Capgemini helps BorgWarner transform business systems

Capgemini collaborated with BorgWarner to enable a massive changeover from legacy ERP systems to SAP-based ones

The Situation

BorgWarner is a global leader in powertrain solutions. Headquartered in the U.S., the company's global operations were challenged by disparate business systems and processes at their business units across the globe. The business divisions in the U.S. had implemented SAP to streamline their various business functions. As part of the global rollout, the European offices had to follow suit to be in sync with their U.S. counterparts. The core objective was standardization of business processes and harmonization across business units. The company also wanted to ensure strict compliance with global business regulations such as SOX. They wanted to improve operational performance through consolidation of global data using a common set of systems and align processes with best practices across all units. The ambitious program required creating an SAP-based environment at BorgWarner's Sweden and Hungary offices to consolidate their European operations and reduce the company's overall costs. The scope of the project spanned all the major business functions, including finance, sales, logistics, production, warehouse management, and quality management.

People matter, results count.

The Solution

As one of the largest and most experienced SAP integrators, Capgemini was chosen for the ERP transformation project. Known for its lean and industrialized methodology, the iSAP methodology was chosen for the project. Capgemini presented an end-to-end iSAP rollout plan, which included effective resource management and strict adherence to time and budgets.

Multiple workshops were conducted for the end users. With the SAP rollout, the management of new global requirements was carried out in a seamless manner. Analyses of various facets of software migration, such as user demand, training, testing, and system configuration, were done in sync with each other. This helped capture errors and update user knowledge, which led to a smooth 'go-live' process. To ensure smooth transition, a support handover was done to an existing support team during the second week after the 'go-live'.

The Result

The iSAP methodology and Country Specific Localization (CSL) kit play a strategic role in the project as it forms the focal point for business processes over multiple geographies across Europe. The industrialized solution offers a consistent view for global decision making. In addition to the seamless transfer of data between its global locations, production and supply chain activities can be monitored from a single location. This has led to a sharp reduction in administration costs related to these activities. Manual processes have been reduced due to customer-centric SAP configuration settings. Processes involved in data extraction, conversion, and analysis have been greatly streamlined.

Higher reporting and follow-up capabilities helped reduce scrap costs. Material Requirement Planning (MRP) and inventory management activities were highly improved. A common set of product data enabled a faster and accurate product development process. The systems enabled flexibility on the global production front and were compliant with the audit requirements of the global business regulations.

For the Nordic and Baltic regions, this project bagged the Bronze award at the SAP Quality Awards in the Business Transformation category. The SAP Quality Awards recognize customers who have achieved excellence in planning and executing their SAP projects and programs, delivering significant value to their organizations.

How BorgWarner and Capgemini Worked Together

The goal was to replace the legacy ERP with SAP-based systems. Winner of the SAP Pinnacle Award 2014, Capgemini is often the first and only implementation partner for many of SAP's strategic and innovation initiatives. Capgemini collaborated with BorgWarner to deliver an end-to-end transformation of the company's ERP infrastructure across their European units.

A proof-of-concept (POC) was envisaged for all functional areas to maintain high quality standards across BorgWarner's new ERP system. Capgemini successfully executed the POC based on the KPIs identified by the company as being critical to support the business. A site on Microsoft SharePoint was deployed to track user activities and document them. This ensured smooth alignment of existing business processes with the SAP architecture and incorporation of global best practices associated with SAP implementation. The internal as well as external stakeholders were managed through a strict governance structure. This included monthly steering group meetings, bi-weekly management meetings, and weekly project and core team meetings.

The SAP transformation project faced a few challenges. A number of change requests were raised, due to which part of the Quality Management module and the entire Warehouse Management module were added to the ERP. A special user interface for confirmation of production orders was developed. A second currency was added during the realization phase. Having managed several such implementations in the past, Capgemini managed to combine global experience with local presence to secure a successful go-live for BorgWarner TTS Europe.

About Capgemini

With almost 145,000 people in over 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2014 global revenues of EUR 10.573 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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About BorgWarner

BorgWarner Inc. (NYSE: BWA) is a product leader in highly engineered components and systems for powertrains around the world. Operating manufacturing and technical facilities in 60 locations in 19 countries, the company delivers innovative powertrain solutions to improve fuel economy, reduce emissions and enhance performance. For more information, please visit borgwarner.com.

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