

## AUDI AG

Strategy Development

Dr. Ernst-Herrmann Krog

### **AUDI develops comprehensive concept to stabilise production programmes**

**A sustainable and stable planning of production programmes between the poles of Production, Sales, Purchasing, R&D and external suppliers is a critical factor for the success of our company. With the support of the management consultancy ZLU we were able to develop a comprehensive and strategic concept to stabilise our production programmes.**

AUDI can be considered as one of the leading manufacturers of premium cars within the global automotive industry. With over 45,000 employees in three vehicle plants and one engine plant we produce about one million vehicles per annum, thereby generating sales of more than € 34bn. Moreover, AUDI is not only one of the internationally leading companies in production technology but also in manufacturing and logistics processes.

*ZLU always convinced us with its professional competence as well as distinct strategic thinking of its consultants.*



Dr. Ernst-Herrmann Krog, Head of Group Logistics, AUDI AG

A stable production programme has to be seen as the foundation for a trouble-free flow along the value chain as well as the smooth processing of customer orders. Due to stable processes lead times within the overall value chain can be reduced and short-term fluctuations in demand can be avoided. Because a stable production is an essential element of the new logistics concept of AUDI, we initiated an internal project to stabilise our production programmes and reduce any kind of turbulence within the overall value chain.

For this complex exercise we were supported by the management consultancy ZLU which not only helped us significantly during the concept phase but also acted as independent manager between the affected departments based on its sound competence in project management. Critical for our decision to work with ZLU was, on the one hand, its established industrial knowledge and, on the other hand, its knowledge about the structures and processes of the VW and AUDI Group based on a joint pilot study.

Based on the investigation of five prominent examples for programme instabilities, ZLU was able to embrace its complex cause-effect correlation and reveal the related costs. In the subsequent interviews with managers from all affected areas and departments their individual level of understanding and interest regarding the stabilisation of production programmes was evaluated. Thereby, ZLU always convinced us with its professional competence as well as distinct strategic thinking of its consultants.

This enabled us to develop a roadmap for the stabilisation of our production programmes together with ZLU. Critical elements of this roadmap are a comprehensive guide and parameters for the stabilisation as well as 54 specific work packages in 4 central action fields. Our picture of ZLU as a competent management and process consultancy was fully confirmed in our joint project.