



# IT Upgrade Helps Automotive Firm to Restructure and Overcome the Economic Downturn

The effects of the global financial crisis that hit Greece in 2008 made a severe blow to the business of Saracakis, a group which imports, distributes and sells cars and other machinery from over 20 major brands. When sales plummeted it launched a long-planned IT upgrade, involving Microsoft Dynamics AX and Annata Dynamics IDMS solutions, which integrated its diverse operations, reduced costs and underpinned a restructuring needed to overcome the economic downturn.

## Results

- Improved business processes
- Support for restructuring
- Accelerated information flow with dealers
- Enhanced business intelligence

## Industry

Retail and Consumer Goods – Specialty Retail

## Country or Region

Greece

## Customer Size

350 employees

## Number of Users

210 users

## Connect with Saracakis



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Stamatis Chondroudakis, Information Services Manager, Saracakis

Even with its long-established and respected business of importing and distributing cars and machinery made by Honda, Mitsubishi, Volvo, FIAT and other renowned companies, Saracakis was not immune to the severe financial crisis that had begun to sweep through Greece in 2008.

The company quickly saw the entire car sales in Greece plummet by 70%, from 270,000 to 55,000 annually. Sales of machinery, such as construction equipment, fork-lift trucks and generators, also fell rapidly. "We had a total collapse in the automotive market in Greece," recalls Stamatis Chondroudakis, the Information Services Manager of Saracakis. Business in Cyprus and Bulgaria, where Saracakis also operates, was also hit by recession.

To survive this serious blow to the core of the business, the company decided to start restructuring in November 2010 by reorganizing more than 10 businesses dedicated to particular car or equipment brands, with the aim to form smaller units dealing with ranges of products. It has also decided to enrich its portfolio and increase competitiveness in insurance, tires and vehicle paint sector. However, in the four years from 2008, it had to cut its workforce of 750 by more than half.

## Consolidation of Various Systems

The main management and IT challenge was that Saracakis operated 12 software solutions on three platforms, with separate systems for many divisions, for example sales and distribution, which required extensive IT support. "When we had different systems and different suppliers the cost was really high," says Chondroudakis. This was the primary reason why Saracakis decided to overhaul its IT in 2009.

Local solution suppliers were seen as inadequate to support the requirements of such a large business, so this left Saracakis with a choice between large automotive-system specialists SAP and Microsoft Dynamics AX complemented with Annata Dynamics IDMS, which produces dedicated systems for fleet operations.

After calling in Dynamic Integrated Solutions (DIS), a Microsoft Gold Certified Partner with ERP specialization, Saracakis carried out six months of research and trials, including the ones among the software firms' customers, before opting for Microsoft Dynamics AX 2009 and Annata Dynamics IDMS, along with investments in IT infrastructure, such as on-premise HP Blade servers required for the ERP solution.

### **Support for Restructuring**

The complex mix of products and procedures in Saracakis led to a project team of nine from its IT department and up to 25 people from around Saracakis taking part in workshops to define the group's workflows. "You need the early involvement of the people who will eventually be using new tools if you want to avoid difficulties later," says Chondroudakis.

Introduction of the software began in the most important part of Saracakis, the import and distribution operation division, primarily to improve links with suppliers and vendors. After five months the implementation was rescheduled to reflect a new Saracakis management decision to merge its import businesses into one.

The complexity of Saracakis, with 250,000 m2 of premises throughout Greece and operations in Cyprus and Bulgaria, presented some implementation challenges, resulting in some minor customization of the Dynamics AX and Annata, initially led by D.I.S. "Generally, it's easy to customize procedures in the new solution, and we have managed to do it ourselves once we built up our knowledge with the system," explains Chondroudakis.

### **Accelerated Information Flows with Dealers**

"Generally we are very happy, and we have improved a lot of procedures. One of the most important improvements was to the communications between dealers and Saracakis, previously done only by telephone," says Chondroudakis. "We now have the option to share more of the information with our dealers, and they have online information about orders, stock... everything they need to know about the business," he adds.

In particular, the customer relationship management (CRM) gives dealers access for the first time to all the historical information about warranty claims by customers, which is a very critical process. "The overall CRM benefit is clear – the final customers are now served much more quickly," concludes Chondroudakis.

### **Enhanced Business Intelligence**

Saracakis is seeing strong business intelligence benefits throughout its operations. "A lot of our business units are very satisfied. They can do many analysis now, and we can help them in a lot of ways," says

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Chondroudakis. Decision-making is easier and faster now, he adds: "The new solutions are improving the way they are doing business."

Overall, Saracakis has reaped large financial benefits from the project investment. "We have managed to achieve a very big cost-saving with the implementation of this new solution. One of the savings is that the company has been able to reduce the IT team because IT maintenance is easier overall," says Chondroudakis.

Yet Saracakis has not finished its investment cycle in IT. For example, it intended to deploy the Microsoft Azure cloud platform starting at the end of 2013, which will be used to improve business analysis. Also, management of warehouse stocks is expected to benefit from allowing information to flow from car dealers to importers, since information had flowed only in the opposite direction so far.

## Next Steps

- [Connect with Microsoft Dynamics](#)
- [Become a Dynamic Business](#)
- [Learn about partner solutions available in the Microsoft Dynamics Marketplace](#)

For more information about Microsoft Dynamics, go to:  
[www.microsoft.com/dynamics](http://www.microsoft.com/dynamics)

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