

# **SUCCESS STORY**

# Innovation through Digital Technology

How Audi evaluates logistics costs

Cost awareness requires visibility—a 360-degree view of processes, structures, services, and suppliers. This is the only way to realistically evaluate prices and investments. AUDI AG, a long-standing customer of Siemens Digital Logistics, entrusts this crucial task to a team of in-house transport planners. But the automotive giant had reached the limits of what was possible with its current planning and analysis tool. The process of evaluating complex global transport chains in particular still involved a lot of manual steps, making it too prone to error, and it also relied on the insular knowledge of just a few people. Still other tools were needed to manage the various modes of transport and information on freight rates. A digital solution moved the premium carmaker into the fast lane.

# Challenge

Audi had already been using XCargo for several years to evaluate its transport costs, but the Excel plug-in provides only limited options for modeling complex logistics chains and running calculations for transports between third parties. To operate more efficiently, the carmaker needed a solution capable of evaluating a large number of transportation costs under a wide variety of premises. The solution had to be able to model and quickly evaluate various transport channels (LTL, FTL, ocean freight, parcels, etc.). And it had to be simple to use and easy to integrate despite the complexity of the data. Audi also wanted to be able to administer and customize the solution on its own.

"The Supply Chain
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Peter Haselwanger Head of Transport Planning, AUDI AG





### Solution

The Supply Chain Suite (SCS) gives AUDI AG a powerful planning tool for an even greater innovative edge. SCS quickly compares all rates and runs complex calculation algorithms while easily integrating existing transport cost assessments.

This yields evaluations of a quality greatly exceeding what was possible before. The simple application eliminates dependencies on individual users by storing all the in-house knowledge directly in the tool. Processing times were reduced some 25%, making it possible to handle many more transport cost inquiries in the same amount of time and saving both time and money.

The Supply Chain Suite has a modular design, so Audi can adapt and extend the application on its own. This ensures the ability to continue optimizing transport costs as new functionalities and use cases emerge.

### Success

The Supply Chain Suite is the perfect software tool for Audi to plan and optimize its logistics processes. The customized solution was built up step by step over a roughly six-month implementation phase, with each step a collaborative effort of four to eight weeks.

Only four key users were originally planned, but more users were brought on board once the solution had been successfully deployed. Application-specific training sessions and flexible support options made it possible for Audi to gradually move into the digital driver's seat, as it were. Not only is Audi now capable of using, administering, and augmenting the full Supply Chain Suite, it can also configure completely new SCS solutions to address new problems.

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