BMW 7-Series Project A Harvard Case Solution & Analysis

Question 1
- What does the current organizational structure look like with regard to new car development and launch quality?
- What should be done to improve launch quality?

Question 2
- What are your recommendations for getting BMW to create a program to improve launch quality?
- What should be done to register future development priorities?

Recommendations Regarding Future Development Projects
- Reduce development time by reusing existing designs
- Implement modular design for faster development
- Focus on reducing costs through process optimization

Limitations for recommendations
- Time constraints
- Budget limitations
- Internal politics

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1. Causes and consequences of BMW’s quality problems with newly launched products
   - What are the causes and consequences of BMW’s quality problems with newly launched products?
   - What should be done to improve launch quality?

2. Recommendations concerning the 7-Series prototypes
   - Recommendations for the future development projects
     - Strategic Objective Envisionment:
       - SO 1: streamlining and expediting end production/manufacturing
       - SO 2: decreasing development lead time
       - SO 3: decreasing latent/hidden/hidden (customer complaints per car)
     - Adopt concurrent engineering
     - Expend the relationship with the third party logistic.
     - Promoting the interaction and communication among departments and suppliers
     - Having specialists and experts participate in the production process
     - Manufacturing capacity versus
     - Cooperating with potential vendors, suppliers and universities.

3. Ways to improve its launch quality
   - Make sure performance meets customers’ expectations in all critical dimensions
   - Durability (life-span)
   - Reliability
   - Defects per unit
   - Scrap level

4. Recommendation Regarding Future Development Projects
   - What changes would you recommend in the way BMW develops its products?
   - What problems of newly launched products would you expect to improve as a result of these recommendations?

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Case Problems

- Low quality launch as compared to competitors => customer complaints
- Decisions over the Cockpit Design (i.e.: Hand Crafted vs. Automated Production)
- Ways to improve operation objectives (quality, flexibility)
Question 1

- What are the causes and consequences of BMW’s quality problems with newly launched products?
- What should be done to improve “launch quality”? 
1a. Causes and consequences of BMW’s quality problems with newly launched products
**Cause 1:** using different tools and materials in the prototyping process as compared to the production models

**Consequences:**
- Current results obtained from materials used in prototype testing may not conform with desired results in final production models

**Cause 2:** used part designer’s drawings and clay models rather than pre-production tools in the first prototyping stage for all parts

**Consequences:**
- Masked many design and manufacturing problems
- Lowers their opportunity to discover and fix quality problems
- Require more highly skilled craftsmen to take care of the hand-built prototype => labour cost and more time taken
1a. Causes and consequences of BMW’s quality problems with newly launched products
Limitations for recommendations

- The social awareness, high costs
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Challenges Ahead

- Difficulty in making radical changes to design
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Oops!

Warning