



BARRON'S WHOLESALE TIRE

SAP® BUSINESS ONE POWERS TIRE DISTRIBUTOR'S BUSINESS PARTNER NETWORK

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Richard Barron, Vice President and Chief Operating Officer, Barron's Wholesale Tire Inc.

QUICK FACTS

Company

- Name: Barron's Wholesale Tire Inc.
- Headquarters: Jacksonville, Florida
- Industry: Wholesale distribution
- Products and services: Vehicle tires
- Employees: 150
- Web site: www.barrontire.com
- Implementation partner: Effective Computer Solutions (Jacksonville, Florida)

Challenges and Opportunities

- Link tightly with customers and vendors in business partner network
- Get sales reps comprehensive, real-time information to strengthen customer interactions
- Provide management with real-time information and “what-if” analysis tools for better planning

Objectives

Quickly install flexible core business software to adapt to constantly changing needs

SAP® Solutions and Services

- SAP® Business One application
- SAP Crystal Reports® family of offerings
- SAP Crystal Reports Server software

Implementation Highlights

- Rapid – 90 days
- Creation of networked links to business partners

Why SAP

- Lower licensing costs
- Good fit with vendors' software solutions
- Fast ROI (2 years projected)

Benefits

- Gained ability to link closely with business partners
- Achieved capability to tailor programs to customer needs
- Provided sales force with enhanced tools and information
- Gave executive management real-time access to current business information
- Laid the groundwork for continuous change and business expansion

Existing Environment

Infor software

Third-Party Integration

- Database: Microsoft Windows SQL Server
- Hardware: IBM blade server
- Operating system: Microsoft Windows

Barron's Wholesale Tire Inc. used the SAP® Business One application to transform an ordinary business – tire distribution – into an extraordinary business partner network embracing customers and suppliers. One of the largest used-car dealers in the United States uses mobile handhelds on its car lots to assess tire requirements and transmit orders wirelessly to Barron's SAP Business One application. Barron's itself links to supplier Web sites and databases to monitor inventory availability for its own tire needs.

Internally, the company uses SAP Business One to dynamically adjust pricing online every two hours for 9,000 items across an 8,500-customer ecosystem. This enables it to quickly publicize sales when discount opportunities arise and to sustain razor-thin margins under constant attack by rapidly fluctuating prices for raw material, ocean freight, and fuel.

Everything at the company is built for speed. Barron's customers are small retail centers that order in response to immediate customer demand. Some 65% of orders come in through Barron's e-commerce site. The company's customer service center is staffed by 15 people who process 1,200 orders daily; 90% of the orders have only one to three line items. Barron's Wholesale Tires deploys 90 trucks out of 10 distribution points to ensure delivery in one to three hours.

"We are a wholesale distributor with a focus on customer service," says Richard Barron, vice president and chief operating officer at Jacksonville, Florida-based Barron's Wholesale Tire. "Our tagline is, 'Large enough

to serve you but small enough to know you.' We sell every type of tire except airplane tires – everything from tires for an Aston Martin to a John Deere lawnmower. We get involved in our customers' businesses and help them grow. We're not just a one-stop shop to grab products; we create individualized programs for customers. That's a key reason why we use SAP Business One."

Another key reason was the future – which, says Barron, is now. "Our industry has changed very rapidly. We constantly had to adjust to our older system, because it couldn't adjust to our needs. Our business is going mobile and online; SAP has the best interface to address these trends," he says, then adds, "SAP understands how software should adapt to your business – not the other way around."

Flexibility for the Future

When Barron says the future is now, he means it. "Even small companies need networked collaboration with their business partners," he comments. Multiple suppliers are establishing fully integrated

top-to-bottom distribution models, where every time Barron's delivers a tire, the vendors will have access to that information so their factories can put through a replenishment order.

"Within the last two years, these kinds of partnerships have exploded," Barron says. "If you're not able to adapt to the business structures manufacturers demand, they'll pass you right by. We're not sure what the business model is going to be over the next five years. But with SAP Business One, we feel that we're able to adapt to whatever comes our way."

Not that Barron is totally future oriented – he also wants fast payback. He got that with the SAP software. "With SAP Business One, we have much more functional capability at a licensing cost that is less than our previous system. We expect a return on investment in two years."

Core Excellence and Enhanced Flexibility

The company's legacy solution, on the other hand, was a drain on cash. Says Barron, "Support was expensive and the software was inflexible. Our customer service representatives couldn't see an image of an item when they pulled up product data; they also couldn't sort by price, availability, or warranty."

That led Barron's to SAP Business One. "The SAP software provided a core business management package that we could flexibly configure to address standard and changing business needs," Barron says. "And I liked



SAP's direction. It had its eye on the ball for what we were looking to do, especially in top-to-bottom integrated distribution networks."

Barron's Wholesale Tires was also attuned to the fact that 70% of its suppliers use SAP software. "We feel this gives us a competitive edge," Barron says. "Our vendors know it will be very easy to plug into our software. SAP Business One lends us more credibility with our vendors."

The company's auditors feel the same way. "When we let our auditing group know that we were going with SAP software, they were ecstatic," Barron says.

Full Functionality, Affordable Package

SAP Business One integrates a company's core business processes – including financials, sales, customer relationship management, inventory management, and controlling – in a single, affordable application. Barron's worked with Effective Computer Solutions to roll out the software in 90 days.

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"Effective Computer Solutions understood our business, right down to the finer details," Barron says. "Its consultants did a phenomenal job of deter-

mining what it was we were trying to accomplish; then they configured the software to work that way. We're not a company that's big on changing software if we don't have to. But there are certain modifications you have to make that are specific to your business."

The implementation team deployed the standard, best practices-based functionality for the bulk of the rollout, but configured a few key processes, including dynamic pricing and remote ordering for a national car dealership. Effective Computer Solutions used the iBOLT business integration suite from Magic Software Enterprises Ltd. (Or-Yehuda, Israel) to create real-time workflows that connect the business information between these systems and SAP Business One.

Full Enterprise Functionality

Barron's Wholesale Tire now uses SAP Business One across the company. "We use functionality for material requirements planning to determine what we need to order," Barron says. "We then use SAP Business One to place the purchase orders, track the incoming

tires in the warehouses, and process and support delivery of customer orders. The software enables us to manage all the 'in and out' – bringing product in,

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pushing product out – seamlessly and flawlessly, as well as financial accounting tasks."

The company's employees like the user-friendly interface. "We have a lot of young people working in customer service," Barron says. "When they saw the software's graphical user interface and point-and-click capabilities, they were pleased. They adapted to the application pretty quickly. Training time was minimal."

The wholesaler also uses SAP software for sales analysis. "With our old system, it was difficult to track which tires customers were buying," Barron says. "We now use the SAP Crystal Reports® family of offerings to write reports that give sales reps visibility into these details."

The sales people are psyched. "We had a recent sales meeting with representatives from across the southeastern United State and from Chicago," Barron says. "Everybody was excited about the fact that we're going to have powerful reports to help them make good business decisions."

Fast Access to Real-Time Information

Barron himself is now getting financial information more quickly. "Using SAP Business One, I can generate a financial statement in five minutes," he says. "Before, I would have had to go to my accounting department; it would export the information or document to another format and then make some customizations. The entire process would take

two to three hours. But the SAP Business One information is 'live.'"

That's crucial to a business with tight margins. "We have to perfectly balance our costs and the prices at which we sell our tires," Barron says. "If we're off on just one price, that single stock-keeping unit can mess up our business. With SAP Business One, the data is real time and it is correct. This helps us set the right pricing to ensure our margins."

Barron's next plans to do "what-if" simulations to improve business planning and is looking at the SAP BusinessObjects™ Xcelsius® Enterprise software. "This would allow us to drag and drop data on the fly to evaluate, for example, whether we should be doing business with a particular vendor or

Even More Support for Sales Reps

Barron's also wants to use the functionality for customer relationship management within SAP Business One to give its sales reps even more capabilities. "Our outside sales reps carry iPhones, and they're looking forward to functionality that will support them when they are in the field," Barron says. "SAP Business One will let them maintain and easily pull up comprehensive customer profiles, so when they go to the customer's place of business, they can walk in fully prepared."

Mobile access to information is just one example of the freedom the company feels with SAP Business One. "We now have unlimited capabilities, in terms of our IT infrastructure, to do anything we need to do for our customers,

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customer," Barron says. "The ability to see beforehand what the business will look like is the kind of intelligence I need to make good business decisions."

vendors, or internal personnel," Barron says. "Before, we sometimes had to decline opportunities because we couldn't find a plausible way to do what the customer wanted. We don't have any limits now moving forward. That's what we're interested in from software – don't put handcuffs on us. Using SAP Business One, we are extremely flexible."



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