

▶ International Truck and Engine Corporation

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► align IT with business objectives and achieve IT agility.

Business Issues

To improve operational efficiency and lower IT costs, International Truck and Engine Corporation (International) needed an integrated system for collecting and analyzing business information from diverse systems supporting its six truck manufacturing plants. As a result of business growth, in part from acquisitions, much of International’s manufacturing-related information was in isolated systems connected by custom, point-to-point batch interfaces.

To eliminate this inefficiency, International chose to implement a service-oriented architecture (SOA), leveraging SSA Open Architecture and IBM WebSphere.

The Company

International Truck and Engine Corporation is the operating company of \$10 Billion Navistar International Corporation (NYSE: NAV). The company produces International® brand commercial trucks, and mid-range diesel engines, and is a private-label designer and manufacturer of diesel engines for the pickup truck, van and sport utility vehicle markets. The company and its wholly owned affiliate, IC Corporation have been building school buses since 1907 and IC Corporation is one of the industry’s largest manufacturers. Along with Eaton Corp., International has been selected by WestStart (a technology consortium of truck fleet users, truck makers and the U.S. military) to develop a diesel-electric, heavy-duty truck. The U.S.-based company has approximately 15,000 employees and operates truck and bus manufacturing facilities in North America and Mexico.

company -----	International Truck and Engine Corporation
solution -----	SSA® Open Architecture, SSA ERP
product -----	SSA Integration, SSA Baan™, IBM® WebSphere®
platform -----	HP®
database -----	Oracle®
industry -----	Automotive
customer revenue -----	USD \$9.7B
employees -----	15,000 +
country -----	USA

What's Critical

In its manufacturing infrastructure, International had a diverse application portfolio and interfaces that made maintaining data accuracy and synchronization a challenge. It was critical for International to correct this problem by implementing a system that would efficiently unlock the data from different production systems at International and IC Corporation's six truck and bus manufacturing plants. The solution had to provide real-time visibility into the company’s manufacturing operations for managers, customers and partners, in addition to production employees.

“We had no good way to extract data from our manufacturing systems in real time because all the interfaces were custom-made and done in batch,” explains Ed Ho, application engineering manager, International Truck and Engine Corporation. “Like any manufacturer in the automotive industry, we faced ongoing pressure to improve our operational efficiency to reduce costs and increase profits. It is critical that we develop a new strategic approach.”

According to Ho, International consulted with its technology partners, SSA Global and IBM, and concluded that creating a service-oriented architecture was the best course of action for achieving both near-term and long-term value.

Finding the Right Solution

International chose SSA Open Architecture and IBM Websphere to be the building blocks for the Common Vehicle Tracking (CVT) project, one of its initial SOA projects. The company chose SSA Integration to provide the standardized business interfaces to its manufacturing enterprise resource planning solution (SSA ERP) in order to facilitate more efficient communication.

“SSA Integration was the best product to enable the SSA ERP services for our service-oriented architecture project because of the functionality and ease of use,” Ho says. “Our core manufacturing system is based on SSA ERP so we have a strong relationship with SSA Global.”

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► standardized business interfaces for more efficient communication.

SSA Global's close partnership with IBM also was a strong incentive to implement SSA Integration. SSA Integration and SSA Open Architecture leverage IBM's leadership in the enterprise application integration and SOAs. "IBM provides us with middleware and SSA Global provides us our ERP applications and adapters to ERP services so the partnership between SSA Global and IBM gave us confidence that our investment would be protected," continues Ho.

International collaborated with both SSA Global and IBM to design an SOA approach that best met the company's needs. "The teams at SSA Global and IBM had a good understanding of our business needs. Just as important, the International team was well equipped to use the SSA Global and IBM products to support our business," says Ho.

The CVT collects and displays shop floor data and manufacturing status from all six plants in one integrated view. In addition to leveraging the company's SSA ERP implementations and SSA Integration, the CVT uses IBM Websphere Business Integration, Websphere Application Server, Websphere Portal and Tivoli® Security Manager.

Implementing Fast

To complete design on the CVT, International supplemented its internal design team with contract employees from IBM. International is currently undergoing a phased implementation at its manufacturing plants.

According to Ho, SSA Global has been providing strong technical training and support during the SSA Integration implementation.

He says the implementation of SSA Integration has been going smoothly and producing immediate returns. "With SSA Integration, we are able to apply the concepts of a service-oriented architecture with today's technology. You don't have to wait to integrate isolated business processes."

Making it Pay

International is optimistic that the CVT project will produce significant, long-term business benefits. "SSA Integration started to provide business savings opportunities only a few months after it was implemented," says Ho.

"Having better access to information is making it possible to better analyze defect trends and take corrective action," he continues. "The improved visibility into our operations also enabled us to reduce repair costs for trucks still in our inventory. This reduction in truck repair costs and improved defect analysis is reducing our overall operational cost."

"When fully implemented at our six truck and bus plants, we expect SSA Integration and the CVT project to help us achieve several million dollars in savings annually," Ho says. "We also expect our business partners to be able to reduce their costs because of the improved access to our real-time operations information."

Ho also points out some direct benefits for their customers. The CVT allows customers access to appropriate real-time order and shipment status information.

"There are a lot of people in the automotive industry talking about SOA," Ho says. "I believe the successful implementation of SSA Integration has allowed us to take a leadership position in the implementation of a service-oriented architecture."

Forward Faster™ - Into the Future

As International continues to implement the SSA Integration solution at its remaining manufacturing plants, the company is gaining the agility it needs to implement new functionality with minimal disruption to the enterprise. For the new functionality it needs to keep pace with changing business demands, International is leveraging the SSA Global product line to meet its business needs.

As part of its long-term IT strategy, International is collaborating with SSA Global on the development of specific automotive industry functionality for SSA ERP_{LN}, SSA Global's next generation ERP platform. "SSA Global provides a unique application for manufacturing that supports our long-term business objectives so we believe moving to SSA ERP_{LN} is our best strategy. This makes SSA Global a key partner for International," Ho concludes.

about SSA Global

SSA Global™ (NASDAQ: SSAG) is a leading provider of extended ERP solutions for manufacturing, distribution, retail, services and public organizations worldwide. In addition to core ERP applications, SSA Global offers a full range of integrated extension solutions including corporate performance management, customer relationship management, product lifecycle management, supply chain management and supplier relationship management. Headquartered in Chicago, SSA Global has over 50 locations worldwide and its product offerings are used by over 13,000 active customers in over 90 countries. For additional information, visit the SSA Global web site at www.ssaglobal.com



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