ERP IMPLEMENTATION IN BMW MANUFACTURING CORPORATION

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Meaning of ERP System

An ERP system is a packaged business software system that allows a company to automate and integrate the majority of its business processes; share common data and access the information in a real time environment.

BMW Manufacturing Corporation

Company Profile

BMW Manufacturing Corporation is located in Spartanburg country South Carolina. It is the subsidiary company of BMW group and the BMW group is now one of the ten largest car manufactures in the world with its BMW, MINI and Rolls Royce brands. The group also has a strong market position in the motorcycle sector and operates a successful financial service business.

The company brands are extremely strong and are associated with high performance, engineering excellence and innovation. Indeed the BMW brand is often cited as one of the best in the world but the company is continues to launch a stream of innovative products as a part of its battle with German car manufacturer Mercedes to be the world’s largest luxury car maker.
Problems

1. BMW build customised car in a production environment. To meet the high expectations of the customers in this luxury market segment. So the company requires the flexibility, speed, business integration and automation of the business processes.

2. The new 1.2 million square feet facility is designed to produce up to 300 cars a day operating on 16 hour operating cycle. So the company requires maintaining speed and proper co-ordination among the various department and assembly lines.

3. BMW plants in Germany are supported by mainframe based information systems that are connected through interfaces to a variety of different system and application. The result are high maintenance cost and complicated system integration. The amount of time and money spend on system maintenance in Germany was very high.

4. The company also wanted an integrated information system to speed up the flow of information across the enterprise. It wanted to enter data only once and have it automatically send to all the functional areas that requires the information without any delay.
Solution

1. BMW Manufacturing first creates the process model of its operations to derive the selection criteria for the commercial application suit that would meet its information needs. In addition to being able to match the processes model, BMW requirement for the software include international scope, latest IT architecture and technology.

2. BMW put together a list of top five vendors in the marketplace and mapped the system against its needs. SAP R/3 was the best fit of all.

3. BMW implemented basic system rapidly moving through planning and configuration in just only four months. It runs R/3 on Hewlett Packard Model 170 business server supported by a 30 GB database. Some 600 PC's are attached to the network as client with 100 users running concurrent sessions at any given time. The company is using HP overview system and HP network software to manage the distributed client/server installation.
Benefits

1. With a well integrated system and with all the information online, the company does not need an army of people to reconcile problems, it's all done automatically.

2. Cost and time reduction. SAP R/3 was 50% cheaper as compared to custom made software that the company was planning to use and was implemented in only four months.

3. The other benefits include:
   - Integrated manufacturing
   - Automatic Invoicing
   - Integrated requisitioning
   - Flexible reporting and analysis
   - Better decision making