

# [Ford motor company assignment](https://assignbuster.com/ford-motor-company-assignment-essay-samples/)

Benefits from Service Parts Software from SAP Mary Ann Tindall Steve Balaj Manager, Business Technology Renewal IT Manager, Business Technology Slide 2 Confidential SAPPHIRE 08 OR3349 Ford Motor Company Ford Motor Co. Benefits from Service Parts Software from SAP Mary Ann Tindall Steve Balaj Manager, Business Technology Renewal IT Manager, Business Technology Ford Motor Company Ford Motor Company, a global automotive industry leader based in Dearborn, Michigan, manufactures or distributes automobiles in 200 markets across six continents.

With about 245, 000 employees and about 100 plants worldwide, the company’s core and affiliated automotive brands include Ford, Jaguar, Land Rover, Lincoln, Mercury, Volvo and Mazda. The company provides financial services through Ford Motor Credit Company. For more information regarding Ford’s products, please visit www. ford. com. Ford Global SPM Implemention – Key Messages Ford went live with SPP on November 5, 2007… Why Ford is implementing SAP’s SPM Solution Implementation and launch strategy Go-live Experiences Value Drivers e on Liv . 5 Nov

SAPPHIRE 08 OR3349 Slide 5 Ford Parts Supply & Logistics (PS) Overview Scope of Ford PS Business U. S. Dealers Serviced Order Line Volume Suppliers Managed Part Numbers (SKUs) Number of Depots Number of Employees ~5, 200 ~ 60 Million ~2, 000 450, 000 38 ~3, 500 Europe ~2, 500 ~30 Million ~1, 500 360, 000 28 ~2, 000 SAPPHIRE 08 OR3349 Slide 6 PS Business Technology Renewal Transformation Strategy Customer Service Satisfaction Growth Maximization Cost Minimization i ne s Bus PRO PRO C CES S ESS E ES S NETWORK NETWORK y olog chn s Te 1999 – Ongoing SAPPHIRE 08 OR3349 Slide 7 001 – 2004 2006 – 2012+ Why Business Transformation? Ford Supply Chain Used “ Push” Approach Suppliers Packagers Warehouses Distributors Dealers/ Retailers Consumers Consumer Oriented Approach Consumers Dealers/ Retailers Packagers Warehouses Distributors Suppliers SAPPHIRE 08 OR3349 Slide 8 Why Technology Transformation? SAPPHIRE 08 OR3349 Slide 9 The Solution Strategy: Fully Integrated Solution Concept: ~ 80% common processes/ technology Leverage Ford and Cat Logistics volumes Commercialize system software Intellectual Property Know-how Capability Scalability

Benefits: Lower development costs International capabilities Natural (planned) technology upgrade path Shared Risks between Cat Logistics, Ford, and SAP The Result: State of the Art Service Parts Management Solution Across Multiple Industries Best-In-Class Logistics Performance Increased Customer Satisfaction Cost Reduction SAPPHIRE 08 OR3349 Slide 10 Solution Landscape CRM (Customer Relationship Mgt) Legacy System – Pricing e-commerce Master Data Rebates GTS Sales Billing Service Marketing Interaction Center Portal Legacy System – Contracts SCM (Supply Chain Mgt) Warehouse Mgmt Engine

Legacy System – Purchasing Packaging Engineering APO Legacy System – Transportation Service Parts Planning Engine gATP Inventory Collaboration Hub Master Data Portal BI Legacy System – Financials Delivery PUR/IV TPDS ERP (Enterprise Resource Planning) Master Data Inventory Mngt FIN QM EH Portal Legacy System EDI Converter for Industry/customer specific formats IDOC CIF XI Connectivity Connectivity XML BDOC SAPPHIRE 08 OR3349 Slide 11 Implementation Approach – Supply Chain Mgmt. Capture/Manage Demand Forecasting Tactical Planning MM Packaging Master Data Financials

Inventory Planning Supply Planning Deployment Operational Planning Delivery Processing Supplier Confirmations / Monitoring & Analytics Europe Phased Approach •Full functionality for limited parts •All part activation with full supplier ramp-up U. S. Phased Approach •Tactical Planning for Frames •Tactical Planning for all parts •Complete Operational Planning for all parts after all warehouse launches SAPPHIRE 08 OR3349 Slide 12 Implementation Approach – Extended Warehouse Mgmt. Inbound Goods Receipt / Unload Quality Management Deconsolidation Internal Processes Master Data Financials Putaway

Wave Management Outbound Warehouse Order Determination Picking Packing Shipping / Loading / Goods Issue Europe Phased Approach •Inbound, followed by outbound for all commodities in French warehouse •Full functionality for all subsequent warehouses U. S. Phased Approach •Core functionality for Frames •Full functionality for all commodities •Full deployment for all warehouses SAPPHIRE 08 OR3349 Slide 13 IT Implementation Approach – Partitioning Strategy Functional Release 3 Release 2 Release 4 Presentation (ICH) Foundational Application (Basic planning) Release 1 Data – (Legacy Interfaces) Build foundational layer in first release • Stabilize SAP infrastructure before adding functionality • Increase data and functionality as parts and suppliers are added Infrastructure (SAP Setup) SAPPHIRE 08 OR3349 Slide 14 Ford U. S. SPM Rollout Plan 2007 2008 2009 2010 2011 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 SCM & Warehouse: Frames SCM – Planning 2012+ First Warehouse Remaining Depots Redistribution Center and Export Commercial Backend Complete SCM: DRP, Rel. & Supplier Ramp up Commercial Front End First Go Live Rollout Complete SAPPHIRE 08 OR3349 Slide 15

Ford of Europe SPM Rollout Plan 2007 2008 2009 2010 2011 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Europe SCM Go Live and Supplier Ramp Up France Warehouse; Estrees St. Denis UK Warehouse: Daventry Germany Warehouse: Merkenich Spain Warehouse: Valencia 3PL’s Commercial: France St. Germain Commercial: Remaining National Sales Companies 2012+ First Go Live Rollout Complete SAPPHIRE 08 OR3349 Slide 16 Ford of Europe Supply Chain Mgmt. Functional Scope CRM Legacy System Legacy System — Pricing Pricing Legacy System Legacy System — Contracts Contracts Sales Service Marketing Enterprise e-commerce

Analytics Interaction Center Field Channel Management SCM Fullfillment Coordination Fullfillment Coordination Legacy System Legacy System — Purchasing Purchasing XI XI APO APO gATP gATP DP DP SNP SNP TP/VS TP/VS SPPE SPPE BW BW Inventory Collaboration Hub Inventory Collaboration Hub Legacy System – Transportation Warehouse Mgmt Engine Legacy System Legacy System — Financials Financials Logistics Inventory Management Logistics Inventory Management SRM SAPPHIRE 08 OR3349 Slide 17 The Ford of Europe Supply Chain Mgmt. Launch Ramp-up – Jul-Dec 2008

Full Ramp up 4 Stages of Ramp up Germany Britain Spain All other Countries 360, 000 Parts 120M Records Phase III – Apr 2008 Phase II – Jan 2008 2 more Suppliers Phase I – Nov 2007 2 local Suppliers: Bosch TMD Friction 100-150 Parts Complete Analyst Book: ~26 Suppliers 2, 200 Parts 1, 500 Suppliers Valeo Ford Manufacturing Plant Add more Parts •Full Capability •Increase Functionality: •New Parts Setup •Clearing House •Supercession • Run Core Functionality • Accurate Data • Supplier Communication • Inventory Network Mgmt • Prove SAP Infrastructure • SAP Support Process

SAPPHIRE 08 OR3349 Slide 18 Measuring Success… The following business metrics will be used to measure the success of the Launch and the Ramp up • Dealer Fill rate (Overall, Top500, Top10K) • Backorder Lines • IVO-Lines • Turnrate • Referrals (OOS, Non-Stock) • Forecast Error (AMAPE, AMPE and AMAPE Ratio) The following SAP related metrics will also be used to monitor the stability of the system: • Blocked, open or other vendor releases in error • Open stock transport orders SAPPHIRE 08 OR3349 Slide 19 Go Live Experiences… Governance

Start with strong and vocal business ownership/leadership • Sets clear business vision and expectations • Makes quick scoping decisions and help define the “ what” so the teams can determine the “ how” Establish a Program Management Office (PMO) • Sets governance structure and project execution standards/tools • Manages across projects with global mindset • Manages changes to program scope, funding, schedule (CAB) Implement disciplined project management • Develops project charter (timing, scope & funding), and manages execution • Employs a rigorous use of project methodology (standards, gate reviews) • Performs regular risk reviews and establishes clear go/no go criteria SAPPHIRE 08 OR3349 Slide 20 Go Live Experiences…

Implementation Strategy Start small in scope – learn by starting small and ramping up • Limit master data, business process scope, geographic scope and users/sites • Limit impact on suppliers and customers Prove out SAP “ Plumbing” • Initial launch should test core functionality for all components with small business scope Limit Custom code • Priority should be on understanding how the product really works; run it as designed/delivered and then determine what is truly missing • Don’t modify standard code • Limit Forms, Reports, and Enhancements • Use delivered BADI’s SAPPHIRE 08 OR3349 Slide 21 Go Live Experiences… Organizational Change Management

Get an early start with change management, specifically change impact assessments, and then build on it as the scope of implementations increase Expect change to existing business processes • Be willing to change your practices, not the product Business Process Integration • Agree to common process across regions • Establish governance structure to manage commonality during implementation and post go-live operations Establish a support organization (CoE) early in the project lifecycle • Build a new hybrid organization that requires a blend of IT and business skills to operate the business and manage change SAPPHIRE 08 OR3349 Slide 22 Go Live Experiences…

Teamwork Establish a strong alliance with your system integrator and ensure close contact with SAP. Involve both from the start: • Selection should be based on expertise provided by both partnerships • Expect senior technical assistance, especially in new engines and functionality • Use implementation best practices but be aware that these needs to be tailored for the new product Expect a high level of team work to be required, even more than the typical SAP implementation • Because the product is new, a high degree of collaboration is required to understand issues and develop solutions SAPPHIRE 08 OR3349 Slide 23 Go Live Experiences… Technology

Actively involve the legacy system support group, include a legacy system viewpoint in determining the scope of the SAP footprint, including master data flows, data cleansing/consistency and exception handling • Integration is key in non-big bang implementations • Implement “ gatekeeper” process to manage legacy data integration/sequencing to ensure data integrity Start in the beginning of the project with a rigorous data management strategy, particularly in the create and maintain processes for Parts Setup and Supercession Create a complete test environment that ties SAP to all relevant legacy systems for testing early in Realization Plan time for performance and scalability testing and tuning • Establish a small dedicated team build a performance test strategy and plan SAPPHIRE 08 OR3349 Slide 24 Go Live Experiences… Complexity Establish a technical environment cycle plan early with reasonable durations given the new product and the expertise provided by the integrator • • • System setup activities Service packs Upgrades

Build expertise in system setup activities • • Develop “ cookbook” approach to building out environments Master data distribution can be more complex than originally thought Keep your system landscape in synch • • • Multiple components are integrated together, each of which has to work for the solution to work Take the necessary time to make sure the processes for OSS note application and transport/correction are well understood and followed A little extra time spent up front to verify that notes, predecessor notes, configuration and FRICE have moved completely from system to system will ultimately save a lot of time during later phases of the project SAPPHIRE 08 OR3349 Slide 25

Value Drivers Real-time visibility to global service parts inventory and status of customer orders Solution Characteristics • Based on standard SAP platform • Leverages best-in-class service parts logistics processes • Built from existing SAP® SCM and SAP® CRM software solutions • Optimized for high volumes, high velocities and maximum efficiencies – two new engines SPPE and EWM • Supports multi-tiered distribution network design, and rapid part / service cycle times • Modular with robust system scalability Automotive Example: Distribution Centers Dealers / Service Part Retailers Redistribution / Regional Packaging Centers Vehicle Customers Central Functions Suppliers / Packagers SAPPHIRE 08 OR3349 Slide 26 Value Drivers

IT Enablers • Integration between Commercial, Planning and Warehouse management • Single Global Systems Platform • SAP Platform is built on the latest technology • Scalable architecture Expected IT Benefits • Reduces multiple legacy • Reduces fragmented interfaces • Avoids legacy system enhancements • Reductions in system downtime • Lower total cost of ownership Key Functionality Enabler • Allows Global ATP • Same day referrals • Allows order releases & picks for stock picking at any time • Better work assignments through wave management & bundling • Enhanced real time inventory analytical & forecasting tools • Real time sales analysis & order confirmation tools • Visibility of the entire supply chain SAPPHIRE 08 OR3349 Slide 27 Thank You !! Confidential Questions ??? SAPPHIRE 08 OR3349 Slide 29 Access SAPPHIRE ’08 Orlando Online Watch video recordings, download audio files in MP3 format, and view the slides from all keynotes and presentation sessions. www. sap. com/us/sapphire