



CUSTOMER CASE STUDY

BMW GROUP



Integration within BMW Group's Systems and Processes



INTEGRATED SUPPLIER MANAGEMENT



BMW GROUP

SINCE 2009, QAD ALLOCATION HAS BEEN THE SOLE INTERNATIONAL ERFX SOLUTION IN BOTH INDIRECT AND DIRECT PURCHASING. QAD ALLOCATION IS FULLY INTEGRATED WITHIN BMW GROUP'S SYSTEMS AND PROCESSES VIA THE B2B PORTAL, PARTICULARLY WITHIN THE PORTAL M.

Software Requirements

BMW's challenge was to find an application that would best match the different supply templates in both production and non-production materials.

HIGHLIGHTS	
Company	BMW Group
Headquarters	Munich Germany
Industry	Automotive
Solutions Utilized	QAD Allocation Integrated Supplier Management

Production

The inquiry process is geared to a few BMW Quotation Analysis Forms (QAF). In these QAFs, the cost components of the parts to be procured are presented in detail by the supplier. Further, the database can be drawn from source systems and key figure reporting is firmly established.

Non-production

Inquiries in non-production material are characterized by group-specific detail requirements. Standardization is achieved as the application manages the balancing act between flexibility and complexity, on the one hand, and usability on the other hand.

Full integration in portal M, the buyer's cockpit of the BMW Group.

E-Sourcing Timeline in the BMW Group

- 2003**
QAD Allocation, and other service providers, provided the first non-production material auctions.
- 2004**
BMW discontinued in-house development of their own eRFx solution, and placed responsibility on four partners.
- 2008**
The decision was made to consolidate the systems and leverage QAD Allocation as a single system of choice in-house.
- 2009**
QAD Allocation becomes the sole international eRFx solution for both indirect and direct purchasing – and is fully integrated into the systems and processes of the BMW Group.

Benefit from:

- ✓ Lowering process costs by up to 80%
- ✓ More effective sourcing events
- ✓ Shortened cycle time to part qualification
- ✓ Strong compliance
- ✓ Increased supplier collaboration
- ✓ Reduced supplier and part risk
- ✓ Complete visibility, across functions
- ✓ Assurance that your processes and best practices

Outsourced Auction Management

QAD Allocation acts as a full-service provider to BMW. All auction results, whether conventional (a more common variant) or finalized by auction, the results are syndicated into the portal M, documented, and a supplier recommendation is created.

More About the Portal M

Portal M, the heart of the BMW Group's purchasing systems, is the central interface that maps and controls ALL processes in the purchasing department. All users involved in the process engage in a role-based basis within necessary phases. The portal M also ensures the syndication of all relevant data across application boundaries, without media discontinuity.

Phase 1 (inquiry preparation)

After the notification the requirements from various upstream systems into the portal M, the interdisciplinary collaboration between Cost Engineering, R & D, Logistics, Quality and Purchasing starts with the examination of existing contracts, the coordination of the award procedure, the preparation of the inquiry documents and specifications, and the bidders vote for the respective process.

Phase 2 (execution of the request)

After approval of the process, all relevant data becomes available in QAD Allocation's eRFx module. Invited suppliers view the specifications and submit their offers. The quotations are detailed by the supplier, within their product group-specific or cost analysis structures, and results are automatically combined by into supply levels.

Phase 3 (award decision)

After technical and professional approvals, several rounds of evaluations and negotiations occur – and, in certain cases, buyers leverage QAD Allocation's auction module as an additional negotiation mechanism.

Phase 4 (order creation)

Following the decision of the awarding committee, the order is created, and the procurement tracking and performance/delivery confirmation is posted.

About QAD Allocation

QAD Allocation, a division of QAD Inc., provides industry-leading strategic sourcing and supplier management solutions to help manufacturers deploy digitized source to contract solutions. QAD Allocation solutions help to achieve optimal supplier selection, accurate supplier performance analysis, improved supplier quality standards, supplier risk information and mitigation as well as reduced material costs within direct and indirect spend categories. QAD Allocation solutions are part of [QAD's Integrated Supplier Management](#) set of capabilities designed to improve supply chain visibility and supplier performance, enabling faster response to changes in supply and demand. For more information about QAD Allocation, visit www.allocation.net/en.

Enabling the Adaptive Manufacturing Enterprise

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