

CASE STUDY #2

From Start-up to Billion Dollar Tire Distributor



PROMETHEAN™
SOFTWARE SERVICES

The Situation:

In 1999, this small but growing OEM and after-market tire distributor entered the new millennium having just secured and deployed Promethean Software Services' Managed B2Bi Services solution. The idea for them was simple, they needed all hands on deck to be focused on developing the core ERP systems required to service a highly competitive industry while incorporating their unique methodologies. Therefore, there would be no room or desire for them to spend time, energy and resources developing, staffing and maintaining an internal EDI system at the same time. Like many small companies, the managed solution would satisfy their immediate needs and buy them the time needed before they could justify, build, staff and manage their own B2Bi platform.

Fast forward to 2017 and we find this same tire distributor, who in 1999 generated less than 50 million dollars in sales, now generating well over 1 billion in sales annually. And yes, though the justifications have changed significantly, they are still making use of Promethean's Managed B2Bi Service solution. Where they once believed a managed service was a stop gap until they had enough resources to do it themselves they now believe it is a strategic, competitive and economic advantage despite having an IT group with a technical staff of well over 100 highly skilled people. For them, the Managed B2Bi Service solution Promethean offers allows them to continually keep their resources focused despite knowing they have all the capability, knowledge and wherewithal to do it all for themselves.

The irony here is the same solution that made the most sense in 1999, for a small enterprising company with an IT staff of less than a half dozen people, is still the best solution for an industry leading billion dollar enterprise with an IT staff of well over 100 highly skilled individuals. Why?

The Why?

In 1999 there were few collaborations, connections and trading partners. Not enough to justify the capital expenditure or the recruitment, staffing or re-deployment of people. At a fraction of the cost this Tire Distributor was able to gain access to a shared plug-and-play data transformation platform with on-demand skilled staff and network connections at the ready. With little effort they were connected and exchanging documents electronically. Over time, they learned that the vast majority of B2Bi is fairly static and any system they developed would be simply a smaller and less flexible system than the one available to them as a managed service. The prevailing sentiment returned to Promethean by this client and many more of our clients is the senseless compulsion to re-invent the wheel.

The flexibility a well-positioned managed B2Bi solution offers also increases as one grows from small to intermediate to mid-size to large. As our Tire Distributor got bigger, more technically capable and their staff and resources grew, they began to look at maximizing collaborations, connections, trading partners and data transformation requests using all the options available. When an intricate or uniquely complicated data integration requirement presented itself they immediately evaluate the best course of action factoring in resource load, cost and risk. The best approach using the choices available internally and the managed services available externally are quickly determined.

In addition, these large enterprises, like this Tire Distributor client, recognize the drain on resources are not just limited to the time it takes to complete projects. It is the time it takes to diagnose, communicate and resolve issues on an ongoing basis and the risk of that burden bleeding back into normal daily activities and disrupting staff and other core initiatives. Keeping in mind that incidents and maintenance requirements can arise at any time during the day or night.

For instance, Promethean executes and monitors well over 100,000 connections on behalf of this Tire Distributor client each month. Promethean is proud of the fact that 99.9998% of those connections transpire without incident. However, because the numbers are so large this still means that there are an average of 17 incidents per month. Though their systems are configured to self-correct, virtually all of these incidents and alerts must still be personally reviewed to ensure the incident has been resolved accurately and timely.

With over 100,000 connections per month these 17 incident per month occur in the middle of the night, middle of the day, middle of the weekend, middle of holidays and just as inconvenient during the middle of other vital projects. In any case, the Tire Distributor client does not like the idea of burdening their staff with additional after-hours support that may cost them a day of work or derail them from vital projects and deadlines.

The strategic, competitive and economic advantages of incorporating a comprehensive Managed B2Bi Service solution are available for all companies, in all industries and for all sizes of organizations. Promethean's experience dictates the smaller the organization the more difficult it is for them to experience all three advantages. Clearly, the biggest advantage to them is usually cost savings and expediency of meeting customer requirements. The fact is, as companies progress from intermediate to mid-size the strategic, competitive and economic advantages available to the large companies are also immediately available to them as well. Which is why Promethean has seen many of our clients not only embrace but, rely more and more on our managed B2Bi Service solution as they grow from small to medium to large.

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