

## SAP for Automotive



**With more than three decades of automotive experience, SAP provides solutions that help midsize companies gain transparency into their business processes. By giving decision makers more control, SAP® software makes quick, well-informed choices possible. Only SAP offers comprehensive industry solutions that support collaborative scenarios among suppliers, OEMs, importers, and dealers. In fact, over 1,000 midsize firms in the automotive industry have chosen SAP solutions as the platform to help grow their businesses.**

## **AUTOMOTIVE INDUSTRY REVS INTO HIGH GEAR**

When it comes to supplying businesses in the automotive industry, whether you're talking about large OEMs or small-parts suppliers, midsize companies – businesses with less than \$1 billion in annual revenue – always face the seemingly next-to-impossible task of supplying more, faster and for less. The pressure on midsize businesses to accelerate business cycles is intense and – not unlike a race car driver on a slippery course – there is no room for error. Lacking the luxury of a vast pool of personnel and financial resources, companies like yours must maximize their internal business processes as well as pay close attention to collaboration with technology partners and sales channels. To stay competitive, you need to bring new products to market faster than ever, while at the same time reducing production costs, increasing quality, and managing customer relationships.

### **ACCELERATING NEW PRODUCTS TO MARKET**

Ramping up product cycles is no easy feat, especially when such vital factors as safety and reliability are at stake. In order to compress these cycles without sacrificing quality, companies like yours need to participate in collaborative engineering and prototype development. Identifying problems early and in a collaborative environment ensures faster go to market, with fewer last-minute glitches. As with every product evolution, there are always engineering twists and turns along the way, so being able to handle changes quickly and efficiently is critical. Midsize companies positioning themselves for growth need to handle accelerated time to market without wasting valuable manufacturing resources.

## **REDUCING PRODUCTION COSTS**

Today, customer pressure to reduce costs is unrelenting. Managing purchasing, inventory, manufacturing, and even accounting cost-effectively is a daunting responsibility, especially when some processes are automated while others rely on manual intervention. For midsize companies, the challenge is to bridge the gap between lean manufacturing procedures and traditional production line information gathering. Integrating core processes such as shop floor production with customer scheduling agreements and accounts billable can have a significant impact on the bottom line. Not only do processes become more efficient, but also managers gain clear visibility into the entire chain of events. Armed with comprehensive information, decision makers can accurately gauge production capacity as well as cost-effectively manage “just-in-time” production, inventory, and purchasing.

## **MANAGING QUALITY AND INSPECTION**

Building a product is one thing, but building an excellent product is another, and manufacturing is only one part of the equation. Before shipping to customers, products need to pass inspection for quality and safety. Optimizing quality control means feeding information about imperfect materials or manufacturing glitches back into engineering and production rapidly and efficiently. For most midsize companies, having a comprehensive electronic data interchange system that is more than just “rip and read” is essential to keep costs under control as well as to ensure repeat business.

Every company knows that staying in business for the long term requires consistent and skillful management of customer relationships. But midsize companies need innovative, cost-effective ways to keep their hard-won customers. In the automotive industry, companies earn and maintain those relationships through their ability to handle customer-specific manufacturing and requirement updates automatically. Effective “customer-

centric” businesses handle ever-changing customer scheduling agreements without disrupting production or incurring additional costs. Translating real-time information into a high-quality product that was “just what the customer ordered” is the best avenue for midsize companies to build their businesses, one customer at a time.

## **REQUIREMENTS UNIQUE TO MIDSIZE COMPANIES**

New regulations, supply chain contract demands, and evolving technical standards haunt both large corporations and midsize companies. In addition, organizations of all sizes are seeking to streamline operations, enhance efficiencies, and reduce overall costs. But for companies like yours, these efforts are particularly difficult, because they are truly limited by time, budgets, and IT resources. In fact, a high return on investment (ROI) is not sufficient. You need a high ROI combined with a low total cost of ownership. And because your success depends on being nimble and quick, business disruption must be kept to a minimum and without consuming large amounts of IT resources.

## **AVAILABLE OPTIONS**

So let’s look at what the market offers to meet your special requirements. There are indeed a number of solutions out there that are either priced aggressively or that leverage an established brand or technology or focus on a specific industry niche. However, while some of these will meet the requirements today, they will not scale as your firm grows. Others lack specific industry expertise or support, not to mention long-term stability — especially given today’s climate of economic uncertainty. And there is an array of “best-of-breed” products combined with “do-it-yourself” integration. The end result: poor support and an enormous drain on time and IT resources. Not to mention the ongoing maintenance required to keep them all up and running. Since you have little margin for error, you cannot really afford any type of resource drain. Your solution must be right the first time out, and have enough flexibility to support business growth for at least five years.

## **THE FIRST CHOICE: SAP**

As the world's leading supplier of business systems, SAP leverages its 30 years of service and expertise to offer companies like yours solutions that are designed to address the special needs for growing an automotive business. SAP® solutions for midsize businesses provide a high degree of industry-specific or even micro-vertical functionality delivered in a cost-effective, turn-key manner that is inherently scalable for growth. In fact, there are more than 2,900 SAP installations in place worldwide in the automotive industry. Following is a roundup of some of the ways these solutions are helping to meet your industry's unique challenges.

### **Accelerated Product Delivery**

SAP solutions for midsize businesses enable companies to accelerate the time it takes to get new products to market – without sacrificing quality or increasing costs. Using SAP solutions, midsize companies can bridge the gap between lean manufacturing procedures and traditional shop floor information gathering. More importantly, SAP offerings encourage information sharing and collaborative work flows, resulting in increased efficiencies and on-time delivery with fewer errors. Midsize companies can leverage the best-practices technology, industry expertise, and partner channels offered by SAP to achieve shorter and more direct times to market.

### **A Clear View of What's Ahead**

SAP technology is designed to offer a complete business view, in real time. By using industry-specific benchmarks, SAP solutions contain “built-in” business knowledge that enables continuous business improvement. Best of all, companies using SAP solutions can provide “loop-back” information feeds into critical processes, such as manufacturing and quality assurance.

The end result is improved processes and higher product quality with minimal consumption of valuable resources. For midsize automotive companies faced with the necessity of reducing production costs, SAP solutions provide managers with good information on such critical issues as sales, inventories, cost of goods sold (COGS), and profit margins – all in real time.

### **A Flexible, Open Framework**

SAP solutions for midsize businesses integrate smoothly with existing third-party applications and the entire value chain of business partners, suppliers, and customers while at the same time supporting a heterogeneous data environment. Through this integration, SAP solutions empower employees by delivering the access, the information, the applications, and the services they need to be productive and effective in helping the business to grow. For midsize companies looking to take advantage of a worldwide market, SAP software provides the support necessary to connect to strategic partners and build symbiotic business relationships.

### **Excellent Management of Customer Interactions**

When it comes to managing long-standing customers, SAP can enable you to meet and surpass their expectations by helping to optimize internal processes as well as leverage customer data and exploit multiple sales channels. There is no greater advantage than being able to provide customers with exactly what they ordered precisely when they need it. SAP solutions contain predefined functionality that allows employees to proficiently manage complex operations in such areas as human resources, financials, supply chain, and customer relationships. With fast, cost-effective business processes, midsize companies can service sales channels, customer requests, and agreements quickly and with many fewer resources.

## **A SAFE AND AFFORDABLE ROAD TO GROWTH AND SUCCESS**

SAP's extensive knowledge of business processes lies in its experience gained from thousands of customers spanning more than 23 distinct industries and 280 micro-vertical partner solutions. This integration of users, processes, and data within the organization and beyond has created unparalleled efficiencies and collaboration across the entire value chain. In addition, nearly 60% of all SAP installations are in organizations with annual revenues of less than \$500 million. With fixed-price, fixed-scope implementations measured in weeks, automotive businesses are benefiting from the security, innovation, and low total cost of ownership supplied by SAP.

### **When it comes to midsize companies, SAP provides:**

- Flexible and powerful technology combined with robust scalability designed for investment protection
- Vendor stability that mitigates risk and offers a rich heritage of world-class customer support
- The lowest total cost of ownership and rapid time to benefit with minimum disruption to business activities
- An expansive, worldwide network of qualified SAP business partners who are experts in the requirements of micro-vertical industries and midsize companies

When you choose SAP, you benefit from three decades of deep industry experience in helping companies improve their business fundamentals. With SAP solutions, you do it once, do it right, and then never have to do it again.