

MERCEDES-AMG



“OUR EXPERIENCES WITH COGNOS HAVE BEEN VERY POSITIVE. WE’RE ON THE RIGHT TRACK. THE COGNOS SOLUTIONS PROVIDE US WITH EXACTLY THE FUNCTIONS WE NEED. WE CAN NOW, FOR EXAMPLE, EASILY CARRY OUT LONG-TERM, SCENARIO-BASED PLANNING.”

—OLIVER KURZ, HEAD OF PLANNING, REPORTING AND ORDER MANAGEMENT, MERCEDES AMG

Many car enthusiasts see their vehicles as much more than a means of getting from A to B. They also attach value to having a sporty design, high performance, and stylish extras—all features that Mercedes AMG turns into reality. Market demand for high-performance vehicles does, however, vary—and as a consequence, the luxury car manufacturer has increasingly needed to optimize its quantity planning procedures to account for market trends. Since implementing Cognos Enterprise Planning and Cognos ReportNet this has been possible. The Mercedes-AMG Distribution team can now benefit from quick and easy access to all of the information it needs.

Industry:

- Manufacturing

Geography:

- Europe

Information Needs:

- Data unity
- Unified planning and reporting
- Reduce workload associated with spreadsheets

Solution:

- Cognos Enterprise Planning
- Cognos ReportNet

Benefits:

- Data from disparate sources integrated
- Long-term scenario-based planning capabilities
- Effective reporting for better decision-making

Mercedes AMG GmbH is a luxury car manufacturer and a subsidiary of DaimlerChrysler AG. Inspired by the core values of Mercedes-Benz—including quality, safety, comfort and environmental sustainability—Mercedes-AMG, GmbH develops and builds high-performance sports cars, options, and accessories. Development work at Mercedes-AMG is driven by the pursuit of performance, sporting prowess, and individuality.

CHALLENGES FACED

A few years ago, the concept of planning for the future was virtually unknown to Mercedes-AMG. Prior to merging with DaimlerChrysler in 1999, quantities were small and processes straightforward. As a result, precise planning was not necessary. This quickly changed after the two businesses merged. Nowadays Mercedes-AMG has to follow group procedures in terms of long-term planning. This impacts directly on the number of vehicles produced.

“Sooner or later the market for high-performance vehicles will be saturated, as there’s only limited demand for 600 bhp cars,” explains Oliver Kurz, Head of Planning, Reporting and Order Management at Mercedes AMG. “These are the kind of trends we needed to consider in our planning processes.” And changes in statutory requirements are also relevant for planning. How, for example, will things be in five years’ time with regard to fuel consumption and emissions? Production needs to take account of such factors. For Mercedes-AMG this was a major challenge.



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“Until recently our plans were drawn up in Excel—all of the data had to be entered manually into various Excel spreadsheets using different underlying cells,” says Kurz. “This created the problem that certain information could simply no longer be located. We needed a unified planning and reporting solution that could help us manage information centrally and that also incorporated Excel-type functions.”

STRATEGY FOLLOWED

It was while attending an event that the company first encountered the concept of business intelligence (BI). “The forum also dealt with the topics of planning and reporting,” recalls Kurz. “What I saw and heard there was a real eye-opener for me. It struck me that business intelligence was the ideal solution to our problem.”

“Since we could assume that we’d be bringing in additional BI solutions at Mercedes AMG, we attached a lot of importance to the security of our investment when selecting a BI solution,” adds Karl-Heinz Kraus, Head of IT Business at Mercedes-AMG. After a number of quotes were obtained from various suppliers, the decision was made to adopt the Cognos solution. Fundamental here was the fact that Smart—another subsidiary of DaimlerChrysler AG, whose IT team cooperated closely with its counterpart at Mercedes-AMG—was already a Cognos user. Smart’s experiences with Cognos, and also of working with Unilog Avinci as a project partner, had been positive. “We wanted to have a partner at our side that could provide us with comprehensive advice and ensure that the software would function without a hitch. And that’s the impression we got from Cognos and Unilog Avinci right from the outset.”

In early 2005, Unilog Avinci started to implement the Cognos Planning and Cognos ReportNet solutions, and by May of that year the system was ready to go live. Both solutions were used principally by the Distribution department for quantity planning. Cognos Enterprise Planning is deployed via a front-end application installed locally on the users’ terminals. Quantities are planned out for a period of ten years. On the basis of this process, scenarios are drawn up to reflect future events and trends. “And this is where Excel runs into problems,” says Kurz. “With the planning tool, however, a variety of values can be set and calculated. This saves us a great deal of time.”

BENEFITS REALIZED

Users at Mercedes-AMG value the intuitive design of the solution. “If you’re familiar with standard Office applications such as Excel you can rapidly get used to working with the tools,” explains Jens Ehrig of the company’s Planning, Reporting and Order Management department. “It is genuinely easy to use. In addition, it offers a number of options that make the reconciliation process—in other words the adaptation of plans and the evaluation of scenarios—that much easier. This is not something offered by Excel: only by using workarounds and putting in a lot of hours can you achieve the same result using that program. The solution also has a very transparent architecture. I always know exactly where the figures are stored and how I can adjust the way that the data is displayed – without having to delve into the underlying IT structures.”

Mercedes-AMG deploys Cognos ReportNet not just in Distribution, but also in its Personnel and IT departments. In the former, ReportNet is used to capture and retrieve information about employees. Because of its zero-footprint client architecture, Cognos ReportNet could easily be installed centrally. This type of software requires no installation or configuration on the user’s system and is accessed via a standard Web browser. “The solution has the advantage that the data from every database can be imported into the data warehouse in the background,” states Kurz. “This means that important information on both quantities and staffing can be readily called up.”

Because of its positive experiences, the luxury car manufacturer is also planning to roll out Cognos solutions to other departments. Cognos PowerPlay is likely to be introduced for cost centre reporting in the Accounting department. Similarly, executive managers will in future have the opportunity to locate information and carry out analysis using the Cognos solutions. Oliver Kurz sums it up: “Our experiences with Cognos have been very positive. We’re on the right track. The Cognos solutions provide us with exactly the functions we need. We can now, for example, easily carry out long-term, scenario-based planning.”

Thanks to the Cognos BI solutions, Mercedes-AMG is fully able to make long-term plans. The Distribution department benefits from effective reporting and a structured production planning process. Reliable information and rapid results assist the business in planning, decision-making, and strategy formation—giving Mercedes-AMG a genuine competitive advantage.



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