



eXensys Micro Vertical Solution

Micro-Vertical – Tyres, tubes & treads

Agenda

Industry Overview

Industry Characteristics

Key Processes 'n' Challenges

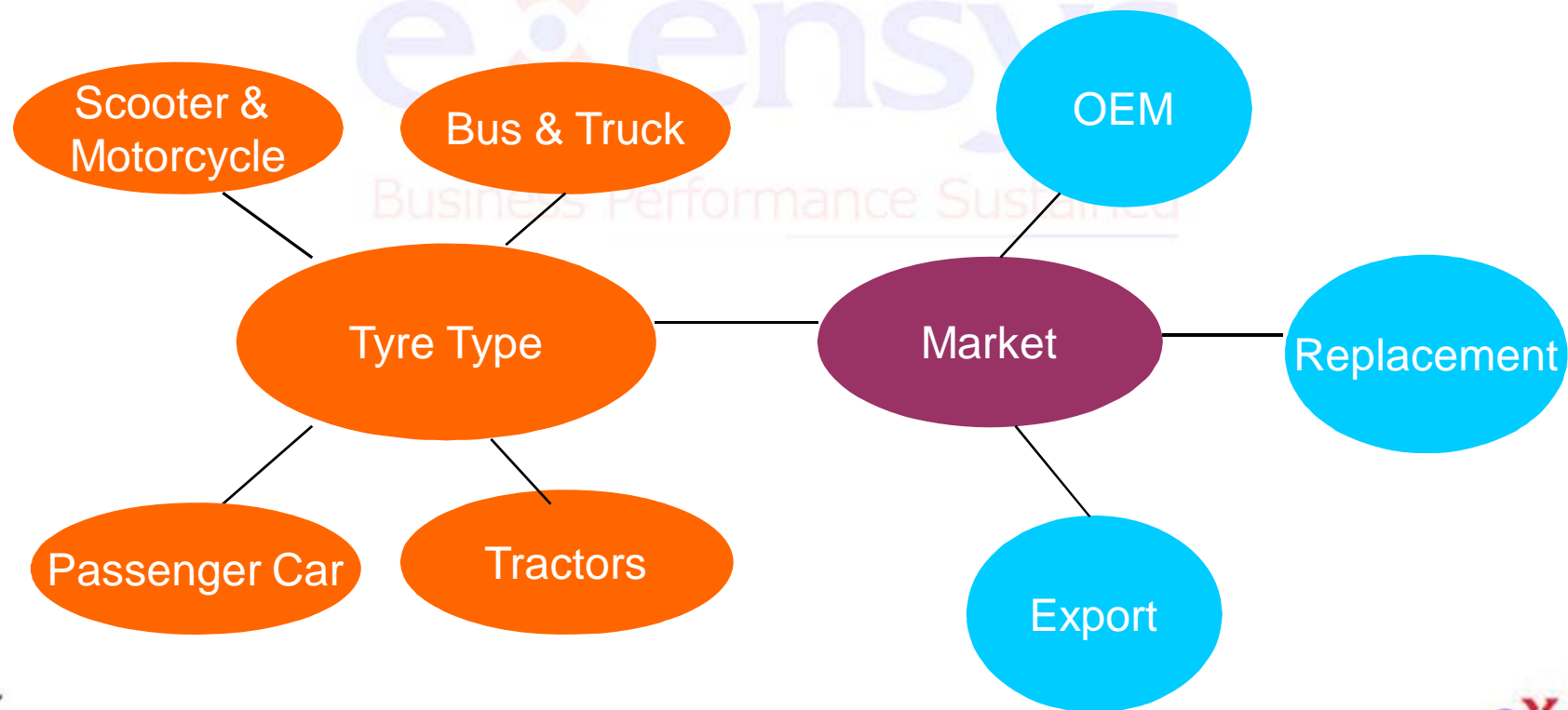
eXensys Best Practices



Industry Overview

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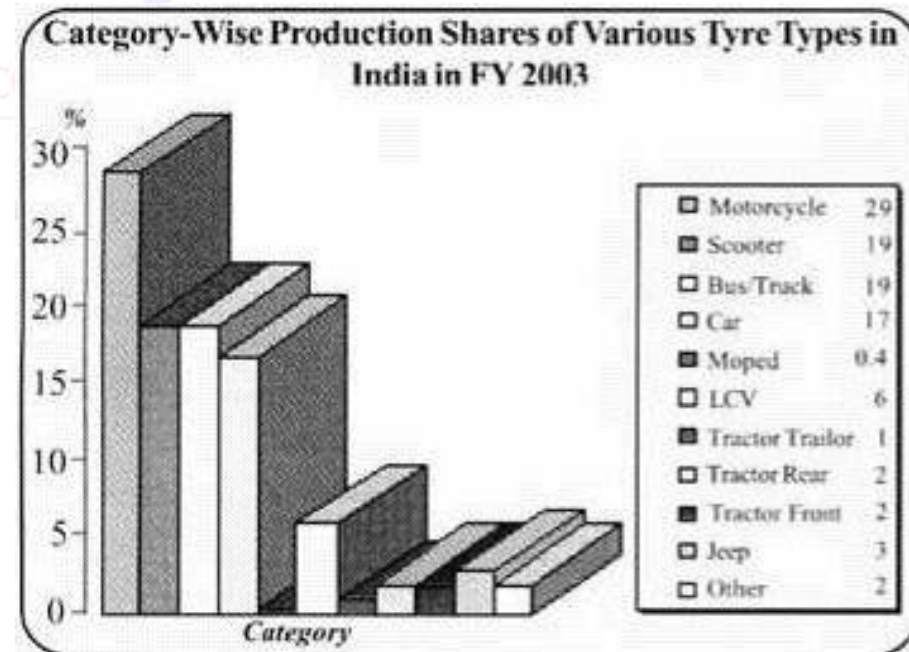
The entry barriers are high for the tyre industry. It is a highly capital intensive industry. A plant with an annual capacity of 1.5 million cross-ply tyres costs between Rs. 4,000 and Rs. 5,000 million. A similar plant producing radial tyres costs Rs. 8,000 million. are separated using a variety of techniques. Transportation industry and tyre industry go hand in hand as the two are interdependent. Transportation industry has experienced 10% growth rate year after year with an absolute level of 870 billion ton freight. With an extensive road network of 3.2 million km, road accounts for over 85% of all freight movement in India.



Industry Characteristic

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- Indian Tyre Industry to Register a Growth of 9-10% in the Next 5 Years
- Tyre industry is characterized by its raw material intensity (raw material cost account for approximately 70% of operating income), capital intensity, cyclical, fierce competition among the top players, low bargaining power and resulting low margins.
- The top players are now focusing on branding their products and strengthening their distribution network so as to increase their market share
- The industry derives its demand from the automobile Industry
- While OEM market off take is dependent on the new vehicle sales, replacement market demand depends on the total population of vehicles on road, road conditions, vehicle scrapping rules, overloading norms for trucks, average life of tyres and prevalence Of tyre retreading



Key Processes 'n' Challenges

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Key Processes

- Demand and Supply planning across various locations
- Process Parameter and Control
- HR/Payroll
- Quality Control
- Inventory and Logistics
- Financial Accounting and Controlling
- Plant Maintenance

Challenges\Pain Areas

- Centralization of Distributed network
- Standardization of business processes across various locations
- Little flexibility in scheduling
- Handling Customer complaints
- Huge volume of invoices, its reconciliation with deliveries
- Losing money due to constant purchasing oversights and no reliable pricing structure

eXensys Best Practices

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S.No	Pain Areas	Why do companies fail?	eXensys Best Practice
1.	Centralization of Distributed network	Sudden changes in market condition forcing the user to find new distribution channel thus creating problem in increasing order-to-shipping time	Centralized planning to consolidate the demands at a single point for better demand and supply planning
2.	Standardization of business processes across various locations	Every plant has its own systems, platforms and	Streamlined transaction systems across plants
3.	Little flexibility in scheduling Huge volume of invoices, its reconciliation with deliveries	<ul style="list-style-type: none"> ➤ Not allowing to determine where potential problem existed and to create corrective solutions on the production line before slowdowns occurs ➤ Lack of integration between Finance and other departments 	<ul style="list-style-type: none"> ✓ RCCP and CRP helps in making visible the bottleneck resources which allows flexibility in Planning and scheduling ✓ Real-time update of accounts and other key processes on invoicing, returns etc
4.	Losing money due to constant purchasing oversights and no reliable pricing structure	Unable to select the suitable quotation in terms of price, payment terms, delivery terms etc	Better analysis of the vendor through Quotation evaluation and Quotation comparison

