

TATA Motors

TATA Motors is India's foremost, and the only fully integrated automobile manufacturer. Established in 1945 as TATA Engineering & Locomotive Company (TELCO), to manufacture locomotives and other engineering products, the company is today among the world's top 10 producers of commercial vehicles. TATA Motors was also previously known as TATA Engineering. It is today one of the biggest and most prominent companies in the TATA group, with an annual revenue of \$1.8 billion in 2001-02. Today TATA motors' vehicles run in more than 70 countries.

TATA Motors use a manual dealer management system, where every dealer managed details. With legacy-based systems, the environment produced inconsistent data, making interpretations difficult and resulting in inefficient planning for capacity and spare parts. The basic challenge was to provide a Dealer Management System (DMS) solution. All in all, TATA Motors required a standardized solution that would provide them with: Increase in sales and profitability by easy management. Improved accuracy of dealer-captured information. Collaboration between vehicle manufacturers and dealers. A strong feedback mechanism and interface for communicating with customers.

India's largest and only fully integrated auto maker, and Siebel Systems, Inc. (NASDAQ: SEBL), a leading provider of business applications software, Tata has deployed Siebel Automotive, a customer relationship management (CRM) solution, to enhance customer service, strengthen dealer relationships, and improve operational efficiency and effectiveness.

According to K. R. Sreenivasan, head, CRM and dealer management system, Tata Motors, "Within the first year of implementing the Siebel's solutions, we have seen improvements in customer satisfaction, revenue and operating cost reductions through productivity improvements, and these benefits are expected to increase further over time. This is helping us become truly customer-centric, since we can draw upon real-time, centralized customer and vehicle data and respond better to our customer and dealer needs."

Tata Motors, a flagship company of the Tata Group, is the world's fifth-largest medium and heavy commercial vehicle manufacturer and produces more than 150 commercial vehicle models with a range of light, medium, to heavy-duty trucks, buses, and tractor-trailers with revenues exceeding \$3.5 billion and is the second-largest player in the domestic passenger car market in India. The company works through a network of dealers located across the country to sell its vehicles. In recent years, this number has expanded by 50 per cent to its current pool of 250 dealer organizations.

The Siebel CRM solution will enable Tata Motors to gather feedback on products to improve design or manufacturing quality as well as measure the effectiveness of marketing campaigns and programs. The automaker selected Siebel Automotive because of its partner management capabilities to handle its large dealer network, the solution's zero-footprint web-based architecture and user-friendly interface-critical to support thousands of salespeople with various skill levels.

Tata Motors is currently in the first part of a three-phase deployment. Once the current phase is completed, the company plans to deploy marketing, call centre, business analytics, and captive finance modules. This will allow Tata Motors to better understand customer needs and requirements, improve its responsiveness to service requests and problem resolution, initiate more proactive contacts with customers, add support for new products and services, and streamline dealer financing processes. The ease of integration between CRM solution and Tata Motors' dealer management and ERP systems was also a critical factor in the company's decision process. The company says that Tata Motors has already seen improvements in a number of areas, including:

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- Improved demand forecasting, planning, logistics management, and inventory management
- Overall reduction in quality-related costs due to faster product performance feedback
- Improved workflow and escalation of customer grievances for faster resolution
- Increased revenue growth from both higher vehicle sales and a rise in the company's after-sales parts business

Ultimately, Tata Motors intends to create an open portal for customer self-service, enabling car buyers to manage product configuration and place orders online.

“The cyclical nature of automotive demand, together with competition from new entrants in the market, has made it difficult for automotive companies to achieve their growth and globalization goals,” says John Gray, general manager, Automotive, Siebel Systems. “By enabling Tata Motors to manage, synchronize, and coordinate interactions with its dealers and customers, Siebel Automotive provides the company with an ideal platform for getting closer to its customers while strengthening its position as a world-class automotive brand,” adds.

Siebel Automotive, a comprehensive suite of business applications, provides a single, 360-degree view of the customer to all who need it; facilitates coordination between Tata and its dealers; and enables Tata to track each vehicle throughout its life cycle. Siebel Automotive has been closely integrated with a wide array of back-office applications, including applications for inventory management, fulfillment, and parts location. Pricing and tax calculations can be adjusted for each dealer's requirements. In addition, comprehensive sales and reporting functionality built into Siebel Automotive enables Tata to distribute sales targets to its dealers and roll up sales numbers across the country.

Siebel, incidentally, pioneered the industry-specific application model and today delivers 23 industry applications and more than 100 industry-specific solution sets. These solutions, which include Siebel Automotive, enable companies to establish a single, enterprise-wide view of their customers and execute key customer-facing business processes more efficiently and effectively.

Questions:

1. “The most important point in selecting any software is the expected cost and benefits which one derives from it but, it is easy to quantify cost but hard to calculate benefits”. Explain this in the case of Tata motors.
2. Explain the role Siebel play in the success of Tata motors?
3. “Effective and efficient communication is most important in the success of information system”. Explain how 360 degree view of the customer increase efficiency of Tata motors?
4. “Control of MIS is difficult if you outsource your information system to the vendor”. Do you agree? Why or why not?

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