

IT comes out of the back office and into the Boardroom

After years spent languishing in the backwaters of business priorities, IT is making a firm push for the Boardroom.

Greater recognition of the central role information communication technology (ICT) now plays in running a successful business means that it has moved up the agenda when it comes to corporate decision making. According to Mike Allen, managing director of Cam Systems, tyre retailers and wholesalers have come to rely on IT to improve their competitiveness in many areas of business. "IT used to be seen as a point of sale computer system that was only understood by the geeky kid in head office, but that view has changed substantially. Sophisticated software now runs many tyre business functions and the arrival of broadband internet means that any business can trade online or use the web to promote itself to customers," says Mike.

Good IT systems have increased competitiveness within the tyre industry, meaning companies that still rely on manual operations or historic data are increasingly lagging behind their more IT-literate competitors.

In years gone by, being competitive meant having the right stock and selling it at the right price to make a margin. Today, the proliferation of tyre sizes, brands and speed ratings means there are up to 15,000 options available in the UK market, which make it impossible for any retailer to keep a comprehensive tyre inventory.

But by working with wholesalers and using online 'virtual warehouse' systems like Cam's MIDaS programme, retailers can minimise stock holding in the knowledge that they can still meet most customer orders via online ordering and multi-day deliveries from their wholesale partners.

Working on the principle that 'knowledge is king', business owners and managers can now monitor their sales and profit

performance on an hourly basis if they so wish. This gives the flexibility of making adjustments or spotting problems in real time, rather than having to wait for the day or week-end figures. This ability can make a huge difference to the financial performance of a business and it can only be achieved through intelligent use of information and data.

By producing facts and figures rapidly and to a high degree of accuracy, IT frees up staff time to concentrate on other tasks, improving productivity and broadening the scope of employees' skills and experiences. Mike Allen believes that the correct application of IT can also make independent businesses highly competitive with national operations, despite their relative lack of resources and weaker buying power.

"Independents have always been more in tune with their local markets, but clever use of IT also works to their advantage when it comes to sourcing product quickly, monitoring prices and generally keeping ahead of national operations, which are usually constrained by head office policies," he says.

IT also has a major role to play in marketing and potentially, selling to end users. The booming popularity of online shopping and web browsing in the UK makes it essential for tyre businesses to at least have an online presence, through a company website that can promote services and offers in a highly cost effective way.

Several companies have also ventured into B-to-C tyre sales through web-based operations. While the market opportunity looks exciting, the jury is generally regarded as still being out on the future viability of this sector. But what cannot be questioned is that consumers will use the net to gather information before making a purchase, hence the need for companies to have their own web presence.



Mike Allen is managing director of Cam Systems, the UK's leading supplier of bespoke tyre industry software and IT solutions.

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