CATERPILLAR LOGISTICS SERVICES

CUTTING-EDGE MANAGEMENT OF SERVICE PARTS

When Caterpillar Logistics Services Inc. wanted to move its after-market parts operation to a next-generation platform, it joined forces with Ford Motor Company and SAP to develop a powerful service parts management application. This is now part of the SAP® Service and Asset Management solution.

"SAP brought a genuine desire to make sure the software not only met the needs of Cat Logistics but was also a best-in-class solution for the industry as a whole."

Kevin Nelson, Development Manager, Caterpillar Logistics Services Inc.

QUICK FACTS

Company
- Name: Caterpillar Logistics Services Inc.
- Location: Morton, Illinois
- Industry: Transportation and logistics
- Products and services: Logistics services
- Web site: www.catlogistics.com

Challenges and Opportunities
- Provide continued support for increasingly sophisticated global operations
- Eliminate costly legacy systems
- Meet customer expectations for next-generation technology
- Manage materials planning centrally for worldwide distribution centers: 23 locations worldwide, 650,000+ part numbers serviced, 2 million+ storage locations
- Handle 2.5 million demand lines (items) per month

Objectives
- Move away from in-house software development
- Provide the functionality and power to manage complex service parts supply chain
- Implement standard Web-enabled technology

SAP® Solutions and Services

SAP® Service and Asset Management solution, working with the SAP Service Parts Planning for Automotive package and the SAP Supply Network Collaboration, SAP Extended Warehouse Management (SAP EWM), and SAP Customer Relationship Management applications

Implementation Highlights
- Joined forces with Ford Motor Company to develop new application with SAP
- Successfully implemented EWM functionality at 2 locations and have plans for the rest of the network
- Successfully implemented demand forecasting and inventory planning functionality globally

Why SAP
- Long-term stability of SAP as a company, along with its industry and supply chain knowledge and its global perspective and support
- Planned upgrades and product migration
- Robust technology advances

Benefits
- Improvement in warehouse functionalities and productivity such as pick to clean, pick to fill, and integrated yard management
- Improvement in fill rates
- 15% to 25% reduction in inventory
- 20% to 30% reduction in support costs
- More time for IT staff to spend on customer service and integration

Existing Environment
- Multitude of legacy systems that do not drive standard processes
- SAP software for supply chain management and industry-specific automotive solutions (functionality now found in the SAP ERP application)

CAT® Logistics

www.sap.com/contactsap

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