



CASE STUDY: CONSUMER

SAP S/4HANA-driven profitability insights

The ability to quickly and accurately determine profitability costs, down to the VIN level, was critical for this global automotive OEM to remain competitive across the industry. SAP S/4HANA made that possible.

QUICK STATS

- Large automotive OEM
- Business transformation program
- Greenfield S/4 implementation across multiple manufacturing and administrative locations

KINETIC ENTERPRISE PILLARS

Intelligent	
Clean	✓
Inclusive	✓
Responsive	

KINETIC ENTERPRISE DRIVERS

- Vehicle Profitability

THE ISSUE

A global automotive OEM grappling with disparate information across multiple aging ERP and mainframe systems; no common information across vehicle models; calculations and reporting required labor-intensive or manual efforts. Product level profitability analysis had a six-month lag time, directly impacting the ability to quickly adapt to market demands.

THE SOLUTION

Supply chain, manufacturing and sales processes from various operational systems were replicated in SAP S/4HANA, to generate financial data at a detailed level. By defining common information and product costing models, and standardizing allocation procedures that use this detailed data, the company now has insight into vehicle-level costs, allowing insightful, accurate reporting in real-time, and at any level of the organization.

RISE WITH SAP

Business Process Intelligence ✓

SAP Business Network

SAP Business Technology Platform ✓

Tools and Services

SAP S/4HANA Cloud

Cloud infrastructure by choice ✓

SAP TECHNOLOGIES LEVERAGED

- SAP S/4HANA
- SAP Ariba
- BPC 11.1 on BW/4HANA
- SAP Fiori
- SAP Analysis for Office
- Non-SAP Reporting Tools (Power BI)

THE IMPACT

- Single source of truth as baseline for future, longer-term vehicle portfolio decision making
- Operating profit reporting increased from semi-annual to monthly
- Latency of cost/unit data reduced substantially
- Advanced analytics deliver daily product-level income statements to determine direct costs
- Increased data granularity with drill-through capabilities for variance analysis
- Streamlined and standardized allocation categories, drivers, and methodology enable cross-location benchmarking, which motivates operations to analyze and improve profitability
- Decreased manual reconciliation hours due to minimal discrepancies in operational versus financial reporting
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