



BMW Manufacturing operation in South Carolina chose Comshare Decision as its Business Intelligence (BI) solution

prepared by Comshare Staff
(January 2001)

First BMW manufacturing facility outside of Germany looks at information sharing using Comshare to strengthen the company's cost controls and worldwide performance targets.

On January 17, 2001, Comshare® Inc. announced that South Carolina-based BMW Manufacturing Corp. had chosen Comshare Decision as its business intelligence (BI) solution for its manufacturing facility. It is the first facility of its kind to be built outside of Germany where the parent company, BMW AG, is located. The U.S.-based company needed a fast, flexible reporting system to manage its plant cost structure and productivity targets.

The Comshare system is used to measure cost performance for both financial and operations managers who need to share such information on a monthly basis to best meet the company's productivity targets. Seen as a new venture for BMW, the facility will serve the company worldwide by offering suggestions on new ways to hit the company's production goals more efficiently. Comshare is the leader in Web-based solutions for management planning and control (MPC), which comprises planning, budgeting, forecasting, financial data consolidation, management reporting and analysis.

The Challenge

BMW Manufacturing Corp. is a subsidiary of BMW AG in Munich, Germany. The 1992 announcement that BMW would build a manufacturing facility in the United States began the strengthening of the company's international production system. BMW's 318i sedan was the first vehicle built at the plant, marking it the first time the automaker had built its vehicles outside Germany for export. Today, Z3 roadsters and coupes, M (motorsport) roadsters and coupes and the X5 sports activity vehicle are built at the factory and exported throughout the world.

"We manage our plant cost structure by setting aggressive productivity targets from year to year and then

moving the organization toward those targets in specific cost measurements," explains Tom Miller, manager of plant controlling for BMW's U.S. facility.

"We could not report quickly and flexibly enough using our SAP ERP system to move finance and the operating group in the same direction toward those targets. We want to become more productive year by year. To do that, we need to track direct labor, maintenance, utilities and the costs that go into building a car against our targets, and report problems as we try to pursue those productivity goals."

According to Miller, "Finance and operations all had the same goal. We just lacked the tool to help us track our progress and prioritize problems that we encounter along the way. The main reporting function that we had available to us was out of our SAP system, but the reports were just not flexible enough and user-friendly enough for both financial and nonfinancial users. The controllers would end up knowing the data, seeing the data, analyzing the data, but it would all be in their heads. It was difficult to share that knowledge with the organization because it wasn't an application that everyone could use. So if we didn't continually rekey and remassage data in different reports, we found it difficult to communicate issues involving decisions or roadblocks or problems we were having. We had to do a lot of manipulation of SAP data in Microsoft Office tools to create views and the analysis that we needed to make certain points."

Miller and his team realized that they would either have to throw more manpower at the existing system, programming the required special reports, or look elsewhere for a ready-made solution. "It just never made sense from a cost point of view to make that in-house solution investment," confirms Miller.

The Solution

"What we were looking for was speed, flexibility and transparency -- that is, the ability for financial and nonfinancial users alike to use and feel comfortable with the application -- at the lowest possible cost. And the package of those attributes is what we found in Comshare." Today, BMW Manufacturing is introducing the Comshare solution to a number of users throughout the facility and evaluating how and when other users should be introduced.

"We use this information for performance measurement. We use it for target setting. We use it for decision support. We use it for reporting and analysis. Today, we have a potential of up to a few hundred people who will benefit from having access to this information while the core group is about 40 or 50 people," Miller confirms.

The Benefits

With the introduction of Decision, working in tandem with BMW Manufacturing's ERP system, the company has experienced a dramatic timesaving while rendering the information both operations and finance managers need to know. "Using the old system, we would close the books, print out stacks of paper from SAP, rekey that into different formats and spreadsheets, make hard copies and overheads then distribute the information through email and other methods -- and we'd do that on a monthly basis," explains Miller. "Today, using Decision, we can close the books and post that data into our data warehouse which shows up automatically in Decision and the information is available in a matter of minutes. Users can create personal views and get the information they need fast in a system that is both

flexible and easy to use."

Miller estimates that it used to take up to ten people over a two-day period to deliver the same information that Decision does in just minutes. That adds up to a lot of cost savings. But speed is not the only benefit realized by the new Comshare system. Because Decision was compliant with the company's IT strategy and investment, Miller once again, saved the company money: "We own SAP, we own Oracle, and we own Microsoft Analysis Services (formerly Microsoft SQL Server OLAP Services). We didn't have to purchase any additional software to use Decision," Miller says.

Miller's purchase decision has certainly been beneficial to the company's controllers as well because of, in part, Decision's powerful data visualization capabilities. "Our controllers use Decision's drill-down and color-coding capabilities that alert them to problems or areas they should focus on. And they appreciate the system's flexibility. We are not limited to canned report structures. We can construct the data on the screen to fit the specific questions being asked, immediately," continues Miller.

For the long term, Miller sees that what he and his contemporaries are learning the software can do today might be useful to the entire BMW organization worldwide. "We see ourselves as a catalyst for change," Miller admits.

BMW Manufacturing Corp. has come a long way since it was originally conceived and founded in 1992, that's for certain. "Today, our finance and operating groups are working together using the same, nonconflicting data," confirms Miller. "The system saves us time in getting the data we need in the formats we find useful and we can go deeper into the data to identify and fix problems before they grow. Because of Comshare, we have more information available for better analysis and decision-making."

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BMW Manufacturing of South Carolina began implementing a new Decision Support System in January 2000.

Pete Smudde, Director, Corporate Communications, Comshare, Inc., gave permission to use this case study at DSSResources.COM on Friday, April 13, 2001. For more information check www.comshare.com.
Posted April 13, 2001.