

Alexander Scholz  
BMW Group

# **DIGITIZED PROCUREMENT PROCESSES@BMW GROUP.**

**DIRECT MATERIAL PROCUREMENT AND MULTI-BACKEND INTEGRATION WITH SAP.**

**SAP AUTOMOTIVE FORUM 2016  
STUTTGART  
18.06.2016**



# BMW GROUP: PROJECT GSM (GROUP SOURCING M). AGENDA.

**1**

**Overview of BMW Group and BMW's Supply Chain**

**2**

**Challenges within the Supply Chain of BMW Group**

**3**

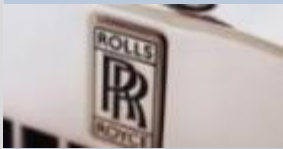
**Direct Material Procurement**

**4**

**Multi-Back-End Integration**

# BMW GROUP: NEW TECHNOLOGIES AND INNOVATION. THE WORLD'S LEADING PREMIUM AUTOMOTIVE MANUFACTURER.

## Automobiles / Motorcycles



**Rolls-Royce** – Epitome of outstanding performance in all areas



**BMW and BMW Motorcycles** – Ideas, innovation, and individuality.



**MINI** – Remake of a classic

## BMW Group Financial Services





BMW Financial  
Services



MINI Financial  
Services



# BMW GROUP: PROJECT GSM (GROUP SOURCING M). A VERY SUCCESSFUL YEAR 2015 BEHIND US.

<b>BMW GROUP</b>	2.247.485	+ 6,1%	↑
	1.905.234	+ 5,2%	↑
	338.466	+ 12,0 %	↑
	3.785	- 6,8%	↓
	136.963	+ 10,9%	↑

# BMW GROUP: PROJECT GSM (GROUP SOURCING M). WE OPERATE A GLOBAL PRODUCTION NETWORK.



# BMW GROUP: PROJECT GSM (GROUP SOURCING M). MISSION STATEMENT OF THE INTEGRATED SUPPLY CHAIN FUNCTION: WE SUPPLY FOR SUCCESS!



# BMW GROUP: PROJECT GSM (GROUP SOURCING M). RIGHT PARTS AT THE RIGHT TIME, IN THE RIGHT QUANTITY/QUALITY, AT RIGHT COST AND THE PLACE.

## PURCHASING

- Production material.
- Indirect purchasing.
- Cost engineering.
- Strategy.
- Complexity management.
- Sustainability.



## PROVISION

- Material management.
- Design of the value chain.
- Process and structural planning.



Car body

Interior, E/E

Driving dynamics

Drivetrain

Body-in-white

Press plant

Paint shop

Engine

Assembly

Production

Investment, goods, services

Provision

Quality management parts

Strategy, management, projects

Purchasing and Supplier Network

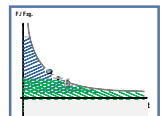
## COMPONENT PRODUCTION

- Seats, cockpit, equipment.
- Bumpers, exterior scopes.
- Light-metal foundry.
- Innovative lightweight construction concepts.



## QUALITY

- Quality validation.
- Recourse.
- Warranty and goodwill.
- Quality management system.



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**3** Direct Material Procurement

**4** Multi-Back-End Integration



# BMW GROUP: PROJECT GSM (GROUP SOURCING M). AGENDA.

- 1 Management of global supply chain networks.
- 2 Best cost country sourcing and natural hedging.
- 3 Flexibility vs. standardisation.
- 4 Optimisation of global inventories.
- 5 Value chain management.
- 6 New supplier structures/changing supplier structures.
- 7 Focus on emerging markets.

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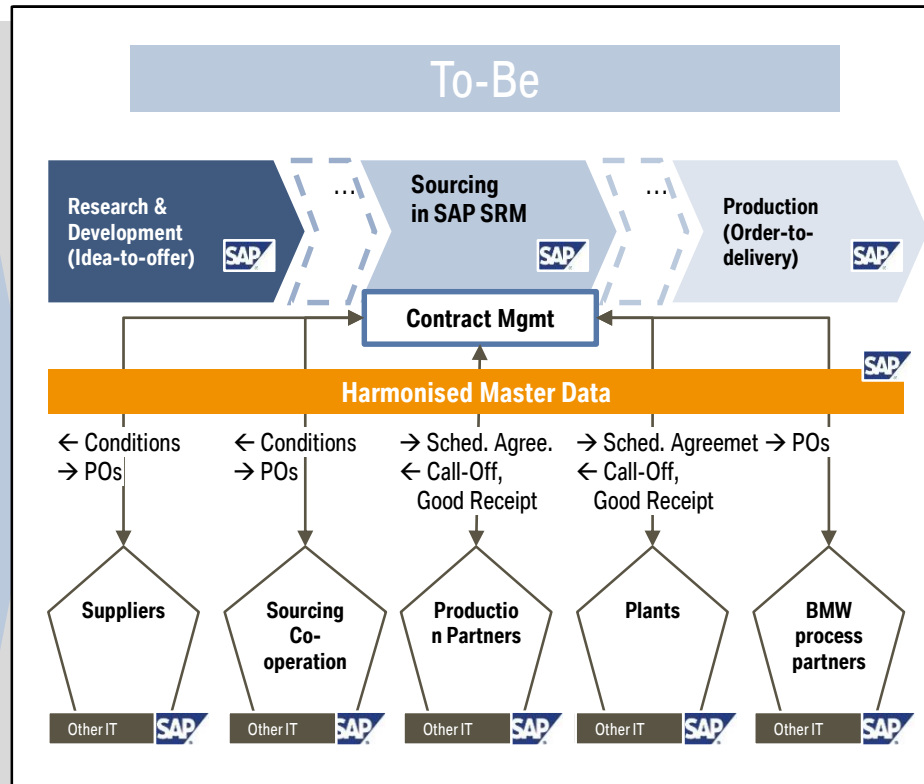
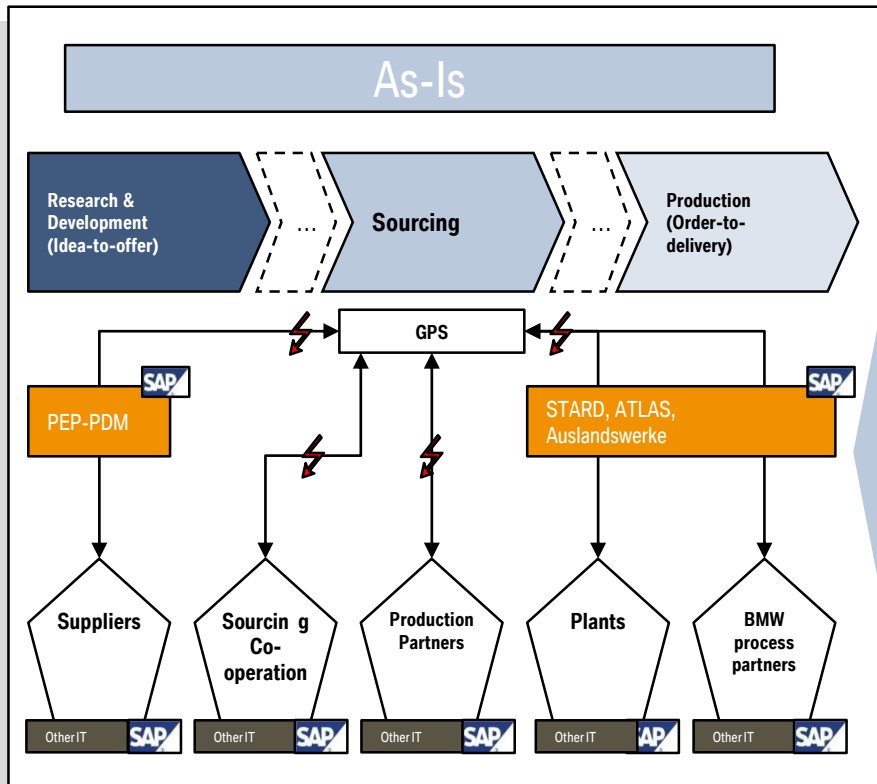
**3**

**Direct Material Procurement**

**4**

**Multi-Back-End Integration**

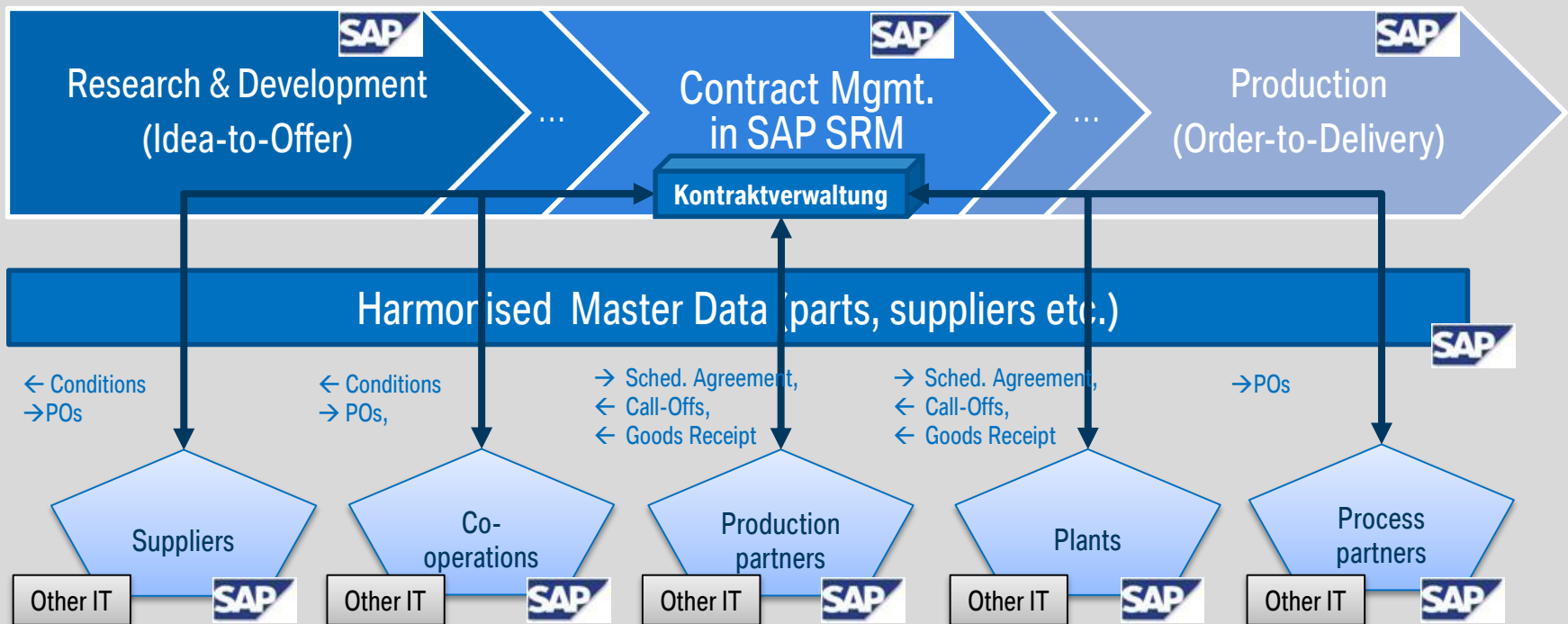
# BMW GROUP: PROJECT GSM (GROUP SOURCING M). VISION: INTEGRATED SUPPLY CHAIN BACK-BONE FOR DIRECT AND INDIRECT MATERIAL.



- **PEP-PDM** (SAP-PLM: product data management, BOM)
- **GPS** (Global purchasing system)
- **STARD** (SAP-MM: Material management in plants)
- **ATLAS** (SAP-MM, SAP-WM: Spare part management system)
- **International plants** (non-STARD SAP-based ERP systems)
- **SNR** (material numbers)
- **Suppliers** (suppliers receive purchase orders and call-offs)

# BMW GROUP: PROJECT GSM (GROUP SOURCING M). VISION: INTEGRATED SUPPLY CHAIN BACK-BONE FOR DIRECT AND INDIRECT MATERIAL.

Standardisation as Basis for Digitalisation & Automation.



# BMW GROUP: PROJECT GSM (GROUP SOURCING M). OVERVIEW OVER ALL PROCESSES IN DIRECT MATERIAL COVERED IN SAP-SRM.

## Ordering process

### Standard process

Requisition / demand creation and management

Contract Management (create/manage → approve → distribute/transfer → closure)

### Special processes

Subcontracting, Third-party order processing, Resale, provision

LDL-processing

Co-operations

Maritime / Air-freight

Valued non-series material

Inhouse parts

Sweeping Technologies

Fixed cost order

Single purchase orders

LEK contract

All colour material

Dispo-Stop at invalid contract

### Detail processes

Startpage direct material purchasing

SRM user interface and navigation

The new worklist Work and search

Approval for buyers

Approval for managers

Delegation

Conditions (price) Surcharge, discount, RSS, MTZ, FWAN

VV-prices

EPD price difference

Retroactive price changes

Roles and authorizations

JAVE

Mass change online Price, payment terms, incoterms, dates, locations, etc.

Mass change via Excel Export/Import

Automation

Changes, contract extensions, additional demand locations

Ordertypes

Reporting

Company code comprehensive responsibility for contracts/orders

Volume based bonus

Topic approved

# **BMW GROUP: PROJECT GSM (GROUP SOURCING M). CO-INNOVATION PROJECT BMW/SAP NEW FUNCTIONALITY IN SRM 7.0 – HIGHLIGHTS.**



**(Periodic) Year-End-Negotiation**



**New Interfaces for Power User (Contract, Purchase Order)**



**Formula based Pricing**



**Subcontracting with Bill of Material**



**Extended Mass Change Functionality**



**Extended Text Box Capabilities**



**Output Management Contracts**

# BMW GROUP: PROJECT GSM (GROUP SOURCING M). START PAGE FOR THE NEW DIRECT PURCHASING.

Link from SAP SRM back to portal M

Direct link from portal M to SAP SRM

ABO-Web  
Arriba.NET (MG)  
Astras 6  
Kapa-Konto  
B2B Portal  
Disponent für Sachf  
Intranet Suche  
ISP Liste  
Klauselmgmt. Verträ  
Klauselmgmt. Anfra  
LBS (MG)  
LDB  
LPKM (M-KIFA)  
M-gAMS  
M-Homepage  
MG Commodity-Strat  
Mitarbeiterverzeichn  
PEP PDM  
portal M BW  
cockpit M  
procure  
procure M-gAMS-M  
Procure MNK  
PRO-SBM  
PurSe Auswertung  
PurSe Bewertung  
RADAR  
RMT  
Speedbuy  
SWS  
TQP  
wkw/Commod. (MG)

Bestellschreibung

> Bestellschreibung > Bestellbearbeitung

Arbeitsvorrat Bestell-Bedarfsuche Bedarf anlegen SBM-Freigaben Pauschale Be

Welcome Strategischer EK Test\_User, CAD\_ST\_EK2

**Purchasing**

**Direct Purchasing** **SBM Workbench**

**Worklist**

How To: Process Worklist

**Workload Redistribution**

How To: Distribute Workload

**Work overview/Approval**

How To: User Work overview/Approval

**Maintenance LIAN**

How To: Maintain LIAN

**JAVE**

Create JAVE  
Change JAVE

How To: Create / Change JAVE

**Related Links**

Create Purchase Order  
Create Contract  
Create Shopping Cart

Personalization

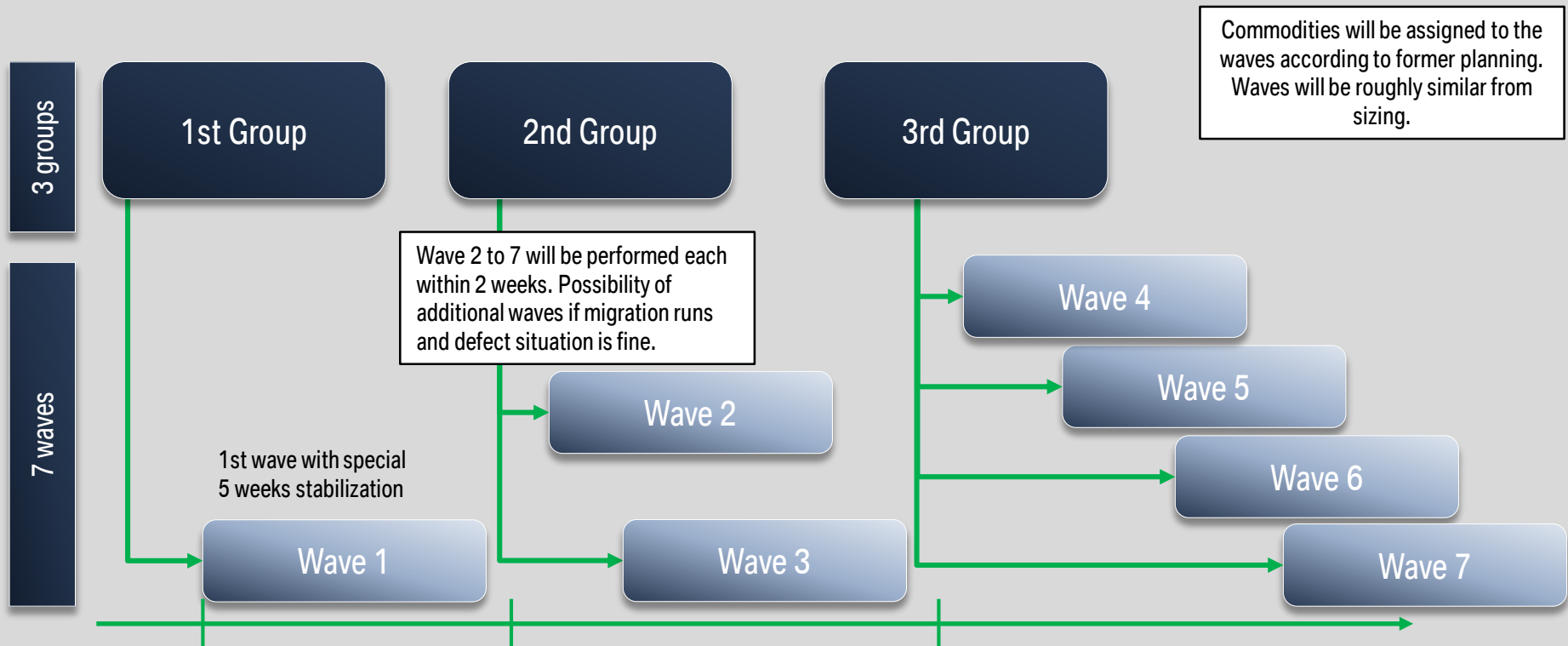
Create Confirmation

Search Business Partner

PROCORE  
PortalM

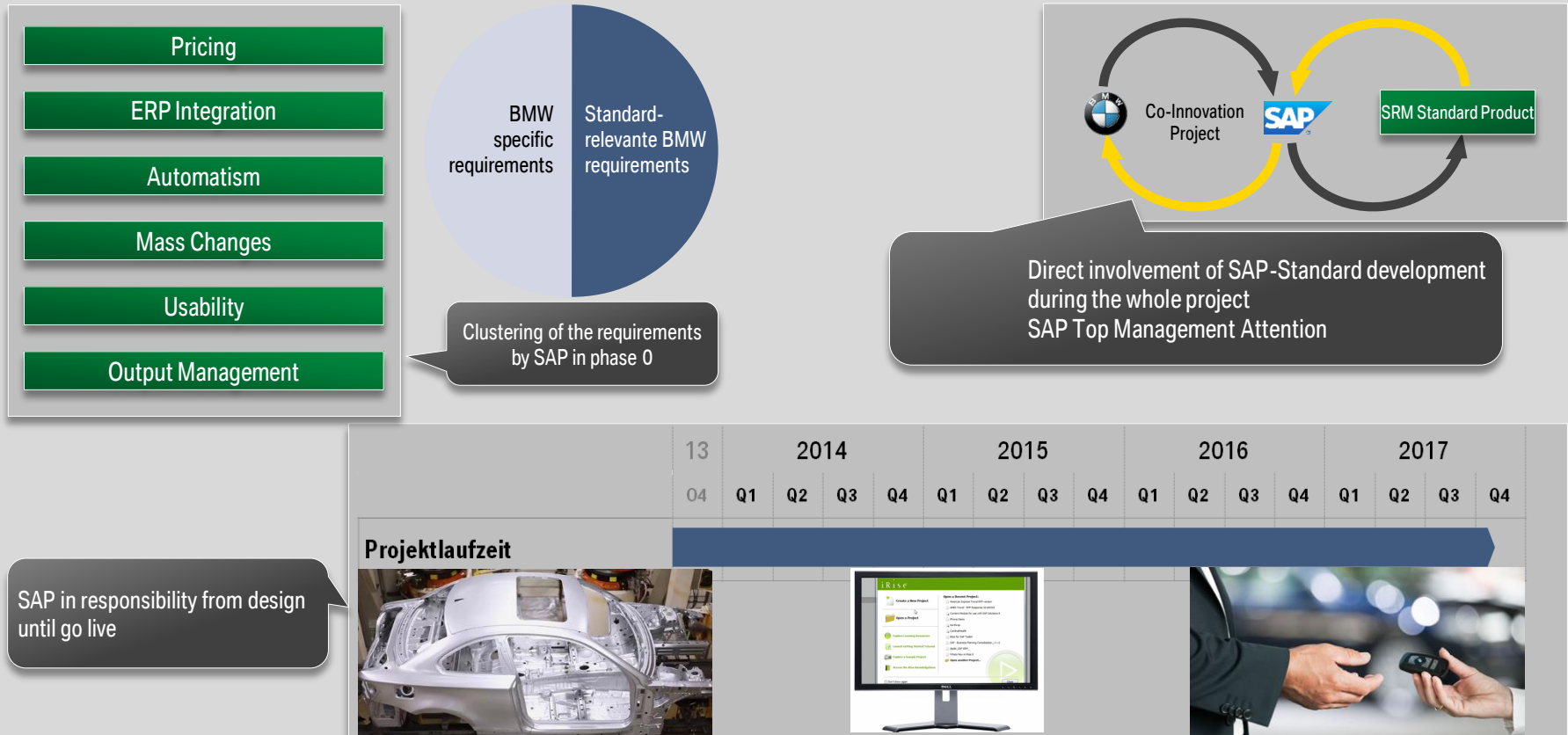
GSM Project, 6/15

# BMW GROUP: PROJECT GSM (GROUP SOURCING M). MULTIPLE WAVE ROLL-OUT CONCEPT IN 7 WAVES.

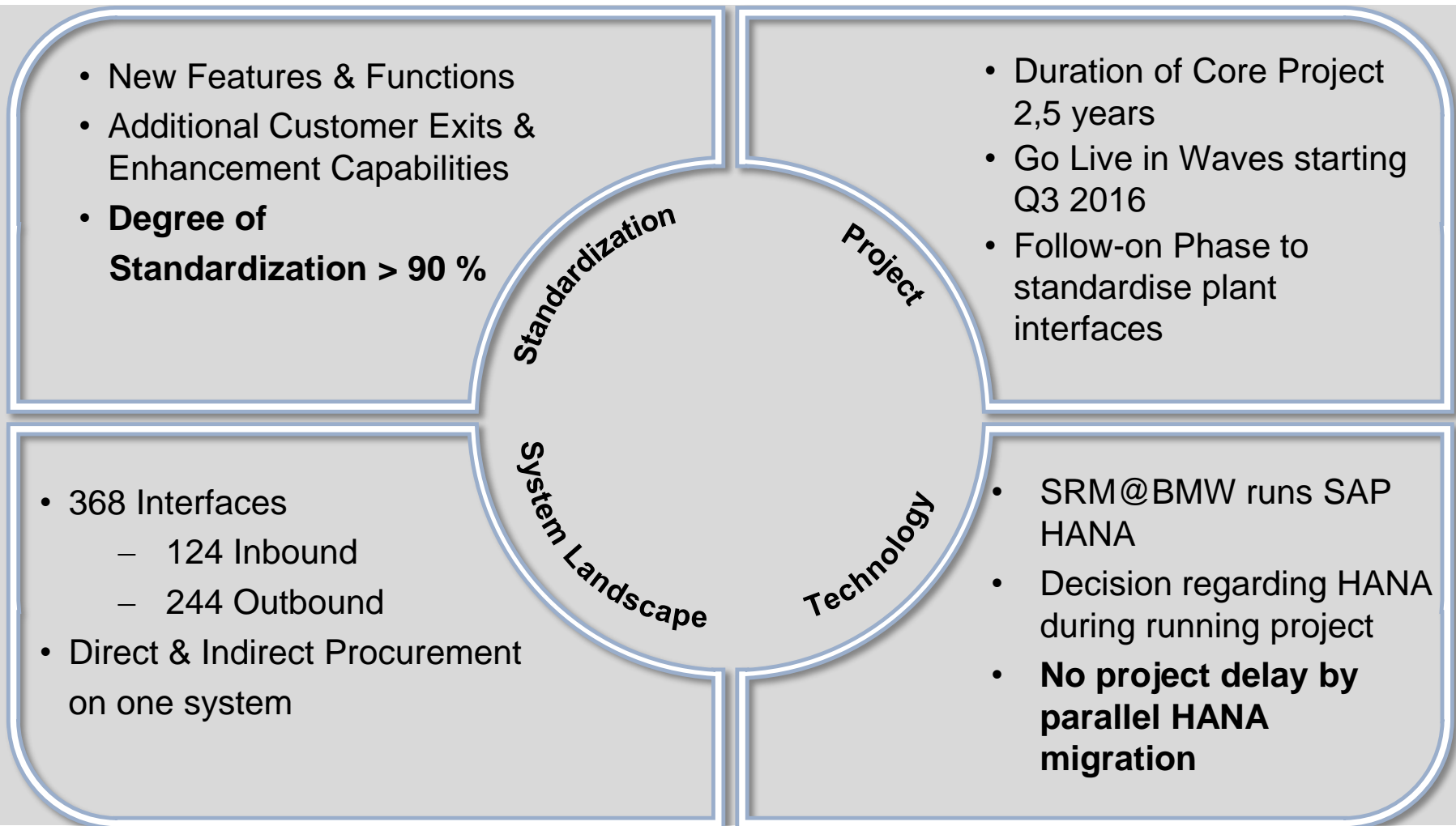




# BMW GROUP: PROJECT GSM (GROUP SOURCING M). CO-INNOVATION PROJECT BMW/SAP.



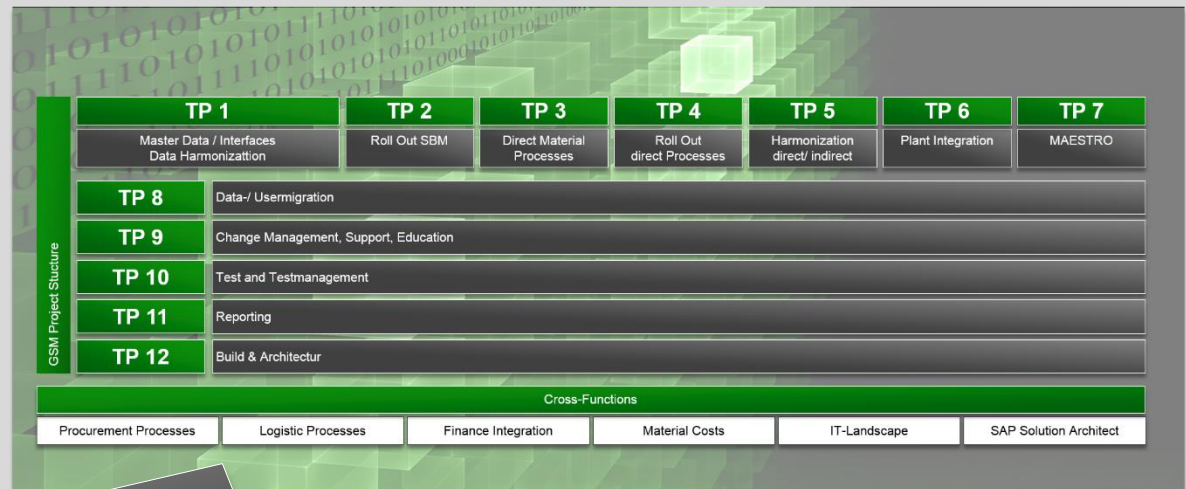
# BMW GROUP: PROJECT GSM (GROUP SOURCING M). CO-INNOVATION PROJECT BMW/SAP.



# BMW GROUP: PROJECT GSM (GROUP SOURCING M). CO-INNOVATION PROJECT BMW/SAP: STRONG PARTNERSHIP SAP/SULZER.



Interested? Time for further discussion at the booth of Sulzer GmbH or the SAP Lounge



Project divided into parts with involvement of several SAP partners

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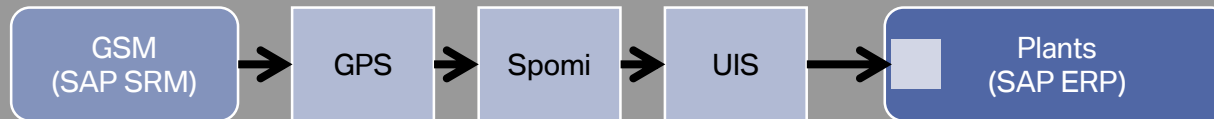
**Direct Material Procurement: Scope of Co-Innovation**

4

**Multi-Back-End Integration: Plant Integration**

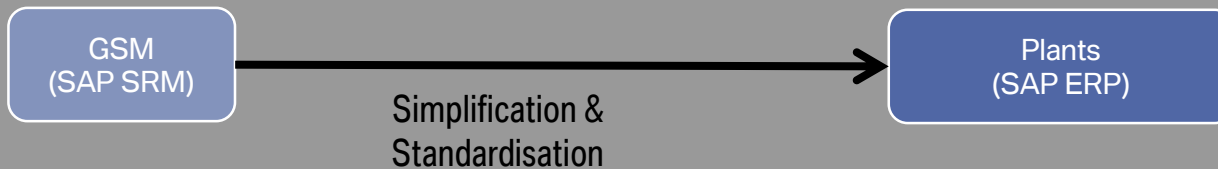
# BMW GROUP: PROJECT GSM (GROUP SOURCING M). AUSBLICK: NEUGESTALTETE WERKEANBINDUNG.

End 2016:



- Different data structures in purchasing (GPS) and plants (SAP ERP)
- High complexity → 37 mapping tables, 10.000 lines of software code
- Limited scalability
  - Integration of new plants
  - Integration of production partners
- High efforts for maintenance, operation and infrastructure

Re-engineered plant Integration (plant-by-plant starting 07/2017):



- + Data consistency & synchronisation (compliance and internal audit)
- + Online data transfer of purchase orders
- + Reduction of functional and technical complexity
- + Reduction of redundant and faulty data
- + Increase of transparency between supply chain systems
- + Future oriented IT-architecture and benefits of SAP standard development

# BMW GROUP: PROJECT GSM (GROUP SOURCING M). Q&A.

## Contact Details:

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