“GM’s BIG BANG Service Parts Transformation”
Lina Alaire, Sandra Wolff and Sachin Lulla
Introductions

**SANDRA WOLFF – GM SAP Senior Program Manager**

Sandra is a Global Program Manager with expertise in leading large-scale, global, technology implementations. She has 15 years of experience as part of GM's Information Technology team and has held various IT positions within Product Development, Canadian Engineering and Customer Care and Aftersales.

Sandra successfully led the first-of-a-kind “big bang” implementation of SAP's Service Parts Management suite for GM's Customer Care & Aftersales division from Blueprint to Go-Live & Support. This build serves as the foundation for all future GM service parts management deployments around the world as the CC&A Global Template.

**SACHIN LULLA – GM Global SAP Service Parts Lead Partner**

Sachin is the Global SAP Service Parts Lead Partner for GM Customer Care & Aftersales, with 10 years of experience in SAP’s Service Parts Management solution, and 15 years of experience in leading global technology enabled business transformations for Fortune 500 Automotive clients.

Sachin was part of the design, development, and testing of SAP’s Service Parts suite in Walldorf with Caterpillar and Ford, and led the first global go-live of the solution at Caterpillar, prior to his role at GM.

**LINA ALARIE – GM Customer Care and Aftersales SAP Global Business Lead**

Lina is the Customer Care & Aftersales Transformation Global SAP Business Program Lead. She has over 25 years of experience with General Motors and has held many cross-functional business assignments in Engineering, Warehousing, Purchasing, Marketing and Program Management both in the US and in Europe prior to transitioning to the Transformation team.

Lina led the Global Business Team through the first implementation of the SAP Service Markets Management Suite. She is also a member of the SAP Executive Advisory Council for Aftersales and is leading the SPM Sub-Committee.
Objectives and Agenda

Meeting Objectives

- Describe GM’s Global Aftersales Vision
- Discuss SAP background of SAP’s Service Parts Management (SPM) solution, and the functional footprint and complexity of the solution
- Highlight critical decisions made upfront that paved the way for a successful rollout strategy
- Review the overall project timeline and key elements of the project approach
- Share victories and lessons learned

Today’s Agenda

- GM CC&A Overview
- Why Transform
- GM One Enterprise SAP Program Vision
- SAP’s SPM Solution Background
- Overall Project Timeline
- Key Activities/Phases
- What Went WELL
- Lessons Learned
- Moments that Matter
- Q&A
GENERAL MOTORS – Company Background

AUTOMOTIVE LEADER BASED IN DETROIT, MICHIGAN

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- 174 assembly & manufacturing facilities
- Present in 120 countries and 6 continents
- 205,000 employees
- Bands: Cadillac, Chevrolet, Buick, GMC, Holden, Opel, Vauxhall
- China partner brands: Wuling, FAW, Baojun
GM CUSTOMER CARE & AFTERSALES (CCA)

SUPPORTS VEHICLES FROM CRADLE TO GRAVE

- Service engineering and launch readiness
- Automotive service parts for GM & select non-GM vehicles globally
- Procurement, warehousing & logistics
- Support to our distribution channels & vehicle owners
GM’s Big Bang Service Parts Transformation

WHY TRANSFORM?

To address a constantly changing business environment and fierce competition…

**GM is Transforming…**
- Many companies vs. one
- Leverage Scale

**Constraining Legacy IT Systems…**
- Need global, common processes & systems

**Explosion of Product Variety and Complexity…**
- More models and variants
- Increasingly complex electronics and software

**Increasingly demanding consumers…**
- Faster and more reliable service
- Searching for less expensive ways

**Fierce Competition…**
- Supply & Sales competition

**New Legislation…**
- Legislative pressure is driving OEMs to provide more transparency
GM’s Big Bang Service Parts Transformation

WHY TRANSFROM?

To address a constantly changing business environment and fierce competition…

Address current limitations...

- **Order Fulfilment**
  - Manual processes for supersession
  - Lack of rule based fulfilment

- **Inventory Visibility**
  - Limited inventory visibility
  - Alerting for inventory shortages or outages

- **Pricing**
  - Limited ability to price by custom categories
  - Very limited dynamic pricing capability

- **Integration and Process**
  - Fragmented process framework
  - Inefficiencies across Purchasing, Finance, Supply Chain, and Operations

... that have performance implications

- Real-time processing required to improve same-day service
- # of backorders

- Excess vs Shortages in the network
- Need to execute proper referral decisions

- Labor intensive price adjustments
- Margin implications

- Need to consolidate demand
- Desire to standardized process with all trading partners – dealers and suppliers

... CUSTOMER SATISFACTION
CCA Transformation “Big Rules”

1. Business Leaders need to own this

2. Zero net enhancements to SAP – we change or SAP changes
   Create high visibility to gaps in SAP functionality within the Service Parts business, collectively addressing with other Companies

3. Benchmark performance comparisons should determine the magnitude of the benefit and business case

4. Defer to customer profitability vs. transactional profitability

5. Benevolent dictatorship will sometimes be required

CUSTOMER IS ALWAYS THE TOP OF MIND
GM Enterprise SAP Program Vision

To design and implement world-class business processes that minimize cost, maximize effectiveness, and give GM a competitive advantage and global transparency. This positions GM for growth and movement from silos to a global operating model.
WHY SAP?

SAP offers a comprehensive and integrated solution to support GM’s vision of One Enterprise

“Big-Bang Service Parts Transformation”

WHY SAP?

1. GM is already an SAP user
2. SAP’s Service Parts Management solution is an out-of-the-box Aftermarket solution that is integrated with Purchasing and Finance
3. Committed to the GM vision of industry leading service parts logistics solution
4. Modular development & leader in technology
5. Industry strength, financial strength & proven expertise
SAP Service Parts Management (SPM) Suite


- Customer Relationship Management (CRM)
  - Sales/ATP
  - Pricing/Billing
  - Marketing
  - Claims/Returns

- Supply Chain Management (SCM)
  - Extended Warehouse Management (EWM)
  - Service Parts Planning (SPP)
  - Global Available to Promise (GATP)
  - Supplier Network Collaboration (SNC)

- Enterprise Central Component (ECC)
  - MM-Purchasing
  - MM-Inventory Management
  - Financials/Controlling (FI/CO)

- Enterprise Org Structure, Master Data

- New SAP Module for Service Parts

GM's Big Bang Service Parts Transformation
Overall Program Approach

Several critical decisions were taken upfront in the Project, with a clearly articulated options and outcomes, that were key to overall success of the Program.

<table>
<thead>
<tr>
<th>GM’s Big Bang Service Parts Transformation</th>
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<tbody>
<tr>
<td><strong>GM’s Deployment Strategy</strong></td>
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<tr>
<td>1. Global Template</td>
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<tr>
<td>2. Regional Deployment</td>
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<tr>
<td>3. Local/Site Req</td>
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<td>4. Local/Site Req</td>
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<tr>
<td>Big Bang</td>
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<td>Phased (Module, Product Group, Location)</td>
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<tr>
<th>Pilot Selection/Scope</th>
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<tbody>
<tr>
<td><strong>Country:</strong> Australia</td>
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<tr>
<td><strong>Approach:</strong> Big Bang all modules</td>
</tr>
<tr>
<td><strong># of SKUs:</strong> ~120,000</td>
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<tr>
<td><strong># of Warehouses:</strong> 2</td>
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<tr>
<td><strong># of Avg Daily Order Lines:</strong> 12k</td>
</tr>
<tr>
<td><strong># of Dealers:</strong> ~260</td>
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<tr>
<td><strong># of Suppliers:</strong> ~883</td>
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<th>Process and Master Data Standardization</th>
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<tr>
<td>1. Order to Cash (OTC)</td>
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<td>2. Service Parts Planning (SPP)</td>
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<tr>
<td>3. Extended Warehouse Management (EWM)</td>
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<td>4. Integration with Finance and Purchasing</td>
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<td>5. Reporting</td>
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<td>6. Security Profiles</td>
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<td>7. Master Data</td>
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<th>Roadmap</th>
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GM’s Big Bang Service Parts Transformation

**Overall Project Timeline**

**IBM Ascendant Methodology – 22 Months**

- **Global Blueprint**
  - 7 months

- **Realization**
  - 13 months

- **Final Preparation**
  - 1 month

- **Go-Live & Support**
  - 1 month

- **Sustain**
  - 2 months

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**GLOBAL BLUEPRINT**

- Project kick off
  - Global Blueprint Workshops – P&A
  - Global Blueprint Workshops – EVM

- Integration
  - Workshops – Purchasing/Finance

- RICEFW Scope

**REALIZATION (TEST APPROACH)**

- SIT 1
- SIT 2
- SIT 3
- UAT

**FINAL PREP & GO-LIVE**

- Data Conversion Mock Load
- Mock Business Go Live
- Technical Cutover
- Business Go Live

- Gradual sequential cutover by process – 2 weeks

- Outbound By Order Type/Volume
- Purchasing
- SPP Monthly Forecasting/Inventory
- SPP DRP/Release
- Inbound by ASN Complexity
- Financial Month End Close

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GM's Big Bang Service Parts Transformation

What Went WELL...

Several things went well, despite the 1st of a kind “Big Bang” implementation of the SPM suite due to the very structured approach to execution

Keep It Standard
- Change Control Board reviewed any/all changes
- Rigorous process to approve Enhancements—Business case justification with Cost/Benefit analysis, Legal or Regulatory
- Use of visualizations/prototypes to confirm acceptance prior to finalizing configuration

On-Time Roll Out
- Fixed price contract tied to project milestones
- Weekly walk-thru of Issues/Risks/Actions for all project team members globally
- Meeting milestones helped build momentum as a team

Data Conversion Dry Runs
- 4 Mock Data Cutovers with Actual Legacy data starting with SIT-1
- Multiple runs helped identify data cleansing errors, and record actual performance times for final cutover, and also test with real data in each cycle

Testing Approach
- 3 SIT test cycles (12 weeks), UAT (4 weeks)
- Business engagement /co-location starting SIT-2, retesting scripts passed by Tech Team
- 98% pass rate with No High Defects in each test cycle
- Dedicated effort for SPP Parallel testing, and Performance testing with SAP Max Attention

Mock Go Live/Cutover
- Mock Data Load followed by Mock Business Go Live helped identify/resolve several new issues not uncovered in UAT prior to cutover and go-live
- Very Structured Cutover approach for Outbound, Inbound, SPP
LESSONS LEARNED

There were important lessons learned that make this an ongoing journey and a continuous improvement process.

**Change Management**
- Role Mapping of End Users must be locked down in SIT/UAT
- Never think you’ve done enough in terms of communication (e.g. ATP Inventory)
- Heightened Security with SOX, Corporate Governance, etc

**Warehouse Infrastructure**
- Warehouse Infrastructure like Printers, RF Guns, Mounted Scanners etc must all be setup as part of Technical Cutover

**Reporting**
- Custom Extractors were needed; SAP does not provide all data in BI
- Business Reports must be tested in UAT
- “Don’t know what the system can do out of the box...”

**Data Cleansing**
- Legacy Data cleansing is the #1 Risk that requires upfront planning, dedicated resources, and several iterations to get it correct

**Queue Management across SAP Modules**
- CRM/ATP and Backorder Management required several fixes
- Several Inbound and Outbound Queues need to be managed manually between CRM, ECC, SPP, and EWM to ensure all transactions were processed
Moments that MATTER…

The FIRST ORDER PICKED

The HISTORICAL MOMENTO

The TEAM – WE DID IT !!!