

SAP Customer Success Story Automotive



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Uwe Silberbach, Head of TI-Syncro at Volkswagen

AT A GLANCE

Summary

Germany-based automotive giant Volkswagen (VW) teamed up with SAP® Consulting to create an integrated bill of materials (BOM) for complex, highly configured products.

Web Site

www.vw.com

Industry

Automotive

Key Challenges

- Lack of visibility into BOMs
- No straightforward insight into interdependencies between parts

Project Objectives

- Introduce an integrated, clearly structured, flexible BOM, displaying interdependencies in an easy-to-understand form
- Enable intuitive navigation for quick and easy identification of required components

Solution and Services

- Integrated BOM, based on the mySAP™ Product Lifecycle Management solution
- SAP Consulting, for solution design and implementation

Why SAP Service

- Experience of automotive industry and expert knowledge of BOMs
- Long-standing relationship between VW and SAP
- SAP consultants' excellent understanding of VW's processes

Implementation Highlights

- Created a sophisticated electronic BOM, tailored to VW's automotive needs
- Implemented user-friendly overview of all parts required to build a particular vehicle

Key Benefits

- Significant savings through elimination of duplicate data
- Fewer errors during production
- Straightforward entry of product modifications
- Elimination of unnecessary design work, thanks to fast, effective identification of reusable components
- Up-to-date BOM data and easy identification of required components

Implementation Partners

- SAP Consulting
- SAP Systems Integration
- gedas

Existing Environment

- Homegrown BOM solution
- Comprehensive range of SAP software

Database

Oracle

Hardware

HP

Operating System

UNIX

VOLKSWAGEN GROUP

SAP and VW Join Forces to Develop a Groupwide, Standardized Bill of Materials

When it comes to putting together the Volkswagen (VW) of their dreams, customers can pick and choose from a vast range of options via user-friendly online configurators. But what looks simple on-screen poses major challenges for the German-based automotive giant. Cars are highly complex products, each comprising tens of thousands of individual parts. To build vehicles to customers' individual specifications, the automaker has to ensure that the bill of materials (BOM) in each case is current, complete, and consistent.

BOM: The Heart of the Matter

To address this issue, the Volkswagen Group launched the Technical Information-Synchronized (TI-Syncro) initiative to create a new, integrated BOM for configurable products. “The bill of materials is key to ensuring production has the right master data to manufacture a particular vehicle,” explains Uwe Silberbach, head of TI-Syncro, VW Group. The aim of the project was to develop a comprehensive, clearly structured BOM that would display the complex interdependencies between parts. The new solution had to provide intuitive navigation, enabling users to locate information quickly and easily. This was achieved by grouping all the available options for a particular part – for example, the different types of wheels for a particular model – under nodes with expandable hierarchies.



SAP® Consulting – Automotive and Solution Expertise

To put this new BOM concept into practice, VW joined forces with SAP® Consulting. The SAP consultants headed up the implementation, with support from SAP Systems Integration, gedas, and other partners. The SAP specialists began by analyzing VW's existing processes and determining the automaker's specific

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requirements. Next, they created the business blueprint. “Throughout the project, we benefited greatly from SAP Consulting’s industry-specific experience and expert knowledge of BOMs,” states Silberbach. “Over the years, we’ve built up a close relationship with SAP; its consultants have an excellent understanding of the Volkswagen Group’s business processes.”

The result of the close collaboration between SAP experts and VW's user departments and IT professionals was TI-Syncro VSS – a user-friendly electronic BOM for configurable products, tailored to the automaker's exacting needs. The new solution, which is centrally maintained at VW headquarters in Wolfsburg, Germany, was initially deployed for the new VW Passat and Audi A8. It will eventually be used for all the group's models.

Cost Savings Through Elimination of Redundancies

“Based on the mySAP™ Product Lifecycle Management solution, TI-Syncro VSS enables us to ensure that whatever options a customer chooses are available for the model they want. This helps reduce errors and generates significant savings,” says Silberbach.

In addition, the solution eliminates duplicate data by preventing identical parts from being stored with different descriptions. This ensures that the same part is not inadvertently produced twice – driving up costs.

TI-Syncro VSS also makes it much easier to identify existing components that can be reused or carried over to new models, eliminating duplicate efforts due to ineffective data exchange between departments.

Fast, Effective Integration of Product Changes

The SAP-based solution provides a comprehensive, easy-to-understand overview of all the parts needed to build a particular vehicle. The intuitive structure not only makes it easier to create BOMs, it also helps new users quickly familiarize themselves with the system. What's more, optimized change management capabilities ensure that product modifications can be implemented quickly and easily, and that data is always up-to-date.

The new solution that the automaker helped design benefits both VW and its customers. Whenever a customer selects a particular option, it takes only a few seconds for a VW employee to check whether the choice is feasible. And because a configuration

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can only be completed when the BOM contains all necessary parts, VW can virtually eliminate errors during production. And that means customers can look forward to taking delivery of their dream vehicle even sooner.