



## Tyresoles Increases Productivity by 15%

*Expands Business*

### Overview

Country: India

Industry: Automobile

### Customer Profile

Tyresoles Group, a Mumbai based company is a major player in the retread tyres space. It sells retread tyres for auto rickshaws, cars, LCVs, trucks and tractors. The company has three factories, 250 employees and a turnover of Rs. 16 crores.

### Business Situation

Aggressive expansion and growth plans required an enterprise wide information technology solution. Also, the company wanted to lower its tyre rejection ratio to make the business more profitable. This required the organization to evaluate mid-market ERP solutions available.

### Solution

Tyresoles decided to implement Microsoft Business Solution - Navision which offered a cost effective solution that met all its business needs.

### Benefits

- Availability of real time information on stocks & production status
- Better control
- Improved customer satisfaction
- Eliminating human errors
- Low TCO
- Create a technology framework to support business

“We needed a connected, collaborative environment that would deliver information round the clock. With Microsoft Business Solutions - Navision we have been able to achieve this goal and expand our business.”

Karun Sanghi, Chief Executive Officer, Tyresoles

Tyresoles, a major player in retread tyre business in India with four factories and the head office in Mumbai. Competing against a large unorganized sector, Tyresoles wanted to expand its business to become a one-stop-shop for complete tyre solutions. To do so, the company needed to reduce tyre rejection ratio, a key performance measure. To minimize wastage and pilferage, the organization needed a solution that would effectively track production, despatch, inventory and sales.

Tyresoles decided to deploy Microsoft Business Solution - Navision to monitor and closely control the business.

Implemented by Navtech, a Microsoft Business Partner, in just under 15 months at all five locations, Tyresoles has reaped rich dividends. The manual system has been replaced by a completely online solution. Each tyre, its production date and batch; warranty and customer details are available online. With improved monitoring and control, Tyresoles is all set to expand its business and open new manufacturing plants.

"ERP solutions for the mid market are both too expensive and complex, or offer limited functionality. Microsoft Business Solutions-Navision has given us a highly customizable, easy to use solution at relatively lower costs.

Karun Sanghi, CEO  
Tyresoles

## Situation

Tyresoles Group is a major player in the retread tyre space. It has over 250 employees and four factories that retread tyres for auto rickshaws, cars, LCVs, trucks and tractors. Tyresoles turnover in 2003 – 04 was Rs. 16 crores (US \$ 3.55 Million). The only ISO Certified retreading unit in India, it has moulds to retread radial OTR tyres to Michelin specifications.

It has ongoing contracts with various government agencies such as the Indian Army, the BEST (Brihan Mumbai Electric Supply and Transport), Air India, Indian Airlines the BARC (Bhaba Atomic and Research Centre) and other Public and Corporate sectors.

All manufacturing activities of its factories in Belgaum, Silvassa and Goa are monitored from the Mumbai head quarters. The company had a basic IT solution using a FoxPro based accounting package to generate invoices and track receipts etc. The collation of inputs from all locations was done manually. Information was usually sent on a floppy disk which was then entered into the database.

To compete with the unorganized sector, Tyresoles needed to expand its network of factories. The head office in Mumbai used to rely on the manufacturing plants to provide accurate and timely information. This was not always possible as there were connectivity issues between the factories and head office. Also, the manual process led to inaccuracies. "Often this led to wrong forecasting or business commitments based on inaccurate information," explains Karun Sanghi, CEO, Tyresoles.

Apart from this, the management faced the challenge of remotely policing the sales and production team for accurate reporting.

Another impediment to growth was the high tyre rejection ratio, a key performance measure. This basically translates into higher costs, putting pressure on the margins.

To improve the overall business processes and increase profitability to support growth plans, Tyresoles decided to implement a technology solution.

## Solution

"We were too small to implement a large-scale ERP such as SAP, however, we did require a comprehensive business solution to manage our requirements," comments Karun Sanghi, CEO, Tyresoles.

While discussing requirements with Navtech, Tyresoles realized that Microsoft's Business Solution – Navision would meet its business requirements. "The relatively lower cost of acquisition, and Navtech's confidence of delivering the solution to meet all our business requirements, immediately gave us confidence in the solution," says Karun Sanghi, CEO, Tyresoles.

### Solution overview

The Microsoft Business Solutions – Navision was implemented at all 5 locations of Tyresoles. The financial accounting, sales, inventory, purchase, basic and advance dimensions were deployed.

Microsoft Business Solutions – Navision could meet unique requirements of the retread tyre business by implementing minor customizations.

The solution deployment across the five locations took approximately three months. This included the customization required by the customer. However, there was a connectivity issue which delayed the project completion. Tyresoles invested in VSAT connectivity for all locations. This would enable the management team at Mumbai to

## For More Information

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For more information about Tyresoles products and services, call +91 22-2578 4053/63 or visit the website at: <http://www.tyresoles.com/>

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For more information about Navtech products and services, call +91 91-9820100760 or email at: [navtech@vsnl.net](mailto:navtech@vsnl.net)

to

to improve productivity by

15%"

Karun Sanghi, CEO

Tyresoles

have snapshot views of all business needs 24 by 7. However, the VSAT connectivity took a few months to be set up and provide stable connectivity.

The solutions were run in parallel for only one month. The balance from the previous solution was brought forward into Microsoft Business Solutions – Navision, and hard copies of data from the old solution have been kept for reference.

## Benefits

Tyresoles business has dramatically improved with the availability of information, an online end-to-end solution.

### Real Time Information

This was a key objective that has been met. Tyresoles management wanted a snapshot view of outstanding payments, pending orders and factory capacity planning etc. With Microsoft Business Solution - Navision, the company is able to get the data and analyse it using the dimensions module's features. "We are able to monitor the performance, and react to trends more efficiently," comments Karun Sanghi, CEO, Tyresoles. The company has access to real time information on production status, inventory and sales from all its manufacturing facilities.

### Better Control

In the previous solution, Tyresoles was dependent on its manual system to track orders, items and warranties. This was a time consuming process and often led to inaccurate information dissemination. This has been completely eliminated from the organization.

Policing a staff of 250 people to ensure that there were no invoices or receipts that were incorrectly billed or under billed consumed a large part of the management's time and energy. With Microsoft Business Solution -

Navision, this has been completely eliminated.

### Improved Customer Satisfaction

Tyresoles has contracts with companies, PSUs and the Government agencies, apart from trucking companies. To meet its customers' orders, the company needed to plan its production capacity effectively, have a clear picture of the stocks and inventory. Armed with this information, the Tyresoles management is able to provide better service to its customers. This has led to a distinct improvement in customer satisfaction.

### Eliminating Human Errors

Tyresoles is able to track each tyre from the production batch to the customer along with its warranty details. These processes were run in semi-manual fashion earlier, which led to loss, pilferage, wrong billing or discounting. This has been eliminated. "We believe that we will see higher productivity and profitability with the implementation of Microsoft Business Solutions - Navision," claims Karun Sanghi, CEO, Tyresoles.

### Low Total Cost of Ownership

Our initial investments have been low because the solution acquisition cost was low. Also, since the front end is the familiar Office suite, it required limited training for our staff. "Another advantage that we see with this solution is the low maintenance requirements. Therefore, we believe this solution offers us the lowest TCO," explains Karun Sanghi, CEO, Tyresoles.

### A Technology Framework

Tyresoles now has a technology framework that can be used to add new functionality, use decision support tools or new applications.

## Future Plans

Tyresoles has been able to achieve all its objectives from the implementation of

Microsoft Business Solutions - Navision. "The success of this project has been very encouraging. In fact, we are looking at implementing new modules in Customer Relationship Management (CRM) to provide new value added services our customers," elaborates Mr. Karun Sanghi, CEO, Tyresoles.

The company also plans to add more users at the existing locations. Buoyed by the success, Tyresoles is expanding its network of manufacturing locations. With the help of Navtech, it can create the IT infrastructure at a new location almost instantly – in a matter of days. Microsoft Business Solutions - Navision has given Tyresoles the freedom to scale horizontally and vertically to support business growth.

#### About Navtech

Navtech is in the business of providing Integrated Business Solutions and Systems Consulting. It helps companies "Transform their business processes" to

including automobile dealership, automobile workshops, tyre-retreading, printing, financial services, real estate and transportation and logistics.

#### About Microsoft Business Solutions

Microsoft Business Solutions, a division of Microsoft, offers a wide range of integrated, end-to-end business applications and services designed to help small, mid market and corporate businesses become more connected with customers, employees, partners and suppliers. Microsoft Business Solutions' applications optimize strategic business processes across financial management, analytics, human resources management, project management, customer relationship management, field service management, supply chain management, e-commerce, manufacturing and retail management. More information about Microsoft Business Solutions can be found at [www.navision.co.in](http://www.navision.co.in) or <http://www.microsoft.com/BusinessSolutions>

#### Software

- Windows Server 2000
- Microsoft Business Solutions Financial Management
  - General Ledger
  - Purchases & Payables
  - Sales & Receivables
  - Inventory Management
  - Basic and Advanced Dimensions

#### Hardware

- Dell Server
- Pentium II, Pentium III and Pentium IV
- HP Tape Backup drive

enable them to leverage opportunities in their industry quickly and efficiently.

Navtech, a Microsoft Business Solutions Partner, offers innovative solutions can transform business. As an end to end business solution it offers an affordable, easy to use, fast to implement and customized solutions. It focuses on industries verticals

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