



Mercedes-Benz

Customer: Mercedes-Benz Egypt

Website: www.mercedes-benz.com.eg

Number of Employees: 100

Country or Region: Egypt

Industry: Manufacturing—Automotive and industrial manufacturing

Partner: Link Development

Customer Profile

Mercedes-Benz manufactures luxury vehicles. The company started operating in Egypt in 1998. Its 100 employees build and distribute passenger cars, including the C-Class, E-Class, and S-Class.

Software and Services

- Microsoft Dynamics
 - Microsoft Dynamics CRM
 - Microsoft Dynamics GP

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Car Maker Cuts Order Fulfilment Time by 85 Per Cent with Integrated IT Infrastructure

“At most, it takes a single working day for an order to be processed, whereas previously it took up to seven days. Integration has clearly made the cycle more efficient.”

Ahmed Tolba, Senior IT Manager, Mercedes-Benz Egypt

Mercedes-Benz has been manufacturing luxury cars in Egypt since 1998. The company wanted to streamline its sales and delivery processes, so it integrated Microsoft Dynamics GP enterprise resource management software and Microsoft Dynamics CRM, a customer relationship management (CRM) solution. Purchase orders are now created in 10 minutes, invoicing is automated, and the complete sales and delivery cycle is 85 per cent faster.

Business Needs

Mercedes-Benz Egypt has been the sole distributor of Mercedes-Benz passenger cars in the region since 1998. The company has approximately 100 employees. Its vehicles are locally assembled in a factory, and imported from Daimler AG. These cars are sold through three independently managed dealerships. Dealers order cars from Mercedes-Benz before they sell them to consumers, but the process for order and delivery was inefficient and time consuming.

Ahmed Tolba, Senior IT Manager, Mercedes-Benz Egypt, says: “To create a purchase order for multiple vehicles, a dealer needed to complete a paper purchase order, including details such as car identification numbers and prices. Dealers often had to request this information from Mercedes-Benz directly, and wait for a response. As a result, it could take up to two hours to finish writing an order.”

Completed orders were sent by fax to the finance team at Mercedes-Benz for authorisation. “Before finance staff can



approve a purchase order, they check that a dealer's request doesn't exceed its credit rating," says Tolba. "But up-to-date credit information was not held in one place. Finance team members frequently spent hours searching for documents on a dealer's previous transactions to calculate its credit rating."

After completing a credit check, purchase order data was entered into the organisation's accounting software, and registered in the general ledger. Tolba says: "Employees spent a lot of time re-checking that the details were correct before processing a purchase order."

When a purchase order was approved, the finance team then created an individual invoice for each vehicle. "It took accountants 30 minutes to write a single invoice, so the paperwork for multiple cars took hours," says Tolba.

While the invoices were being written, cars were prepared for delivery to dealers, but a lack of insight into inventory caused delays. "When we wanted to check stock levels or the location of cars, we had to phone the factory and ask for the information. It could be six hours before we got a response," says Tolba.

Solution

Mercedes-Benz was using Microsoft Dynamics GP enterprise resource management solution to manage financial processes. It also had a licence for Microsoft Dynamics CRM software. Tolba realised that the sales and delivery process could be streamlined if these applications were integrated. Mercedes-Benz Egypt engaged with Microsoft Gold

Certified Partner Link Development to start the integration project.

The project was completed in June 2010. Vehicle data—including chassis identification numbers and car prices—is now stored in a central database, and accessible through both Microsoft Dynamics GP and Microsoft Dynamics CRM. If dealers need to order cars, they complete an electronic purchase order form in the CRM application. "They request the car models and the quantity needed, and all other relevant information, such as prices, is automatically fed in from the database," says Tolba. The dealer then submits the purchase order, and it's delivered to the finance team for authorisation.

Finance employees can see all pending orders when they log on to Microsoft Dynamics GP. "The finance team compares the purchase order against that dealer's credit limit with Microsoft Dynamics GP. If a dealer requests more vehicles than its credit rating permits, that order cannot be processed any further," says Tolba.

If a dealer passes the credit check, the accountant confirms that the sale can proceed. "Invoices are automatically generated for each vehicle, and then printed. The vehicles are shipped from the factory, and the invoices are sent to the dealer," says Tolba.

Benefits

Since integrating Microsoft Dynamics CRM and Microsoft Dynamics GP, Mercedes-Benz has streamlined its order fulfilment cycle. Mercedes-Benz Egypt can create and send a purchase order to the factory in 10 minutes,

invoicing is automated, and orders can be fully processed and authorised in an hour.

- **Purchase orders are created in less than 10 minutes instead of two hours.** Tolba says: "Sales employees don't have to spend time researching information, so purchase orders are created very quickly." They are also authorised faster. He says: "Accountants can view a dealer's credit rating directly with the system, which means they can approve orders in an hour."
- **Invoice creation is simplified.** "It used to take the finance team 30 minutes to create each invoice for an order. Now all we have to do is print them, which only takes one minute," says Tolba.
- **Order fulfilment is 85 per cent faster.** Orders from dealers can be authorised and invoiced in an hour. Tolba says: "At most, it takes a single working day for an order to be processed, whereas previously it took up to seven days. Integration has clearly made the cycle more efficient."
- **Inventory reporting time is reduced from six hours to 10 minutes.** "We can see crucial stock information—such as stock levels and location—very quickly now," says Tolba. The company has a much better idea of how many vehicles it needs to manufacture, and can ensure supply meets demand. "If we find that we have too many of the same car, we can take steps to reduce stock," says Tolba. "For example, if we have a lot of Mercedes-Benz C-Class cars in stock, we will start a marketing campaign promoting those models."