



FEV COMBINES PROJECT MANAGEMENT AND BUSINESS SOFTWARE IN A UNIQUE IT SOLUTION

Lower emissions, more efficient engine performance, or new propulsion systems—these are some of the demands facing the automotive industry today. And FEV is providing the engineering expertise that enables automotive and engine manufacturers to meet and beat these challenges. With IFS Applications, the company now has the flexibility it needs to increase the efficiency of its complex projects. The result is better resource utilization and more transparent business processes.

NEEDED TO EXPAND CORE BUSINESS AND COPE WITH CHANGING MARKET DEMANDS

FEV's projects require a multi-tiered project structure and often run over several years. For this, FEV relied on a bespoke software solution to run project administration and work in progress. As a stand alone solution the system was part of an IT landscape in which also the applications for purchasing, Cost management/controlling, and financials were run separately from each other. For instance the purchase order process was run via Microsoft Outlook. The solution was easy to handle. But the data had to be entered several times, as soon as they were required in other systems. Moreover the numerous subsystem downtimes/crashes meant that users had to wait too long for reports covering more than one system.

In the mid-90s the top management, the departments and IT agreed that an integrated solution for project management and business processes was required. The integration should help to expand the core business and to register the fast changing market demands.

ROLE-BASED PROJECT MANAGEMENT

FEV took two years to thoroughly examine the market for business standard software. However, as none of the offers covered FEV's requirements for project management, the company decided to develop project management as an add-on together with a local ERP provider. This project had made considerable progress, when, in 1997, FEV "discovered" IFS, which offered standard software that matched the basic requirements of its project management—IFS Applications. The solution was based on many years of experience with project-based construction of power stations and oil rigs.

Finally, FEV could structure the projects to suit its needs. For example, IFS Applications has a role concept which spans from the project director to the sub-project manager to the team member. Access rights are based on task assignment in the project and on the current status of the tasks. The ability to differentiate is crucial for FEV as the company is split into a number of technology-oriented verticals and industry/customer-oriented business areas. Based on this organization matrix, project teams are combined to meet the requirements of individual customer orders. Therefore, the project management system must allow a flexible assignment of the individual competences, e.g. in budget planning or confirming project progress. Therefore the project activities on the lowest

ABOUT FEV

Based in Aachen, Germany, FEV Motoren-technik GmbH (FEV) is an independent engineering company with about 1,300 employees worldwide. In May 2005, FEV opened a new subsidiary in P.R. China. Customers include all European car and engine manufacturers, as well as suppliers, the U.S. Big 3, and Asian manufacturers.

Founded in 1978, FEV conducts high technology developments from design to go live in the area of engine technology. Additionally the company builds & sells measurement and test equipment.



planning level have an exact assignment of time and cost, and the project manager receives an up-to-date budget statement whenever required.

STEP BY STEP IMPLEMENTATION

The component architecture of the new software enabled FEV to implement the solution in manageable steps over two years. This meant that fewer resources were required, and the impact on everyday operations was less than that of a “big bang” approach. As individual migrations occurred successfully, each new application component became productive straight away.

FEV started with the financials. After the finance department, the purchasing department and management accounting/controlling departments went live. As project engineers were had read access to the project management system, they could keep track of the new solution in parallel with the implementation of their projects and become familiar with it as early as possible.

During the course of the implementation the FEV found that a systematic modeling of the business processes was highly beneficial. The company had modeled its purchasing department using the IFS Business Modeler but, due to time constraints, had implemented the other applications without using models. Nevertheless, FEV maintains that companies should not be driven by short-term progress at the cost of the systematic mapping of their most important processes. It is worth the effort because the alignment of processes between departments can be shortened significantly and redundant/double entry processes can be avoided. Recognizing these benefits, FEV subsequently implemented the missing models.

FASTER MANAGEMENT OF INFORMATION

At the moment 500 employees are using the solution, of which 150 are project engineers who set up and monitor their research projects in IFS Applications. One third of the projects are major, multi-year large projects, including the development of complete engines from the concept up to the support of the start of production, recently for Asian manufacturers in particular. Another third includes projects of up to one year’s duration, which includes designing an engine from drawing board to prototype in nine months. The final third includes minor projects with a duration of a few months in which, for example, the acoustic features of an engine are optimized. In order to address the different requirements template projects were set up within the new system based on which the engineers can define their processes. Depending on the complexity of the individual customer order, they use the solution to break down the main project into multiple sub-projects.

Due to the integration of project management and financial accounting FEV get their controlling information significantly sooner. In the past the monthly closing was only available at the 20th of the following month; today the data is available in the first week. Moreover, data entry has been reduced due to the higher level of automation. Not only have the business KPIs become more transparent, but also knowledge management will be stronger in the future.

To benefit from the integration of project management, management reporting and purchasing for infrequent users in the company as well, FEV is currently contemplating installing portal access in addition to the Windows clients. Since the system is fully web enabled, even the users who do not have their own computer can use the solution via the intranet. They access only the information required for their work in individually configured portals. FEV sees the new business software as one of the catalysts for the development of the company.

BENEFITS

- Books closed within a week after the end of the month
- Less work required to enter data thanks to increased automation
- Business KPIs more transparent
- Greater potential for knowledge management

SOFTWARE

IFS Financials™
IFS Project Management™
IFS/Purchasing™

