

CASE STUDY

Enterprise resource planning

Cloud ERP



CLIENT BACKGROUND:

American Axle & Manufacturing (AAM) is a worldwide leader in the manufacturing, engineering, designing, and validation of driveline and drivetrain systems and related components, and chassis modules for trucks, sport utility vehicles, passenger cars, and crossover vehicles. The company is a multi-billion dollar, Tier I supplier to the automotive industry.

THE BUSINESS CHALLENGE:

The Metal Forming Products (“MFPBU”) division of AAM is a \$680M complex metal fabrication manufacturing enterprise that required a leading, scalable ERP system to support their business operating requirements. Essential requirements included heat management, yield optimization, inventory management, embedded quality, SOX security compliance and shop floor controls.

THE BAKER TILLY APPROACH:

AAM selected a cloud ERP solution to replace their legacy Oracle ERP. Baker Tilly assisted AAM in the designing and implementing a common model of the cloud ERP solution across their MFPBU division and integrated it into their overarching shared services architecture to support consolidated financials, central cash management, central accounts receivable, accounts payable and purchasing functions.

THE BUSINESS IMPACT:

The implementation of a common model across the enterprise along with the integration of shared financial services allowed AAM to achieve significant business results

- Significant inventory savings by applying tighter inventory control and shop floor management rigor
- More consistent and effective quality embedded controls across manufacturing operations
- Common performance management reporting across the division’s manufacturing locations
- Broader availability of information for enterprise level reporting
- Reduction in manual processes at the plant level through optimized resource management
- SOX security compliance, including segregation of duties across the user community
- Tighter purchasing controls across the enterprise and improved supplier management
- Central cash management and standard financial controls

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