HYUNDAI-SIME DARBY MOTORS

IMPROVING DEALER COLLABORATION WITH SAP FOR AUTOMOTIVE SOLUTIONS

QUICK FACTS

Industry
Automotive

Revenue
RM 303 million (US$98 million)

Employees
More than 300

Headquarters
Shah Alam, Selangor, Malaysia

Web Sites
www.simedarby.com,
www.hyundai.com.my

SAP® Solutions and Services
SAP® ERP application, including functionality for vehicle management system, warranty claims processing, service parts management, dealer portal, and Internet pricing and configurator; SAP for Automotive solutions

Implementation Partner
IBM

Hyundai-Sime Darby Motors Sdn Bhd (HSDM) is the sole distributor for the Hyundai brand in Malaysia. Its parent company, Sime Darby Motors, is a major automotive player in the Asia Pacific region. HSDM successfully streamlined its own business processes, including dealer collaboration and the ordering process, with the SAP® ERP application and SAP for Automotive solutions. Now dealers can focus on generating sales and improving services to customers.

Key Challenges

- Standardize disparate in-house systems
- Eliminate tedious manual processes
- Improve dealer collaboration and interface
- Increase customer satisfaction
- Ensure data accuracy
- Reduce order-to-cash cycle time
- Accelerate claim reimbursement process
- Improve speed of operations

Why SAP Was Selected

- Built-in support for best business practices for automotive sales and service
- Ready access to information via the Web
- Fulfillment of brand-specific and local business requirements
- Endorsement by headquarters
- Ability to reduce human interface in business processes
- Stable interface across various in-house software modules

Implementation Best Practices

- Implementation in 6 months
- Big-bang implementation for vehicle and parts sales for all dealerships
- Only 2-month postimplementation review required for system stabilization
- 1-day training for dealers

Low Total Cost of Ownership

- Central IT help desk for dealers
- New system that replaces a heterogeneous system landscape
- Reduced paper usage due to automation of approval processes

Financial and Strategic Benefits

- Makes real-time information available to dealers
- Enhances collaboration with dealers
- Improves visibility of sales and service transactions
- Tracks entire vehicle lifecycle from production to registration
- Reduces person-hours required for tedious reconciliation across software modules

Operational Benefits

- Reduced order-to-invoice cycle time from 5 to 2 days
- Decreased vehicle allocation time from 2 days to a few minutes
- Increased the speed of operations
- Streamlined communication via speedy extraction of data

"The better interface of various functional modules within SAP software has greatly improved the MIS and operational reporting, enabling management to take on a more dynamic role in the strategic business decision-making process."

Yau Hun Loong, Head of Finance (SAP Lead Project Manager), Hyundai-Sime Darby Motors Sdn Bhd

www.sap.com/contactsap

Deploying SAP® Software as a Group Standard

Comprising about 300 companies operating in more than 20 countries, Sime Darby's businesses span multiple industries. As the distribution arm of the group's automotive division, Hyundai-Sime Darby Motors Sdn Bhd (HSDM) distributes the Hyundai brand and other brands such as Land Rover, Alfa Romeo, and Ford in Malaysia. Following the decision by the parent company to standardize on a single enterprise resource planning (ERP) platform across the group, HSDM also consolidated its disparate legacy systems on the SAP® ERP application. In addition to SAP ERP, HSDM also deployed the SAP for Automotive solutions to streamline dealer collaboration in the areas of vehicle and parts sales as well as after-sales service.

Before implementation of SAP software, the company's dealers relied on time-consuming, nonintegrated, often manual processes to collaborate with HSDM. This resulted in data inaccuracies and delays and affected customer service. With SAP for Automotive solutions, dealers can communicate more easily with the distributor and spend more time with end customers to sell more vehicles.

"What we like about the SAP for Automotive set of solutions is that it aligns our processes with industry best practices for automotive sales and service," says Peter Yew, head of Motors IT for HSDM. "It allows our dealers to collaborate with us, accessing business-critical data via a Web portal, and it fulfills our brand-specific business requirements."

Success Factors Behind Rapid Implementation

The migration process began in November 2008 and was implemented at HSDM's headquarters, its 15 company-owned branches, 55 independent sales locations, and 170 independent service dealers. By streamlining and automating processes and adopting industry best practices, the company completed implementation in six months. At the dealership level, one-day classroom training sessions were organized for each dealer.

Enhancing the Vehicle Lifecycle Management Process

The new system benefits both HSDM's own staff and dealers. For HSDM, the SAP for Automotive solutions give the distributors insight to business-critical data starting from the time the vehicle rolls off the production line to when it reaches dealers and is finally registered for end customers. The solutions also track warranty management processes for complete vehicle lifecycle management.

For instance, area managers now have better control over the sales and distribution process of vehicles to HSDM's branches and dealers. After-sales managers have real-time visibility of parts inventory and can enhance their control of warranty claims to reimbursement process. The SAP for Automotive solutions also reduced the order-to-invoice cycle time from five to two days and decreased vehicle allocation time from two days to just a few minutes.

Through the dealer portal functionality available in SAP for Automotive solutions, HSDM is able to streamline and improve collaboration between the company and its dealers. Whereas dealers used to rely on phone calls to HSDM staff to get critical information such as availability and payment dates, they now have real-time, 24x7 access to all their information needs. They can quickly check vehicle inventory and parts stock availability and place orders at any time – leaving them more time to serve customers and close sales. The SAP software also allows dealers to submit their reports and documents online, speeding up processes such as sales reporting, warranty claims, and vehicle registration. This helps prevent creation of invalid claims and reduces effort in claim processing for HSDM.

The company realized further cost and time savings by establishing a centralized IT help desk for dealers.

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