NTT DATA

A JOINT TRANSFORMATION VENTURE BETWEEN AUTOMOTIVE AND ELECTRICAL GIANTS

CASE STUDY

SAP LEAP
Large Enterprise Acceleration Program

THE CLIENT

The client is a multinational company, and a global leader in the manufacture of exterior automobile body parts, including structural body parts, decorative parts, and trim. With production sites in the United States, Asia, Europe and Central America, and research/development, design and sales facilities in the US, Europe and Asia, their annual revenue is around $1.7 billion.

In 2020, the client established a joint venture with another multinational organisation specialising in lighting and electronics, with the objective of designing, developing, producing, testing and selling automotive parts. In the same year, the client also invested over $80 million in expanding its manufacturing operations in the southern United States.

THE CHALLENGE

The client has already implemented a SAP S/4HANA transformation in China and part of Europe. Due to its success, the client is looking for an implementation partner in the United States and Mexico, a position that NTT DATA is looking to fill. By becoming the client's preferred SAP S/4HANA implementation partner, NTT DATA can roll out its solution to Europe, thus extending and enhancing its existing European template.

NTT DATA has designed the project around pre-sales activities, developed around two main objectives: the setting-up of a client-specific instance of the NTT DATA SAP S/4HANA auto supplier template, and running workshops to demonstrate how that template will help the client achieve their own objectives.

Ultimately, transformation to SAP S/4HANA would affect at least a dozen countries, since the client has production facilities in China, the US, Germany, Mexico, Thailand, the UK and the Czech Republic, and R&D, sales and design facilities in China, Germany, the US, Japan and Korea. Furthermore, the precise scope of SAP MES (Manufacturing Execution System) and SAP MII (Manufacturing Integration and Intelligence) functionality with regard to the client's operational structure had to be determined.

The client required clarity on the cost of licensing, infrastructure, implementation and support from the outset, in an ecosystem of rapid and profound technological change, reduced component availability and lower profit margins.

Therefore a highly detailed plan on testing, data migration, training and particularly change management was, for the client, a critical element of the project's challenge.

NTT DATA is a trusted global innovator of IT and business services, providing SAP S/4HANA transformations to modernise organisations.

THE SOLUTION

Certain elements of the existing template for automotive-industry transformations based on a representative plant in North America could be adjusted both to fit the client's unique business model, and to identify the high-level requirements that may be reused in the forthcoming project.

From that basis, the client's future SAP landscape architecture could be confirmed, including SAP Manufacturing Execution Software and SAP Manufacturing Integration and Intelligence capabilities. The plan, approach and timelines for data, testing and training strategies, and the Operation Change Management model, would also be defined during this period.

Electronic Data Interchange (EDI) would play a critical role in successful operation post-transformation, so a particular emphasis was placed on identifying inventory forms and labelling interfaces, with the aim of maximising EDI integration into the new SAP architecture.

Data would be collected throughout the pre-project period to firm up licence needs, as well as infrastructure, implementation and support costs. Initial work would be split into a week-long 'Initiate' phase and a two-week 'Prepare' phase. Electronic Data Integration, meanwhile, would be anticipated to split into ten phases, from data gathering to post-implementation support.

The total scope would include integration of both inbound and outbound process flow and steps, EDI monitoring within SAP and mapping business partner combinations.

THE RESULT

As a result of NTT DATA's approach to the client's SAP S/4HANA transformation challenge, a statement of work (SOW) was produced, outlining the successes achieved by NTT DATA to that point and demonstrating the potential of the project.

Slowing global economic indicators meant a change of strategic priorities for the client, and with the client ultimately deciding to realign the program timeline, the SOW has not yet been converted to active project status.

NTT DATA combines people, processes, and technology to help businesses in their digital transformations.

WHY NTT DATA

Before tackling this challenge, NTT DATA already had an established relationship with the client, having collaborated on other projects. When combined with NTT DATA global reputation as a highly trusted SAP S/4HANA solutions and services provider, NTT DATA is a clear and obvious choice.

The NTT DATA transformation journey is always unique to the client, and helps them achieve what they want from their modernisation strategies. NTT DATA commitment to results can be measured in outcomes. These outcomes enable clients to meet their own objectives, both for the transformation projects themselves and in delivering improvements in business results.

A combination of technical expertise and entrepreneurial vision means that NTT DATA was able to provide the client with a real end solution, with a defined plan and complete technical design.

WHAT'S NEXT

Following this project, NTT DATA is well-positioned across a variety of opportunities and will continue to maintain its positive relationship with the client. NTT DATA will be able to pursue the EDI opportunity presented by the project to capitalise on active and ongoing investments.

NTT DATA will continue to pursue additional projects surrounding the automotive industry using the standard deliverable Best Practices template solution for that sector. Furthermore, NTT DATA provides a realistic option for other potential clients, being placed as an automotive supplier industry expert in SAP S/4HANA.

Internally, NTT DATA will expand the functionality and knowledge of the team, utilising SAP S/4HANA test scripts, process maps, and configuration documents in order to upskill team members. From a technical standpoint, NTT DATA will continue to evaluate and evolve documented resources for the automotive sector using SAP S/4HANA. NTT DATA will also implement new functional and technical requirements and will collaborate in process documentation.