

# What Does All This ERP and SAP Stuff Mean Anyway?



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# ERP and SAP – What is this stuff?

**Y**ou've been hearing about Visteon's ERP initiative called Project Vista and the implementation of SAP software. But what do all these acronyms mean? Most of us don't even know if this new computer system will have any affect on us personally, or what we'll have to do to adapt. Just what does this ERP and SAP stuff do and what does it mean in terms of our jobs?

ERP stands for Enterprise Resource Planning in rocket scientist talk. What it really means is that Visteon is looking at ways for all of its computers to talk to one another. So what, you say? Well, there are a lot of business reasons why we need to be able to do that. Making this change is the way to grow our non-Ford business and that growth is critical to the health and well-being of Visteon.



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## **The Future is Now for Visteon**

Visteon is like a new kid on the block who has to be prepared for anything that comes along. We have to anticipate what the future will be like and prepare ourselves to get parts orders from all the car manufacturers in the world. It's not just about

Ford anymore—it's about making Visteon the leading automotive supplier! But how can we do that? We find ways to streamline our procedures, pull everyone together as one team and then make it easy for anyone—and we do mean anyone—to do business with us. A big slice of the pie from GM or DaimlerChrysler wouldn't hurt now, would it?

One way to connect all our computers would be to buy a very big mainframe and have everyone plug into it. Ever price out a mainframe computer? Wow, does it cost a bundle! And, do you know how long it takes to get one or how long it takes to program one from scratch? Ouch! We just don't have the time or the money to do that. In fact, the way business is being done today, a new mainframe wouldn't help us enough even if we did have the time and money



We need to be faster in our decision making, quicker to respond to customers requests, more knowledgeable about our resources and more efficient in our manufacturing and engineering. But how do we do that? We build an interconnected computer system that allows us to manage our business the way we want. Hey, it's kind of like being able to "float like a butterfly and sting like a bee!" To become champion of the world as an automotive parts supplier takes new thinking on how all of our computer systems interact and how we use the information we all generate.

## **Enterprise Resource Planning**

Enterprise Resource Planning, or ERP, provides a better way to handle all the business transactions and information exchanges that take place with computers. This process allows us to use our existing computers in such a way that they act like one big computer network. The plan is to replace the many separate, and often incompatible computer systems operating in Visteon with an integrated system that will standardize our core business processes across the entire organization. But that's just the start. With ERP we can all talk together, use the same informa-

tion, and—this is really important—we can get exact answers to all of our information requests immediately.



So if this is so slick, why haven't we done this earlier and why does it seem to take so long to get going now?

Well, it sounds easier than it is. The decision to start an ERP program takes a lot of planning. Look at the number of computers and functions we have to organize. Finance has a lot, as does manufacturing, purchasing, engineering and sales. Plus, we've got them in the U.S., France, Germany, Italy, Spain, Mexico, Brazil and so forth. Whoops, how do we get the ones that speak Spanish or French to talk with the ones in Germany or the U.S.—they don't speak the same

language? In fact, how can our sales team in Germany sell bumpers to a French carmaker and ship them from the U.S.? Are they costed in marks, francs or dollars? How does manufacturing get the order, logistics send the shipment, sales enter the order, accounting send the bill?

...oh this gets so sticky it makes my head hurt.

## SAP Software

Well, ERP will take care of all that. We chose SAP AG as the software company to supply us with ERP computer applications. Why SAP? It's one of the largest makers of this type of software. Major automotive suppliers and manufacturers such as Lear, DaimlerChrysler, BMW, Volkswagen, Tenneco, Delphi, and Renault just to name a few, are using it. SAP (which stands for Systems, Applications and Products) produces all sorts of software for a lot of different types of companies. The integrated



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