



DXC Oxygen

SAP Business One implementation for automotive technology specialist

Client name: Dana

Location: Australia

Industry: Manufacturing

Challenge

- Supply chain management issues negatively affecting business costs and efficiency
- Poor inventory management processes resulting in parts being air freighted at short notice
- Complexity of core system compounded by integrations with third party software
- Lack of governance and internal knowledge of IT landscape

Solution

- Thoroughly assess business needs by engaging users in a series of requirements gathering workshops
- Re-implement SAP Business One software in phased stages using Agile methodology
- Retire existing third-party software and incorporate core production processes within SAP functional footprint

Results

- Vastly improved inventory management
- Better sales and order forecasting
- Improved overall business performance visibility
- Time and cost savings thanks to more automated business processes

Expert SAP implementation drives out significant cost savings for auto technology specialist

A software implementation executed correctly, compared to one done poorly, is the difference between night and day, according to Andrew Moore, Chief Financial Officer for Dana Australia, one of the world's leading automotive component assemblers.

“We should know because we have experienced the results of both,” says Moore. “What we have at our fingertips now thanks to DXC Oxygen is vastly different to the weaknesses in our original SAP Business One implementation.”

Dana is a world leader in the supply of highly engineered drivetrain, sealing, and thermal-management technologies that improve the efficiency and performance of vehicles with both conventional and alternative-energy powertrains. Serving three primary markets – passenger vehicle, commercial truck, and off-highway equipment – Dana provides the world's original-equipment manufacturers and the aftermarket with local product and service support through a network of nearly 100 engineering, manufacturing, and distribution facilities. Founded in 1904 and based in Maumee, Ohio, the company employs more than 23,000 people in 25 countries on six continents. In 2015, Dana generated sales of nearly US\$6.1 billion.

The on time and on budget project begun by DXC Oxygen in 2014, upgraded and rationalised Dana's SAP Business One software, and removed the poorly conceived third party software integrations that plagued its 2011 implementation. The specialist automotive technology company now has a fully integrated business management platform that is saving it time and money. Most importantly, says Moore, everyone – from executive management to shop floor users – trusts the integrity of the new system.

“Thanks to the upgrade we have vastly improved our inventory management to the point it has delivered a very significant cost saving for the business.”

Using air freight to get parts into Australia in time to meet its commitment to truck and car manufacturers was just one of many problems the company endured following its original move to SAP Business One.

“Thanks to the upgrade we have greatly reduced the need to air-freight components into Australia from offshore. That’s been a big saving.”

— Andrew Moore
Chief Financial Officer
Dana Australia

“Unfortunately that implementation suffered from a number of issues, and we ended up having to heavily customise the system – as well as incorporate several third party software packages – to make our production and reporting work.”

Moore says the original project was poorly conceived. It was led by finance and IT and not enough consultation was carried out with end users. Lack of ownership and poor training doomed the ambitious implementation.

“We had to develop a lot of processes outside the core ERP system, and we were heavily reliant on external consultants for support because no-one within the business had a good grasp of the entire environment. As a result no one had any faith in the numbers and reporting.”

In 2014, Dana made the decision to re-implement its SAP Business One software in order to solve its IT predicament. “We wanted to continue with SAP, because globally that’s what Dana has mandated. But first, we needed a systems integrator that could peel back the original project and then deploy the latest version of SAP Business One in a way that matched our core needs.”

Moore says he was recommended DXC Oxygen as the right partner for the job. “They had a radically different approach. They took the time to understand the fundamentals of our business from the bottom up. They engaged at all levels of the organisation and they challenged users to re-examine how things were done in order to adopt best practices throughout the company.”

Oxygen also suggested a staged implementation process – implementing the software using its Agile methodology in bite size pieces.

“After an extended but valuable period of consultation with all users, we had a defined implementation plan. It stripped out all of the third party software add-ons we originally implemented, which meant it removed our ongoing training issues with those products.”

Moore says the latest version of SAP Business One is a mature product and accommodated all the functionality Dana needed. “Very little modification from the base system was needed. We took time to understand the solution and how it was going to be used and we made sure everyone within the business was 100% sure of what they were signing up to.”

The results since going live with the software in October 2015 are testament to the success of the implementation, Moore says. “DXC Oxygen delivered a fantastic project. They had a few hurdles to overcome, including our own lean internal resources and the need to provide significant product documentation to our US-based IT project management team. Our global IT group now hold the project up as an example of excellence.”

The most satisfying result for Moore has been how the new system has improved Dana’s supply chain management. “Whereas previously we didn’t have visibility of materials, we now have complete awareness of the inventory – from overseas suppliers, right through to availability of parts on the assembly line.”

Dana now has robust sales ordering and forecasting, which has enhanced the company’s material requirement planning processes. “Given the lead time for some of our materials is 16 weeks or more, we need to know exactly how much of our stock is allocated to existing orders. It’s a constant balancing act, between long lead time for inflow and fast outflow of assembled componentry.”

“DXC Oxygen delivered an excellent result. Their professionalism was outstanding.”

— Andrew Moore
Chief Financial Officer
Dana Australia

Stock control has advanced significantly, says Moore. “Better insight into our stock levels has meant we have been able to reduce our stock holdings, revise our stock categories and we have greatly reduced the need to air-freight stock. Over the last two stock takes we have had very little in the way of loss. It has been a huge improvement.”

Moore says one of the most satisfying outcomes of the project is the knowledge transfer that took place. “Oxygen educated our users about the system’s capabilities and we have taken ownership of the whole environment. We are no longer dependent upon outside help.”

One of the key goals of the project was for the executive team and business users to easily access the information they needed to do their job. “We have eliminated our use of cumbersome spreadsheets because everything is now done within the system. The reporting is accurate and trusted, and is available in a format for people to easily digest.”

He says the competency of DXC Oxygen’s project team was first rate. “The initial overview of what we were taking on was informative. The planning and requirement gathering was comprehensive and the work at the sharp end was very professional.”

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