services Network

SAP Solutions and Services

mySAP™ ERP Human Capital Management (mySAP ERP HCM)

Existing Environment

Legacy systems

Database

Oracle

Hardware

Hewlett-Packard 9000 N-Class

Operating System

UNIX

VOLKSWAGEN AG

A Leading Automotive Manufacturer Implements Innovative HR Programs with mySAP™ ERP Human Capital Management.

With such initiatives as the four-day week, time securities, and its 5,000 x 5,000 employment plan, Volkswagen AG is known for its innovative approach to human resources (HR) solutions. Because flexible working hours and a sophisticated leave management system require optimized processing of all relevant data – from new hires to payroll – Volkswagen’s requirements for an HR software solution were formulated around these processes. The company’s Innovative Personnel Service (IPS) project aimed to realign the entire personnel administration, time management, and payroll process and shift a greater portion of decision making to local units. Being able to respond quickly to both legal and business requirements has created a greater sense of customer orientation at Volkswagen – and the decision to use standard software has ensured that the company is well equipped for the future.

To reach its HR goals, Volkswagen decided on mySAP™ ERP Human Capital Management (mySAP ERP HCM) and chose SAP® Consulting, part of SAP Customer Services Network, for the implementation project. “After making the decision for the SAP solution, SAP Consulting seemed like the ideal implementation partner. We give special credit to SAP Consulting’s HR experts for the project’s success,” says Helmut Herrmann, director of payroll and information management at Volkswagen.

When the ambitious project was launched in May 1999, approximately 50 Volkswagen members began work, together with consultants from SAP Consulting. Along with Volkswagen’s



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in-house pay agreement, which includes special arrangements, such as the 28.8-hour week, an additional 850 work agreements and other human resources regulations were prepared for mySAP ERP HCM.

In accordance with SAP's ASAP methodology, an as-is analysis of existing regulations and processes was completed before the team began to map the requirements in a business blueprint. It soon became clear that mySAP ERP HCM would cover most of Volkswagen's requirements.

After implementation began in early 2000, continuous quality assurance of the work completed became a key focus. The project team conducted comprehensive tests of all system settings, then rechecked and documented them using suitable test cases. At the same time, team members began constructing the production environment together with the hardware partner for the project, Hewlett-Packard. Quality and the performance of the dialog system were of particular importance to the team.

In addition to mySAP ERP HCM's classic master data functions, including organizational management, time management, and payroll, Volkswagen's implementation also includes the time manager workplace, an Internet-based application management tool, and a tool for managing the company pension scheme.

The Time Management Challenge

Volkswagen is particularly well-known within the automotive industry for being at the forefront of modern, flexible working time models. The company consistently breaks new ground in the field, and it also sets the standard for efficient implementation. That Volkswagen has special demands on time management is evident by the number of work time models the company uses. The company currently has nearly 10,000 different working time models, which it can draw upon to meet the most varied of work requirements.

Using the time manager workplace tool, Volkswagen was – for the first time – able to conduct time sheet data recording across all its plants and move away from a centralized system. The collaborative effort between SAP Consulting's HR specialists and SAP development created a customer solution for loaning employees between individual workshops and Volkswagen's

various plants. Workshop managers can use a personalized user interface to loan their employees to other areas at the click of a mouse button. mySAP ERP HCM automatically processes the necessary authorizations and cost assignments and then transfers them to the finance department, eliminating the need for manual activities in access control and payroll.

In the summer of 2003, the manager's desktop was implemented as an additional tool for time administrators. Volkswagen implemented the manager's desktop as a method of providing its workshop managers with the information they need for their everyday work. This includes summaries of employee overtime, absences, tasks that given employees cannot perform due to illness or disability, and so on.

Using mySAP ERP HCM, Volkswagen was also able to significantly optimize other HR processes – particularly personnel administration, time management, and payroll. Almost all of the weak points in Volkswagen's legacy HR systems, identified by employees at the beginning of the project, were remedied. The high level of integration with mySAP ERP HCM and the resulting reduction in interfaces also improved system operation and reduced the amount of tailoring necessary due to legal and pay-scale changes.

Setting an Example for Business Everywhere

The largest mySAP ERP HCM project to date went live in a big bang in Volkswagen's Wolfsburg, Germany, headquarters on October 1, 2001. Today, mySAP ERP HCM processes the data of around 120,000 current employees and 75,000 retired employees and is accessed by around 8,000 users in human resources, payroll, and time management. Around 750,000 transactions are processed every working day, and the mySAP ERP HCM solution can handle peak loads of up to one million transactions a day effortlessly. More than 35 interfaces deliver around 200,000 data records a month for further processing by mySAP ERP HCM.

One of the key factors in the mySAP ERP HCM implementation was to use standard software so the company could easily handle future changes. mySAP ERP HCM met all of Volkswagen's human resources requirements – without requiring modifications to the software. Volkswagen's implementation of mySAP ERP HCM is a perfect example to other companies – and not just those in the automotive industry.