

Press release
May 19, 2025

Greater efficiency and productivity with artificial intelligence – generative AI in BMW Group Purchasing.

- The BMW Group takes digitalization efforts in Purchasing and the Supplier Network to the next level with generative AI.
- New intelligent multi-agent system BMW Group **AI**conic Agent for more efficient information procurement and optimized decision-making.

Munich. Digitalization is one of the strategic top priorities for the BMW Group's Purchasing and Supplier Network. The BMW Group pursues a specific focus on generative artificial intelligence (GenAI) to increase the efficiency and long-term viability of the Purchasing and Supplier Network. That's why the organization is accelerating its digital transformation, through developing innovative applications and strategic cooperation with the BMW Group's IT hub in Romania.

"At the BMW Group, we consider AI to be more than just a technological innovation. We see it as a key element of the digital transformation," emphasized Hendrik Lang, Senior Vice President Strategy, Digitalization and Sustainability, Purchasing and Supplier Network at BMW Group.

"Empowering our people to use AI technologies is our top priority," he added. A group-wide AI platform supports customized applications to optimize processes, increase efficiency and create innovative solutions. In these efforts, AI serves as a tool that completes certain tasks faster or automates subtasks, giving employees more freedom for creative and innovative thinking.

The BMW Group is building strategic AI expertise and developing specific AI applications for the Purchasing and Supplier Network at its IT hub in Romania. By the end of the year, the location will be home to a team of

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experts working on cutting-edge GenAI applications for internal processes worldwide. Founded in the thriving tech center of Cluj-Napoca in summer 2024 as a joint venture of the BMW Group and NTT DATA Romania, BMW TechWorks Romania is tasked with consistently expanding the BMW Group's Europe-based software expertise according to long-term demands. BMW TechWorks Romania is closely integrated into the BMW Group's global development and innovation landscape and benefits from Romania's robust IT and software industry.

BMW Group Purchasing is actively driving forward the development and implementation of internal AI applications. The initial GenAI tools – including Knowledge Navigator, Offer Analyst and Tender Assistant – were introduced in Purchasing as early as 2024. These applications serve as central knowledge databases that assist in the analysis and comparison of supplier offers as well as tender creation and management. For example, Offer Analyst can perform repetitive tasks and significantly reduce the time required for each offer.

In late 2024, the BMW Group also introduced a central AI access point for the Purchasing and Supplier Network: the BMW Group's **Alconic** agent system. This innovative AI solution transforms how teams search for and utilize information by combining cutting-edge natural language processing with intelligent algorithms. The multi-agent system ensures fast, precise data searches and customized processing results for individual users. Integrating different data sources guarantees comprehensive, targeted information retrieval that significantly outperforms previous search functions. With over 1,800 active users performing 10,000 searches, the AI solution has been

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exceptionally well-received in a short period of time, highlighting its value.

"Our multi-agent system **Alconic** significantly increases employee efficiency and productivity while setting new standards for AI usage," emphasized Markus Kronen, Head of GenAI in Purchasing and Supplier Network at the BMW Group.

The **Alconic** multi-agent system is continuously updated to meet the growing demands of the Purchasing and Supplier Network. A top priority is agentization, meaning **Alconic** will act not simply as a passive search tool but increasingly as a proactive one. The comprehensive agent system currently includes ten agents covering topics such as quality, purchasing and supplier data and purchasing process support. In the future, the application will perform certain tasks without human supervision, such as monitoring supply chain data, creating reports and identifying optimization potential. The next iteration will transform **Alconic** into an intelligent internal assistant that not only provides information, but also actively recommends actions and automates processes. To make the best use of AI solutions, the BMW Group provides digital training and special AI innovation spaces for employees at all levels. In doing so, employees acquire digital literacy and share their new skills throughout the organization. Clear governance provides a mandatory framework for training and implementing AI solutions, be it for internal applications or procuring external AI expertise.

Alconic is one of the first multi-agent use cases that the BMW Group has implemented on a central AI platform. It has been successfully established as a standard in the Purchasing division. The multi-agent system is based on the BMW Group AI Assistant, the central AI access point for the entire

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organization. As such, **Alconic** demonstrates how intelligent agent systems can be developed and deployed across the organization using the AI platform.

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The BMW Group

With its four brands BMW, MINI, Rolls-Royce and BMW Motorrad, the BMW Group is the world's leading premium manufacturer of automobiles and motorcycles and also provides premium financial services. The BMW Group production network comprises over 30 production sites worldwide; the company has a global sales network in more than 140 countries.

In 2024, the BMW Group sold over 2.45 million passenger vehicles and more than 210,000 motorcycles worldwide. The profit before tax in the financial year 2024 was € 11.0 billion on revenues amounting to € 142.4 billion. As of 31 December 2024, the BMW Group had a workforce of 159,104 employees.

The economic success of the BMW Group has always been based on long-term thinking and responsible action. Sustainability is a key element of the BMW Group's corporate strategy and covers all products from the supply chain and production to the end of their useful life.

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