

# The Kögel Case: From Janitor to Full-Scale Service Provider

Growth and internationalization: With these two targets in mind, Bodo Deutschmann, the CIO of Kögel Fahrzeugwerke turned around the IT landscape of this dynamic transport vehicle producer. The move not only put the CIO in the center of communication. It also resulted in more professional structures, more flexible processes and an award-winning vehicle localization system.

Trying to understand strategies and paradigm shifts, and following them up with the right actions is what the CIO is all about. You need a dose of imagination, the feeling for what's doable and a good team that takes your ideas and concepts to work," says Bodo Deutschmann.

Such an environment was all but nonexistent at Kögel when Deutschmann joined the midmarket company as CIO in 2004. His predecessor had killed ORG, an internal organization dealing with processes and project management, by turning it into a mere IT department. Its tasks were limited to managing the data center, programming, hardware support, and customer service. "I felt that this was clearly not enough," Deutschmann says. "Because I used to work in ERP process consulting, I decided to re-assemble the ORG team and turn it into an IT& ORG."

At the time – as is the case with many midmarket firms – Kögel's IT functioned much like a "janitor". "Today, IT & ORG is an important service provider that not only makes PCs function but also drives holistic consulting," Deutschmann says. A support hotline, a process consulting team and highly modern positions these days supplement Kögel's consistent growth.

It used to be quite different. Over the past three years, Kögel's production levels had more than doubled, with the vehicle pick-up lot enlarging continuously. Because customers were always on the search for their vehicles, the delivery process was marred by delays and unnecessary additional costs. The old, database-supported warehouse management system simply wasn't able to effectively localize the vehicles, which were listed in an unsystematic Excel spreadsheet.

Together with his team of 20, Bodo Deutschmann put an end to this outdated method. He developed a comprehensive workflow digitalization concept that resulted in a new vehicle localization system. The system is based on barcode registration and GPS data transfer, and tells drivers the exact location of their vehicle via a multi-function device. As a result, the entire vehicle logistics chain becomes more transparent, and it can be attributed precisely to the workflows of the two-shift process.

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## Braving the gap – at the right time

"Before you can realize such a project, you traditionally need requirement specifications, target specifications and finally, a fine-tuned concept," Deutschmann says. "But we can't always play by the book, we sometimes have to skip one or two steps."

In his daily work, Deutschmann has to feel comfortable with free-spirited thinking and braving the gap, he says. "In some cases, we omitted the requirement specifications and target specifications and had ORG create a fine-tuned concept. That saves time." Projects with a volume of up to € 100,000 can be sped up that way, he adds. "Of course we run the risk of missing some details, but at the same time, we are 50 percent faster and cheaper."

This is only possible if the IT department, the company as a whole and its customers (the drivers) close ranks to be able to confer with each other on short notice

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Many companies have trouble integrating business and IT. Bodo Deutschmann, the CIO of Kögel Fahrzeugwerke, a German transport vehicle producer, has had no problems doing that – much the contrary. He made the implementation of a new vehicle localization system the key project of a comprehensive IT overhaul. cioneers.tv met the CIO of the Year 2008 in the mid-market category for an interesting peak

into the company and his department. Mid-size companies can indeed successfully prepare, launch and complete an integrated IT process, as Deutschmann demonstrates with his newly developed, barcode-based vehicle localization system. The IT at Kögel focused on a close-knit dialog with all stakeholders, including the drivers. cioneers.tv shows Deutschmann at the core of a comprehensive communications

scheme linking strategy and operations. As a result, the IT department has become a provider of ideas and solutions, creating a transparent workflow that accommodates growth and minimizes costs. Only six months after its implementation, the GPS-based barcode system has drastically reduced search times for vehicles ready to be picked up by customers, leading to a return of the initial investment costs.

and react quickly if needed. "I don't think this is possible in large companies, so midsize firms do have an advantage there," Deutschmann says, at the same time admitting that this particular procedure may lead to a lack of documentation. "But we simply don't have enough time, money and manpower in our departments."

### Management by walkabout

That's why Deutschmann banks on clear processes. "You need a very good key user-structure to be able to work effectively with a small IT department," Deutschmann says. "We are in constant dialog with these experts, so we can bring the different liabilities – for example process documentation and compliance, but also suggestions for improvement – into these areas."

When Kögel started to develop its new vehicle localization system, Deutschmann decided to integrate the drivers into the development process. "We showed them

our concept and they told us what they like and what they don't like," he says. "Besides improving the overall functionality of the system, this step is also helping to oblige all stakeholders to actively use the new tool once it's implemented."

Once or twice a month, Deutschmann tours the individual departments of the Burtenbach-based company to inquire about the status of data processing, and to find out if there are any problems or tips for improvement.

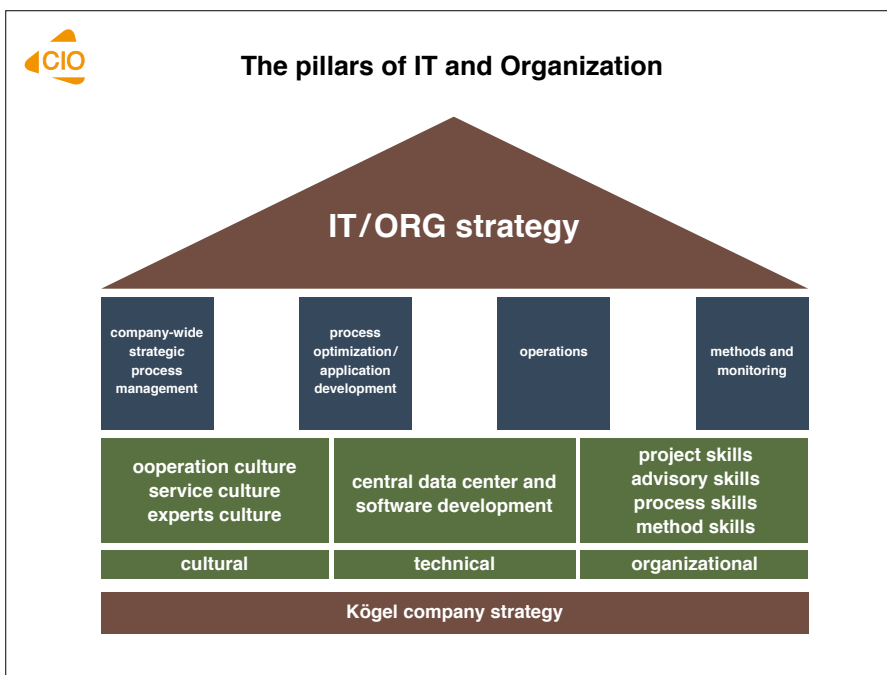
This constitutes part of Kögel's success: The good cooperation between a multitude of stakeholders and measures. They include the leadership circle, the strategy department, the different steering committees and – last but not least – the many one-on-one conversations, for example with Kögel's top-level management. These talks, Deutschmann says, "touch on all those seemingly subliminal issues that in the IT realm often have larger implications."

### Always on equal terms with others, or even above

IT & ORG has long become a strategic partner for Kögel, its importance solidified by permanent internal marketing. "Our employees are proud of their job and their department. Today, IT & ORG ranks on equal terms with other departments – or even above them."

The above-mentioned vehicle localization system is part of a long-term IT strategy that as its next step will see the development of a new database for Kögel vehicles. "We want to be at the head of the pack," Deutschmann says. "For example, we want the TÜV," the German vehicle inspection agency, "to be able to access this database so it can gather information on how to set up the brake system of a Kögel vehicle."

Creative ideas like these don't go unnoticed. The magazines CIO and Computerwoche (Computerweek) named Bodo Deutschmann the CIO of the Year 2008 in the midmarket category.



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## COMPANY

Kögel, based in Burtenbach near Ulm, is one of the leading manufacturers on the European commercial vehicle market. Since its formation in 1934, Kögel develops, produces and sells semi-trailers for general carriage of goods and vehicles for intermodal transport. With its brands Kögel foxx, Kögel MAXX and Kögel Phoenixx, the company in 2008 boasted sales of € 440 million. Apart from its headquarters in Burtenbach, Kögel's 1,500 employees produce roughly 30,000 vehicles per year at additional locations in Chocen (Czech Republic) and Stargard Szczecinski (Poland). With its sales locations "Kögel Trailer Points (KTP)" all over Europe, Kögel banks on customer proximity, a strategy that is further supported by a large area service network with over 600 partners in Europe.

## CIO

**Bodo Deutschmann**  
Head of IT/Organization  
Kögel Fahrzeugwerke GmbH: „Innovation is fostered by out-of-the-box thinking.”

