



## Volkswagen Financial Services improves risk management and raises productivity by 25% with BlackBerry and SAP

Volkswagen Financial Services UK (VWFS) offers finance and insurance services to over 700 dealers around the country representing six brands of the Volkswagen Group: Volkswagen, Audi, Bentley, SEAT, Skoda and Volkswagen Commercial Vehicles.

### The Challenge

Between the time a car leaves the factory and is sold to a customer, it is financed by VWFS. At any given time there are about 20,000 vehicles on dealer forecourts around the UK worth £350-500 million. VWFS's nine regional auditors are responsible for verifying the stock of financed vehicles at dealers.

Auditing is very important because it can detect early warning sign of a dealership's poor financial health, before it becomes a financial risk for VWFS. The existing paper-based system wasn't accurate or fast enough for VWFS's risk management needs. The auditors carried printed lists of vehicles and dealers. Upon completing an audit, they would reconcile any issues with the dealer, fill out the forms and move on to the next audit. The information gathered varied from one auditor to the next and audit reports were filed periodically instead of daily, which gave credit managers patchy visibility of dealers. Moreover, management couldn't oversee an auditor's workload. Finally, if they requested a spot audit, the auditor had to return to his office to print out the car list.

After 10 years with the paper-based system, VWFS decided that it was time to change. "In a challenging economic climate, fast and accurate information is an important risk management tool," says Carl Redman, Head of IT Development and Business Analysis at VWFS.

### The Solution

"The board gave us a directive to automate and mobilise the vehicle stock audit function within six months," explains Redman. With no time to waste, VWFS evaluated the available solutions for mobile data access on four main criteria. The first two were security and reliability. "The BlackBerry infrastructure and security were the most reliable and met all our company's security requirements, without us having to build a whole new infrastructure," says Redman. VWFS's German headquarters already had extensive experience with the BlackBerry® solution.

### Benefits

25% increase in productivity

Reduced administrative duties by 100 days annually

Improved risk management

Improved time management

The next two requirements were user satisfaction and fast application development. After consultation and recommendation from their mobile network operator, Orange, VWFS collaborated with the BlackBerry® team from Research In Motion® (RIM®). They initially equipped the auditors with mobile email using BlackBerry® smartphones coupled with BlackBerry® Enterprise Server for Microsoft Exchange to get them used to the devices while the application was being developed. As Redman confirms, "the auditors said: 'yes, this is a device we can work with' in terms of the ease of use, screen resolution, keyboard and battery life." VWFS then extended BlackBerry mobile email to other users, mainly senior executives.

Next, VWFS developed a bespoke SAP application called MSA (Mobile Stock Audit), which contains information from VWFS's wholesale funding system. A joint VWFS-BlackBerry team then used an 'agile' software development approach to write and deploy a bespoke BlackBerry Stock Audit application with over 500 functions for the auditors, in under five months. "The support, the service and the quality of the people at BlackBerry Services were excellent. They ensured that we were able to meet our aggressive timeframe," says Redman.

The BlackBerry Stock Audit application has removed the need for a paper-based system. It puts a full historical record of a dealer at the auditor's fingertips, something the paper-based system couldn't do. After completing the audit on the BlackBerry smartphone, the auditor presses a button and it is uploaded wirelessly to MSA. Back in the office, the credit managers have instant access to a dealer's status on MSA. They also receive automatic email alerts when audit scores fall below certain thresholds.

## The Benefits

The BlackBerry solution has improved risk management by increasing the quality of information and speed of access. Audits are more thorough because auditors now have access to all the information about a dealer. Also, an audit isn't considered done until all of a dealer's locations are audited. Furthermore, instead of having to wait for weekly reports, credit managers are now alerted in real time. The MSA system displays results at a dealer level and group level, which makes it easier to see how dealers are performing. "We are able to manage financial risk much more effectively and proactively," says Redman. "What we've been able to do in the time given is absolutely fantastic. From a business point of view, senior management is very much on board with what we've done and wants us to look at how the BlackBerry platform could further benefit our business."

The BlackBerry solution has also made the auditors more productive and improved audit management. "It has increased auditor productivity by 25%. We anticipate that they will perform 500 audits in 2010, compared to 400 annually using the paper-based system," says Redman. Auditors also used to spend on average one day a month on administrative tasks. "With the BlackBerry solution, we expect to save 100 days a year." In the next phase of the project, the MSA application will automatically generate annual audit schedules and alert auditors by email when spot audits are required.

Finally, the users are very satisfied with the solution. "The feedback has been: 'yes, it's improved my ability to do my job.' It's compact and easy to use. Even the most reluctant users are on board now," concludes Redman.

[www.blackberry.co.uk/casestudies](http://www.blackberry.co.uk/casestudies)

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