Customer Profile

Saab Automobile Parts maximizes fulfillment with demand, supplier systems

Facts at a glance

Product: Infor Demand Planning, Infor Supplier Exchange
Industry: Automotive
Country: Sweden

"Demand Planning helps us to deliver consistently high service levels. Without it, we simply wouldn't be able to plan effectively and meet requirements fully."

—Kent Juter, Business Project Lead, Saab Automobile Parts AB

About the company

Saab Automobile Parts AB is Saab Automotive's main warehouse and distribution centre for spare parts and accessories. Based in Nyköping, Sweden, Saab Automobile Parts AB's warehouse was established in 1969 when the Saab Car Division of Saab-Scania was created.

Saab manufactures cars for 60 countries worldwide and primary markets include the US, UK, Sweden, Germany, The Netherlands, Switzerland, Norway, Australia, Italy and France. Typically, the company produces 100,000 cars each year, and current models include the 9-3 and 9-5. Having been owned by General Motors (GM) since 1989, Saab was acquired by Spyker Cars NV in 2010. The automotive manufacturer has 6,000 employees and is based in Trollhattan, Sweden. For more information, visit www.saab.com.

Setting the strategy

Following its acquisition by Spyker cars in 2010, Saab faced two options regarding its demand planning and supplier relationship management systems. It could continue to use those of its previous owner on a paid-for basis, or become completely independent from those systems. The cost of "renting" General Motors' systems simply wasn't sustainable, so the parts company decided to implement its own.

A timelineof six months was agreed for the data transfer, therefore Saab had to select and contract a supplier, and have absolute confidence that the solution could be implemented against the deadline. No contingency existed in meeting this deadline, therefore Saab needed to work with a partner it could trust completely.

Getting business specific

With 1,100 suppliers and 64,000 different parts, the specified systems had to be proven, scalable, robust, and flexible.

Having used Infor™ Demand Planning in its capacity as a General Motors company, Saab decided to work with Infor to implement Demand Planning, as well as Infor Supplier Exchange which the company hadn't used previously, in its new entity.

The decision was based on a long standing relationship with Infor, confidence in the system, and a thorough knowledge of the software. These combined factors meant that levels of trust were high, and the risk involved was low.

The teams then collaborated with Saab Automobile Parts AB's IT department and agreed that while the timeline was achievable, it presented a number of challenges. First, Saab had a myriad of systems rather than a single ERP solution, and second, data quality was inconsistent. Finally, numerous third-party hardware, software, and consultancy providers were involved, which meant multiple teams were necessary and that some decisions took longer than may have otherwise been the case. However these issues had to be overcome–there was no other option.

"Having the right system to support our operations was fundamental, but of equal importance was the ability for Infor to implement quickly and to our timescales. Failing to meet the deadline simply was not an option," explains Kent Juter, business project lead, Saab Automobile Parts AB.

Seeing results

In line with expectations, Saab Automobile Parts went live with Demand Planning, toincluding Demand Forecaster; Inventory Planner; and Replenishment Manager, and Supplier Exchange, in November 2010, following a six month implementation.

Demand Planning helps Saab's 12 planners to create a live picture of demand at any one time, using advanced statistical capabilities to track and shape demand for 64,000 different parts, minimizing inventory and maximizing service levels. Since using the system, Saab has achieved measurable service improvements, hitting targets of 97.5% based on product availability when an order is placed. It also helps fulfilment in maximizing the number of orders that are picked, packed, and shipped before 3pm on the same day as the customer request.

"Demand Planning helps us to manage expectations and deliver consistently high service levels. Without it, we simply wouldn't be able to plan effectively and meet requirements fully," Kent continues. Furthermore, the team now has greater control over the management reports, which are flexible, intuitive, and easy to use, helping to provide both relevant information and a single view of the truth in the creation of plans. Efficient collaboration with suppliers is also crucial in meeting demand, and Supplier Exchange supports Saab in managing relationships and communication with its network of 1,100 suppliers.

"Around 50% of our suppliers use EDI and the remainder rely largely on e-mail," comments Kent. "Supplier Exchange facilitates effective collaboration with all of our suppliers regardless of the systems they use. For each order, Supplier Exchange simply creates a file that then goes directly into the EDI or creates an e-mail containing the PDF." "The level of efficiency facilitated by Supplier Exchange means that we are already benefitting from reduced inventory and improved supplier performance."

Doing business better

"Looking ahead, we are considering a number of additional projects. One of those projects is 'direct deliveries,' whereby the dealer places an order for a part and the system redirects the order straight to the supplier, who then dispatches the item. This clearly reduces inventory and expedites the order process. "We are also preparing to use Demand Planning and Supplier Exchange as we plan new warehouses within Saab Automobile Parts AB. The solution's functionality in supporting multi-level warehouses will be integral in helping to meet this need.

"Ultimately, Infor's supply chain management solutions are helping Saab to achieve its short, medium and long term goals. From a project perspective, the Infor team worked relentlessly to ensure that we were live within unprecedented timescales. And now, the systems are helping us to meet customer expectations in the most efficient, profitable means achievable," Kent concludes.

641 Avenue of the Americas
New York, NY 10011
800-260-2640
infor.com

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