

SAP Customer Success Story Automotive



“Our SAP solution is essential to our ability to act promptly and keep our customers satisfied. With SAP software, we now have a secure production and planning process and can ensure timely delivery.”

Thomas Ebert, SAP Customer Competence Center, GRAMMER AG

AT A GLANCE

Summary

GRAMMER AG – an automotive supplier based in Amberg, Germany – integrated and optimized its production planning processes with software from the SAP for Automotive solution portfolio, including the SAP® Advanced Planning & Optimization (SAP APO) component. The company can now ensure that it delivers its products on time.

Web Site

www.grammer.com

Key Challenges

- Minimize setup times and downtime
- Integrate production processes
- Optimize buffer stock
- Improve ability to make changes and expedite product customizations

Project Objectives

- Optimize production planning to ensure that deadlines are met
- Utilize machines and tools optimally
- Use and expand internal SAP software expertise to meet future requirements promptly and independently

Solutions and Services

- SAP APO, a part of the mySAP™ Supply Chain Management solution
- Just-in-time and just-in-sequence software from SAP for Automotive

Why SAP Solution

- Covered all required functions
- Precluded need for costly interfaces
- Used throughout the company since 1998

Implementation Highlights

- Process definition, customizing, and training in just 3 months
- Easy integration of SAP APO into a complex overall process

Key Benefits

- Reliable deadlines
- Versatile, customer-specific make-to-order production
- Detailed machine scheduling
- Optimization of setup time

Implementation Partners

- axentiv AG
- SAP Consulting organization

Existing Environment

SAP R/3® software, functionality now found in the mySAP ERP solution

Database

Oracle

Hardware

IBM

Operating System

Microsoft Windows 2000
Advanced Server

GRAMMER

Software from the SAP® for Automotive Solution Portfolio Helps Supplier Keep Production on Schedule and Customers Satisfied

When automotive supplier GRAMMER AG opened a new facility in eastern Germany's Chemnitz-Zwickau region – an area known for automotive engineering – the company had to do more than just bring another production plant online: GRAMMER had to implement all new processes, including the intricate procedures involved in manufacturing consoles for the Volkswagen (VW) Passat and the fine-tuned processes used for injecting synthetic materials into automotive components.

To ensure its future as a quality service provider, GRAMMER chose software from the SAP for Automotive solution portfolio to support final assembly and delivery and to optimize production levels and manage stock. The SAP® software, which included the SAP Advanced Planning & Optimization (SAP APO) component, replaced outdated tools such as Microsoft Access and Microsoft Excel – tools that could no longer meet GRAMMER's requirements.

GRAMMER is known throughout the world for its innovative driver and passenger seats as well as for its interior automotive components. GRAMMER serves customers such as DaimlerChrysler, MAN, BMW, and the Volkswagen Group. Around 8,000 employees in 13 countries help the company generate annual revenues of €824 million (2004).

No Need for Costly Interfaces

With support from axentiv AG, GRAMMER first assessed its production needs and then quickly implemented a prototype of the SAP software. Klaus Günther, who is responsible for information logistics at GRAMMER, explains, "After carrying out a detailed process analysis and building a prototype, it soon became clear that the standard functions of SAP APO would be able to handle our requirements for production planning and detailed scheduling

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Markus Erb, Head of Central Logistics, GRAMMER AG

without any problems." But there were other reasons for choosing SAP APO: with the SAP solution, the company would be able to avoid the high costs of interfacing an external subsystem. And since GRAMMER uses SAP software throughout its organization, its own SAP Customer Competence Center could ensure that the project was successfully completed without any problems.

Covered: All Planning Requirements

After just three months, the new solution went live – on time and within budget. As a result of the implementation, GRAMMER was able to fully optimize its machinery at its Zwickau plant, while keeping buffer stock for the injection die-casting and painting process as low as possible.

Today, GRAMMER clearly benefits from automated production planning and scheduling. With SAP APO, employees can manufacture parts and modules for 2,500 Volkswagen vehicles during a three-shift operation without missing a single deadline. They can perform graphic simulations of prototypes and easily monitor the

production process and intervene promptly if changes need to be made. In addition, staff can take advantage of simple drag-and-drop functions and context-oriented drill-down menus.

Another important benefit: detailed planning on a daily basis. At seven o'clock each morning, SAP APO generates a production plan that is then set in motion, once it is approved by the production and logistics departments. The solution also creates a weekly planning preview.

Optimized Logistics

One of the biggest challenges automotive suppliers face is integrating themselves closely with their customers' process chains. This is especially true for GRAMMER. Here's what the complex process entails: GRAMMER's Zwickau plant has to deliver painted die-cast parts for production of the Passat central console to the VW plant in Emden. Every two minutes GRAMMER receives requests for individual customized consoles, which affects how and in what sequence the console parts are assembled. Every two hours a truck leaves the plant for the VW facilities in Mosel (near Zwickau) with consoles that must be unloaded in the right order for assembly. To synchronize the entire process, GRAMMER uses the just-in-time and just-in-sequence functions provided by the industry-specific SAP software. This ensures that the requested parts and modules are in the right order and at the right place at the right time.

Markus Erb, head of central logistics at GRAMMER, comments, "By having the ability to map highly complex processes in our system, we gained a classic advantage in regards to customer satisfaction – and an edge over the competition."

Transparent information and end-to-end processes, an integrated system that eliminates the need for costly interfaces, and a high level of employee and customer buy in for the overall solution were exactly what GRAMMER needed to succeed in the market. And in the future? GRAMMER wants to further optimize its automotive value chain by expanding its use of the planning solution in SAP for Automotive.