CUSTOMER CASE STUDY

Asset Management software helps leading NASCAR team drive down costs and optimize performance

Hendrick Motorsports
Industry - Motorsports

Goals

- Integrate Microsoft's Business Solutions-Dynamics SL financial program into a single, compatible system to manage inventory, track parts usage, and maintain a historical profile of car performance within 4 months

Challenges

- Coordinating information across 6 warehouses that are operated as independent entities
- Tracking usage of approximately 150 components on each car
- Getting the system up and running within four months

AVEVA Solution

- AVEVA Asset Management Software
- AVEVA Industrial Rapid Implementation Methodology (InRIM™)

Results

- Multi-site asset management capabilities tracks inventory in all six warehouses
- Reduced cash outlay for inventory saves $400,000
- Saved $1,000,000 through reduced inventory by consolidating warehouse management
- Reduced overhead for single instance, multi-facility management and saved $65,000
- Integration with existing business and financial operations resulted in $100,000 savings

Charlotte, North Carolina – On its 65-acre racing complex in Charlotte, NC, Hendrick Motorsports (HMS) designs, tests, and builds race cars for such noted NASCAR drivers as four-time champion Jeff Gordon, two-time champion Terry Labonte, and Jimmie Johnson. Since 1984, Hendrick has grown from a one-car race team to a six-team operation that has won five of the last eleven NASCAR Nextel Cup (formerly Winston Cup) Championships. These include four consecutive titles – the sports first-ever.

Challenges implementing an Enterprise Asset Management (EAM) System

Hendrick Motorsports' manufacturing complex contains six buildings, each with its own inventory warehouse. These include separate buildings for each individual racing team's facilities, such as the 24/48 Shop, which supports Jeff Gordon and Jimmie Johnson and the 5/25 Shop, which supports Kyle Bush and Brian Vickers. There is also an engine shop, body shop, and chassis shop. As each car is tested and modified for optimum performance on varying racetracks, its crews use parts from these buildings. Documenting the performance of each part in each possible race car configuration is important. Hendrick Motorsports (HMS) had been tracking these activities manually, which was tedious, time consuming, and costly.

Scott Lampe, chief financial officer for HMS, is responsible for optimizing resource use for both on-track performance and cost. Toward this end, he implemented the Microsoft's Business Solutions-Dynamics SL financial program, which he wanted to integrate into a single, compatible system to manage inventory, track parts usage, and maintain a historical profile of car performance. This integration required overcoming the following challenges:

- Coordinating information across 6 warehouses that are operated as independent entities
- Tracking usage of approximately 150 components on each car
- Monitoring performance reliability
- Getting the system up and running within 4 months

To meet these challenges, Lampe looked into implementing an enterprise asset management (EAM) system.

Implementing the solution

After reviewing EAM alternatives, HMS chose the AVEVA EAM solution.

"We consummated the deal in August with the full understanding that we'd be operational by December… no ifs, ands, or buts!," said Lampe.

Timing was critical because December and January are NASCAR's busiest months.

> "What AVEVA has accomplished with a single system could have required four separate systems. The AVEVA solution also allows us to collect accurate performance and maintenance information to make informed decisions…this is priceless."
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> **Scott Lampe**
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> Chief Financial Officer

AVEVA' Industrial Rapid Implementation Methodology (InRIM) enabled HMS to install the EAM software in about half the industry standard implementation time. Having met the first critical milestone, which was for centralizing purchasing and warehousing, HMS and AVEVA turned their focus to monitoring parts usage.

Approximately 150 components on each car are monitored by condition, such as time-to-failure or usage. Collecting accurate data is critical because HMS builds cars specifically for individual racetracks and tests configurations for each. The AVEVA software helps track the configurations for each race, including changes made during practice.

Lampe said, “We end up with a well-documented history of the vehicle configuration, which we can duplicate if the car wins or modify if the car needs improvement.”

The AVEVA solution also helps HMS track parts usage to assure reliability.

According to Lampe, “General practice is to substitute parts at the track to accommodate existing conditions. The AVEVA solution now allows us to accurately document component usage to assure performance.”

With the first phase successfully completed, HMS has recently launched two new initiatives using AVEVA capabilities.

“Using AVEVA made us realize that each team was operating on its own island. We have now restructured and consolidated management, putting all teams under a central purchasing group with one manager,” said Lampe.

HMS also upgraded to Avantis.PRO Enterprise Asset Management with multi-site asset management capabilities. Previously, to track inventory in all six warehouses HMS had to work with multiple instances.

Commented Lampe, “Now we can manage and monitor six warehouses from a single instance, which significantly contributes to our corporate directive to streamline operations and standardize parts.”

Impressive Business Metrics

HMS’ long-term plan calls for integrating the full functionality of the AVEVA solution to optimize operations and support informed business decisions. About one-third of the way there, they are already realizing significant benefits:

- Reduced cash outlay for inventory within six months..... $400,000
- Reduced inventory by consolidating warehouse management.....$100,000
- Reduced overhead for single instance, multi-facility management..... $65,000
- Integration with existing business and financial operations.....$100,000