

BMW's reputation tarnished by delays

As the world's biggest maker of luxury cars, BMW has a reputation of excellence to uphold - a reputation that has been tarnished just a little these last two months thanks to ongoing issues with its new supply management system.

In June 2013, BMW swapped over to a new program called ATLAS (Advanced parTs Logistics in After Sales) – a system they'd been planning and developing for a number of years.

The changeover required a shutdown of order processing to migrate the data from the old system to the new. While the migration only took a week to complete, BMW did not foresee the backlog it would create.

"In the lead up to the change over, all markets were prepared with the additional stocking of the 40 intermediate storage sites around the world," BMW Product Communications Manager Scott Croaker says.

"Despite this preparation, there was a substantial increase in back order parts lodged with the central distribution centre at Dingolfing in Germany, comprised mostly of special order parts that couldn't be planned for," Croaker says.

Reports coming out of Europe say around 10 percent of parts are not immediately available, which has an immediate impact on dealers and customers.

Croaker informs us that some of the parts on back order that usually took between one to two weeks to arrive were delayed by up to six weeks.

In Europe, where Weller Gruppe, one of Germany's biggest BMW dealers reported up to 20 percent of their customers had been effected.

"We have to disappoint about 180 customers per month," Weller Gruppe owner Burkhard Weller says, adding that it is impossible to appease a customer who can't use his car.

"I can't tell the customer he will get his car back within one week. I have to say 'I don't know'. This is very unsatisfactory because, normally, we have a client satisfaction rate of 92 percent," Weller says.

Not all dealers have noticed an issue though. Hobart Autohaus Parts and Accessories Manager Robert Pike has got through relatively unscathed by the disruptions.

“BMW Australia has done an excellent job keeping us up-to-date on the issues. So far, we haven’t had any issues getting parts but that’s because most of the parts we ordered were already in stock in Australia.”

Pike adds things may have been different had they needed to order specialty parts.

According to Croaker, BMW Australia has done a lot to stem the impact to customers by making additional service cars available to those waiting on parts. The factory in Germany has also hired additional staff and has been working around the clock to process the backlog.

As a result, Croaker believes the backlog of ordered parts has been substantially reduced and expects everything to return to normal levels by the end of Q3 2013.