

Step by Step to a Broad Solution

Automotive expert Emil Frey drives performance with software from MIK

The Emil Frey Group based in Zurich was founded in 1924 and ranks as one of Switzerland's leading importers and dealers of automobiles. The company is made up of several



different car importers and more than 30 dealerships (garages). Leasing services, sales of industrial and marine motors, operation of a car body factory for commercial vehicles and a centralized spare parts warehouse round off the company's portfolio.

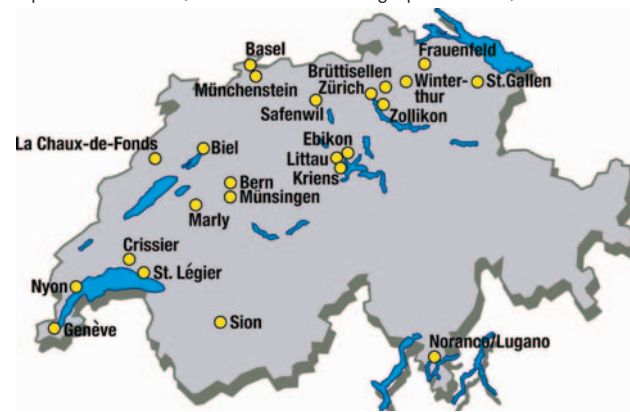
Designing the Future

»Only six years ago, 90 percent of my controlling work consisted solely of collecting data and processing it«, reports Roberto Savoia, who works in the group's central controlling department in Switzerland. This situation gradually developed into a problem, due to the group's fast growth. Therefore, Emil Frey began looking for a new solution. Even then, MIK-INFO had been in use to perform planning tasks for quite some time. Emil Frey then converted over to MIK-OLAP and began loading the data directly from the source systems. Here, the company was following its vision of simplifying and restructuring the entire budgeting environment that had become extremely complex. The objective was to make sure that the managing directors would no longer have to fill in an account plan line by line, but rather complete a few logical steps, while the system was busy filling

the budget automatically in the background. This simplification has been successfully achieved. Today, the budgeting process only takes about two months. This is only half the time that the company required in the past. »We then came up with many ideas on other things we could do with the software. We relied on many small sub-projects to develop and expand our solution module by module«, Savoia explains.

Futuristic applications

To some degree, the work that Emil Frey is doing now extends well beyond what standard mainstream BI applications are capable of providing. For instance, the analytic capabilities of MIK, both in tabular and graphical form, are



Emil Frey Dealerships (Garages) in Switzerland

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Robert Savoia, Central Controlling, Emil Frey Group

used today by the individual branch managers and others responsible during the budget meetings that take place. During discussions, they are able to determine whether or not the budget is accurate, i.e. whether occurrences require further investigation, for example, whether the hourly capacity of the repair shop is realistic. However, this interactive approach towards developing the budget is not taken to maintain complete control over everything, but rather to provide support to people in pursuing further developments. Over time, employees are able to

learn how to analyze their own performances and improve them as a result.

Furthermore, an efficiency improvement program, ESP for short, flanked by a bonus system for management has been adopted. This is used to set performance parameters from the individual branches and dealerships that can then be compared with each other using benchmarking. These figures put the branches in a position to be able to measure their own performances. In addition, the managing directors are able to see where they stand in terms of how well their branch is performing. Thanks to the analytic capabilities that are supported by these key indicators, it is possible to identify specific challenges and problem areas, but also determine potentials. »Our figures are displayed to all of us in a very transparent manner. Thanks to the comparability we now have, an intensive exchange has resulted between our workforce that has served to improve the quality of the information inside our company quite considerably,« Savoia explains. The managing directors of the various dealerships have also expressed a lot of positive feedback.

Yet another application that Emil Frey is particularly proud of is the customer contact program that enables specific indicators to be obtained and defined through direct customer surveys. These indicators can be used to actively analyze customer satisfaction that includes both the behavior of the customer and the additional offerings from the dealerships, such as the quality of the work of a repair shop. The branch offices are then able to use these values to analyze their own strengths and weaknesses in order to constantly improve their own sales and customer service activities.

MIK software has also been used to execute multi-year planning for roughly the last three years. Here, Emil Frey is able to develop a plan within four to five weeks that used to require between eight and nine weeks. Also, to support the future direction of the organization, »what-if« analysis is performed to learn more about what would be the effects of restructuring existing garages or purchasing new ones as part of the garage simulation program, or Garasim, for short. Due to the fact that this requires looking at very few parameters that previously could be put together within up to a week's time, now all aspects of the measure planned can be calculated within no more than two days to

evaluate realization. Here, individual »adjustment screws« can be modified in a specific way in order to determine whether a measure is actually worth pursuing, based on specific local parameters, such as rent.

Outlook

Today, approximately 300 users work with MIK applications to various degrees. Whenever new data is added, the controlling department develops various standard reports in advance, using the Excel tool from MIK that combines the functionality of Microsoft Excel with MIK-OLAP. To users, the figures appear in a form that they are extremely used to working with. This also helps explain why users find the solution so easy to use, because they are usually already familiar with the functionalities and capable of using them almost immediately.

At Emil Frey, those responsible for the project are convinced that the strategy of taking things step by step has contributed substantially towards the success of the entire project. »If we look back today, we have been able to realize a huge package of applications. Had we decided to do all this at the very beginning, we probably never would have even started. Furthermore, we are continuing to push this forward and no end is in sight«, Savoia says.

Plans are already in place to introduce MIK-BIS, the latest product generation, together with so-called management cockpits, as part of the next step. This will make it possible to provide management with information stored in just a few extremely informative graphics and indicators in an extremely condensed form. Emil Frey expects the introduction of MIK-BIS to provide them with additional improvements with respect to graphic presentation of performance indicators. The use of text based information also promises to provide significant working improvements.

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