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Joerg Stebler, Manager of Partner Services, AMAG Automobil- und Motoren AG

AMAG AUTOMOBIL- UND MOTOREN AG

Largest Swiss Car Dealership Uses SAP® Software to Integrate Systems, Streamline Business Processes, and Centralize Data Management

Even the most successful auto dealerships need the occasional tune-up to stay ahead of the pack. To differentiate themselves, dealerships focus on sales and service processes as the key to providing a high-quality customer experience. For Switzerland-based auto dealer AMAG Automobil- und Motoren AG, optimizing the business processes related to customer service meant breaking down the IT barriers that existed between its numerous dealerships across the country. To do that, AMAG chose the SAP® Dealer Business Management application – highly integrated, centralized software that enables simplified collaboration and a more holistic approach to high-end customer service.

AMAG, based in Zurich, is Switzerland’s official importer and dealer for Volkswagen, Volkswagen Trucks, Audi, Seat, Skoda, and Porsche. AMAG has sold approximately 2.3 million vehicles since its inception in 1945. Today, AMAG is the country’s largest vehicle importer, owning 70 dealerships throughout the country and representing one-fifth of total car sales in Switzerland.

Lack of Integration Creates Sales and Service Barriers

Improving business processes related to automotive sales and service hinges on the availability and accessibility of real-time, accurate, and actionable data – not unique to one location, but consistently visible across every location. It is here that AMAG needed to lift the hood and overhaul the system.
With nonintegrated systems, the dealerships were unable to collaborate effectively and share data related to sales and service in a meaningful way. For example, a customer might have purchased a car at one location, received a tune-up at another, and visited yet another to inquire about a trade-in. Each AMAG location could conceivably have different information about that same customer, and none would have the complete history of either the customer contacts or the vehicle. There was no central, user-friendly interface for the management of the information going into the various systems. As a result, master data was poorly harmonized, there was no business process standardization from site to site, and data integrity suffered.

Add to this the fact that AMAG was outgrowing its existing dealer management system. According to Joerg Stebler, manager of partner services at AMAG, “With multiple brands, growing manufacturer requirements, and three languages in Switzerland, the 25-year-old dealer management solution was maxed out – it could not efficiently handle the demands of processing over 1,800 workshop orders per day across all AMAG dealerships.”

The Road to Better Business Performance
To address the business challenges, AMAG made the decision to implement a single, centralized, and integrated dealer management solution to streamline business processes and enable better support for both presales and postsales customer service. AMAG evaluated approximately 15 different solutions before deciding on SAP Dealer Business Management. Only three of the evaluated solutions met all of AMAG’s requirements. Ultimately, AMAG selected SAP software because of its powerful integration technology. Built on the open architecture of the SAP NetWeaver® platform, SAP Dealer Business Management promised state-of-the-art functionality in the simplified, integrated solution that AMAG was after.

“The SAP solution met all of our demands, including system centralization and master data consolidation,” says Stebler. To leverage the solution even further and differentiate itself from the competition, AMAG decided to work with experts from the SAP Custom Development organization to build individual enhancements. “These are things our competitors don’t have, and it was a deciding factor,” Stebler explains.

AMAG partnered with Information Management Group (IMG) AG to perform the implementation. As the very first implementation of a multibrand SAP Dealer Business Management application, the project called for a phased approach. This would ensure the stability of the new SAP software and would be a key to success. IMG supported the go-live with SAP Dealer Business Management at two sites, and developed a blueprint for the eventual rollout at all AMAG locations. “Our objective with the pilot was to ensure the same functionality as the old system, while enabling integration, flexibility, and scalability – the foundation for improved, more efficient business processes for many years to come,” says Klaus Neubrand, business unit manager at IMG.

Joerg Stebler, Manager of Partner Services, AMAG Automobil- und Motoren AG

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According to Stebler, “The partnership with IMG was excellent—the implementation went smoothly with the system up and running on time and within our planned budget.”

**Improved Data Management and Visibility**

With SAP Dealer Business Management, AMAG has integrated, automated, and standardized its business processes—enabling better decision making and improved customer service. By implementing a centralized, unified solution, AMAG has also improved the management of its master data. The result is accurate, actionable data. The SAP application arms AMAG sales and service personnel with the tools necessary to deliver lifetime value to the customer—indeed of dealership location. Using the integrated solution, AMAG centrally manages inventory, marketing, finance, and sales.

In addition, AMAG’s dealerships have efficient technology for managing aftersales service activities, such as managing service parts and warranty. “SAP Dealer Business Management is a tool that enables our people to do their jobs better. With accurate data readily available on a single screen, we can be more responsive to our customers and provide more personalized service,” explains Stebler.

**Streamlined Architecture, Lower IT Overhead**

The SAP Dealer Business Management application is an enabler that focuses on driving customer satisfaction, operational efficiency, and profitability while providing lower total cost of ownership. The integrated architecture minimizes up-front customization, simplifies ongoing maintenance, and eliminates the need for decentralized IT support. All of the factors contribute to lowering AMAG’s IT overhead significantly.

**Moving Forward with SAP**

AMAG has plans to roll out the latest version of SAP Dealer Business Management at all of its sites by the end of 2010. As the industry evolves, AMAG will be in a position to leverage the flexibility and scalability of the SAP application—and keep the business running with the precision of a high-performance automobile.