

**IHS Automotive**

Supplying the OEMs

**SupplierBusiness**

# Supplying BMW

2013 edition

[supplierbusiness.com](http://supplierbusiness.com)



# Contents

<b>Overview .....</b>	<b>5</b>
<b>Global market overview .....</b>	<b>5</b>
<b>Financial data .....</b>	<b>5</b>
<b>BMW Group financial overview .....</b>	<b>6</b>
<b>Product and platform strategy.....</b>	<b>7</b>
<b>Strategy review .....</b>	<b>7</b>
<b>Major model programmes .....</b>	<b>7</b>
3-Series .....	7
5-Series .....	9
7-Series.....	11
X-Series .....	13
Z-Series.....	14
1-Series.....	15
Mini .....	16
<b>Platform strategy.....</b>	<b>17</b>
<b>Major platforms .....</b>	<b>18</b>
L7 (3-Series, X3, 4-Series, 1-Series, 2-Series) .....	18
L6 (5-Series, 7-Series, 6-Series, Rolls-Royce Ghost and Wraith) .....	20
L2 (X1, Z4).....	21
L3 (Mini Hatchback, Cooper, Clubman, Coupe, Roadster, Countryman, Paceman).....	22
L4 (X5, X6).....	23
Component sharing .....	23
Volume planning.....	24
<b>Production strategy.....</b>	<b>26</b>
<b>Production strategy overview .....</b>	<b>26</b>
<b>Manufacturing network.....</b>	<b>26</b>
Germany .....	28
United States .....	30
China .....	31
United Kingdom, The Netherlands, Austria.....	33
South Africa .....	34
CKD Build Locations .....	35
Internal supply network .....	35
Modularisation strategy .....	36
Supplier parks.....	37
Cluster of reference .....	38
Strategies for manufacturing efficiency .....	39
Source: IHS Automotive .....	39
<b>Purchasing strategy .....</b>	<b>41</b>
<b>Purchasing strategy overview.....</b>	<b>41</b>
<b>Levels of vertical integration and outsourcing .....</b>	<b>41</b>
Purchasing organisation .....	42
Purchasing offices.....	43

## IHS™ Automotive

SupplierBusiness

### COPYRIGHT NOTICE AND LEGAL DISCLAIMER

© 2013 IHS. No portion of this report may be reproduced, reused, or otherwise distributed in any form without prior written consent, with the exception of any internal client distribution as may be permitted in the license agreement between client and IHS. Content reproduced or redistributed with IHS permission must display IHS legal notices and attributions of authorship. The information contained herein is from sources considered reliable but its accuracy and completeness are not warranted, nor are the opinions and analyses which are based upon it, and to the extent permitted by law, IHS shall not be liable for any errors or omissions or any loss, damage or expense incurred by reliance on information or any statement contained herein. For more information, please contact IHS at customercare@ihs.com, +1 800 IHS CARE (from North American locations), or +44 (0) 1344 328 300 (from outside North America). All products, company names or other marks appearing in this publication are the trademarks and property of IHS or their respective owners.



Key purchasing personnel .....	43
<b>Purchasing budget .....</b>	<b>44</b>
<b>Supplier selection .....</b>	<b>45</b>
<b>Supply base development .....</b>	<b>45</b>
<b>Major and strategic suppliers .....</b>	<b>45</b>
<b>Supplier selection criteria .....</b>	<b>46</b>
<b>Working with the BMW Group.....</b>	<b>47</b>
<b>Global sourcing .....</b>	<b>48</b>
<b>Policy and plans .....</b>	<b>48</b>
Europe .....	48
China .....	49
United States .....	50
India.....	50
<b>Pricing policy .....</b>	<b>51</b>
<b>Cost reduction programmes and strategies.....</b>	<b>51</b>
<b>Payment terms .....</b>	<b>51</b>
Raw material price management .....	52
<b>Quality management .....</b>	<b>53</b>
<b>Quality level .....</b>	<b>53</b>
Quality management systems .....	53
Integration into product development .....	53
Management of sub-suppliers.....	54
<b>Supplier awards .....</b>	<b>56</b>
Efficient Dynamics .....	57
Lightweight Construction .....	57
Connected Drive .....	57
New Technology Experience .....	57
Quality.....	57
Productivity .....	57
Sustainability .....	57
Special “Innovation Partnership Award” .....	57
<b>Technology .....</b>	<b>58</b>
<b>Technological positioning.....</b>	<b>58</b>
Areas of focus .....	58
<b>R&amp;D spending.....</b>	<b>59</b>
R&D organisation .....	59
Access to supplier technology.....	60
Approach to alternative fuels, electrification and fuel cells .....	60
<b>Special vehicle development.....</b>	<b>61</b>
<b>Interviews .....</b>	<b>63</b>
<b>Frank Weinstroth, BMW spokesperson for Suppliers, Logistics and IT .....</b>	<b>63</b>
<b>Mart Verschoor, vice-president of engineering at BorgWarner.....</b>	<b>67</b>
<b>OEM-Supplier survey results .....</b>	<b>75</b>
<b>Introduction to the SuRe Index .....</b>	<b>75</b>
Methodology .....	75
<b>Executive summary .....</b>	<b>75</b>
<b>Profit potential .....</b>	<b>77</b>
OEM Level.....	77
<b>Organization.....</b>	<b>78</b>
OEM Level.....	78
<b>Trust.....</b>	<b>79</b>
OEM Level.....	79
<b>Pursuit of excellence .....</b>	<b>80</b>
OEM Level.....	80

<b>Outlook.....</b>	<b>81</b>
OEM Level.....	81
<b>Global footprint .....</b>	<b>84</b>
<b>Forward Model Programmes .....</b>	<b>85</b>
<b>Major suppliers .....</b>	<b>89</b>

## Figures

<b>Figure 1: Global light vehicle sales, 2006-2012 .....</b>	<b>5</b>
<b>Figure 2: The BMW 4-Series Coupe concept .....</b>	<b>9</b>
<b>Figure 3: First produced in 1962, the four-door BMW 1500 is considered the forerunner of the modern 5-Series range.....</b>	<b>10</b>
<b>Figure 4: The E23 version of the BMW 7-Series featured a 5.0-litre V12 engine.....</b>	<b>11</b>
<b>Figure 5: BMW Global production volumes 2005 - 2017 .....</b>	<b>25</b>
<b>Figure 6: Vehicle production of the BMW Group by plant in 2012 .....</b>	<b>26</b>
<b>Figure 7: Annual sales for BMW in Brazil 2005 - 2017 .....</b>	<b>27</b>
<b>Figure 8: The BMW X4 concept has been signed off for production.....</b>	<b>30</b>
<b>Figure 9: Economies of scale achieved through modular systems and complexity management almost on par with volume manufacturers.....</b>	<b>36</b>
<b>Figure 10: BMW i3 CFRP passenger cell.....</b>	<b>42</b>
<b>Figure 11: Regional mix of BMW Group purchase volumes 2012.....</b>	<b>48</b>
<b>Figure 12: The Product and Process Development is part of the Product Development Process of BMW Group.....</b>	<b>54</b>
<b>Figure 13: The roadster version of the i8 shows how production doors could look .....</b>	<b>61</b>
<b>Figure 14: BMW R3S .....</b>	<b>67</b>
<b>Figure 15: Top of the ranking.....</b>	<b>76</b>
<b>Figure 16: Middle of the ranking .....</b>	<b>76</b>
<b>Figure 17: 2012-2013 Profit potential results on scale.....</b>	<b>78</b>
<b>Figure 18: 2012-2013 “Organisation” results on scale .....</b>	<b>79</b>
<b>Figure 19: 2012-2013 “Trust” results on scale .....</b>	<b>80</b>
<b>Figure 20: 2012-2013 “Pursuit of excellence” results on scale .....</b>	<b>81</b>
<b>Figure 21: 2012-2013 “Outlook” results on scale .....</b>	<b>82</b>
<b>Figure 22: BMW - Global assembly plant locations.....</b>	<b>84</b>
<b>Figure 23: BMW - European assembly plant locations .....</b>	<b>84</b>
<b>Figure 24: The BMW Active Tourer Concept.....</b>	<b>85</b>
<b>Figure 25: BMW - Forward Model Programme (by Global Nameplate).....</b>	<b>86</b>

## Tables

<b>Table 1: Key BMW financial performance values.....</b>	<b>5</b>
<b>Table 2: Global annual sales for BMW vehicle ranges covered in Major Model Programmes (2001 - 2013).....</b>	<b>16</b>
<b>Table 3: Global BMW production projections (by Platform) 2013 and 2018.....</b>	<b>17</b>
<b>Table 4: Forecast Top 10 platforms across global BMW production, 2013 and 2018 (by model volume) .....</b>	<b>19</b>
<b>Table 5: BMW Germany - Model production by plant 2012 - 2015 .....</b>	<b>29</b>
<b>Table 6: BMW United States - Model production by plant 2012 - 2015 .....</b>	<b>31</b>
<b>Table 7: BMW China - Model production by plant 2012 - 2015.xlsx .....</b>	<b>32</b>
<b>Table 8: United Kingdom, The Netherlands, Austria - Model production by plant 2012 - 2015 .....</b>	<b>33</b>
<b>Table 9: BMW South Africa - Model production by plant 2012 - 2015 .....</b>	<b>34</b>
<b>Table 10: Global BMW SUV sales (by region) 2012-2015 .....</b>	<b>39</b>
<b>Table 11: Supplier nomination criteria.....</b>	<b>46</b>
<b>Table 12: SWOT analysis - BMW .....</b>	<b>83</b>
<b>Table 13: BMW plant locations with production forecast for 2013.....</b>	<b>84</b>
<b>Table 14: Major suppliers – BMW Group.....</b>	<b>89</b>