

DATAQUEST

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58 CIOs talk about IT's game changing role

Packing a Punch

Deploying BI helped Asia MotorWorks increase efficiency in its offerings

Every successful automotive manufacturing company requires real-time updates of customers, suppliers and competitive information. According to Umesh Mehta, vice president, IT, Asia MotorWorks, “Decisions related to sales and quality management, product development, and production planning and manufacturing are dependent on timely and accurate information.” Recognizing the fact that IT risks are now business risks, AMW’s IT team decided to provide operational BI to the business users to enable them to create an IT environment that produces timely and actionable business insights.

A Quick Dossier

AMW used SAP for various business processes like planning, purchase, production, sales, and finance on Oracle 9i database. However, the SAP standard reports used were not sufficient, especially for the senior management who required data for comparing two different horizons on the same data set, for example, warranty cost of products vis-à-vis sales, purchasing trends vis-à-vis sales, sales vis-à-vis product costing. This emphasized the need for the availability of user friendly MIS reports. Even operational users required ad-hoc analysis capability with slice and dice, drill-down, drill-through like functionalities. Furthermore, Mehta opines that insufficient data access slowed down collaboration and dragged down efficiency in turn making business processes more expensive. With the recession casting a spell, it led to the adoption of BI at AMW.

Challenges

Mehta aptly remarks that when cash runs out, thinking starts! So, it was decided to perform a POC. Different BI tools available in the market were evaluated and 1KEY was selected. During POC, reports were generated from SAP and non-SAP data, enabling AMW to understand the data in terms of sales, warranty trends, spending patterns, production costs, etc. Mehta explains that on being convinced about the benefits of the project, more value addition was incorporated through inputs received from



Umesh Mehta, VP, IT, Asia Motor Works

‘BI has definitely improved our quality of information’

internal clients. But, the technical challenge was to consolidate data to ensure better understanding.

Another key challenge was to define a clear user information needs. The focus was on the actual needs of the business users who needed up-to-date information. Standard operating practices were created based on which internal controls and checks were established.

Three distinct strategic objectives from the mission statement were identified were to improve business performance through information delivery; deliver information to the business community reflective of its processes and their outcomes; and lastly provide appropriate levels of formatting, timeliness, history, detail and quality as specified in business validated release or project specifications.

Return on Investment

AMW expects to improve its y-o-y growth by around 10% and also increase its market share. AMW has noticed significant improvements in the bottom line including increased productivity, material cost savings, and a more agile strategy development process with immediate insight into business performance metrics that will help drive future success. BI has definitely improved the quality of information as now it is easier to notice clear trends by linking two data sets. Sophisticated information management of the company’s data helps spot trends more quickly, predict risk more accurately and manage inventory more efficiently. After the finance function, BI was deployed in sales, marketing, and field services. With BI, AMW expects 25-30% productivity improvement in a years time. Approximately, 30% more time was spent on strategic analysis to improve speed and quality of decision making. In the future, AMW intends to strengthen its grip over virtualization, security, CRM and dealer management system, and PLM solutions.

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