TBC Corporation transforms the customer experience

A technology platform from IBM helps boost retail sales by 10 percent to 15 percent

Founded in 1956, TBC Corporation is one of the largest vertically integrated sellers of tires for the automotive replacement market. A wholly owned subsidiary of Sumitomo Corporation in Japan, TBC is better known by the brands it owns, including Midas, National Tire & Battery (NTB), Tire Kingdom, Merchants Tire and Big O Tires. TBC markets on a wholesale basis to regional tire chains and distributors serving independent tire dealers throughout the United States, Canada and Mexico.

Launching a major transformation initiative

TBC was undergoing a major transformation. About five years ago, the company shifted its focus from tire sales to a broader range of automotive services for its customers. According to Stephen R. Smith, senior vice president and chief information officer at TBC, “We wanted to go ahead and move from tires to service; we wanted to develop new revenue streams and new business opportunities on the Internet; we wanted to optimize our supply chain and consolidate all of our legacy systems; and then finally, we wanted to leverage technology for innovation, growth and productivity.”

But to make these changes, TBC also needed to update its supporting technology. After analyzing its infrastructure, the organization found it had five ERP systems that it wanted to consolidate into one enterprise-wide system. TBC also wanted to deploy a new point-of-sale (POS) system into all of its retail locations. Ultimately, the company sought to bring excellent customer service to the automotive industry. “We wanted to create this air of transparency, trust and confidence in our automotive services and our products,” says Smith. “And so to do that, we had to create technology platforms that allowed for that transparency and that trust building.”
To support this transformation, TBC needed to establish a strategic technology roadmap. The organization examined solutions from several vendors, choosing a best-of-breed model rather than a single provider. “Not only did we want to bring new technology to bear that would allow us to deploy new consumer-facing applications and services and technology but also to rapidly integrate acquisitions or partner with other companies,” says Smith.

**Working with IBM on epic data, cloud and mobile solutions**

TBC worked with IBM Software Services for WebSphere to create a service-oriented architecture (SOA) to support solutions for data collection and analytics, the cloud, and mobility.

The SOA is composed of IBM WebSphere Message Broker software and IBM WebSphere DataPower® XI50 and XI52 appliances. The SOA can enable TBC to make new applications and services available to its stores through several channels. For example, the company’s POS system, business-to-consumer (B2C) platform and business-to-business (B2B) platform will ultimately be available as Software as a Service (SaaS) applications based on the company’s private cloud. TBC plans to build on the solution and expand use of its cloud in the future. TBC also runs IBM WebSphere eXtreme Scale software to improve the availability and scalability of the services exposed through the SOA. “So that’s where that technology allows us to be extremely broad, extensible and highly connected,” says Smith.

TBC ultimately plans to expand the POS solution to include IBM WebSphere Operational Decision Management software, which will provide business rules to create a guided selling process for employees, helping them ask appropriate questions based on the customer’s sales and service history to help identify up-sell and cross-sell opportunities. For example, if the history shows that the customer’s tires are high-performance, which tend to wear out quickly, and are more than three years old, the system will prompt the employee to suggest tire replacement.

Software Services for WebSphere worked side by side with TBC to innovatively construct and deliver the solution. Not only did TBC achieve a quick time to market, but the company also received critical knowledge transfer and began a long-term relationship with IBM lab experts for continued success. “These individuals brought talent and skill sets that there is no way we could have acquired independently,” says Smith.
TBC achieved immediate returns from the IBM solution. The company realized a 70 percent savings in technology costs by creating the platform using IBM software. With the SOA in place, TBC can reuse services, enabling it to respond to business changes quickly and in a controlled manner. Service reuse also helps eliminate redundant development efforts. Plus, a centralized enterprise service bus (ESB) for the entire enterprise enabled the company to consolidate its IT infrastructure, resulting in reduced IT management costs.

To improve the buyer experience, TBC now maintains a complete history for each customer by using information about the products purchased and how long they lasted. This type of information is a major asset for the company because it provides greater insight into consumer and product behavior as well as demographics and geographical peculiarities within the marketplace.

Finally, TBC has already seen a boost in retail sales thanks to the new solution. “We are already seeing anywhere between a 10 to 15 percent jump in our retail sales through this transparent relationship with our consumers,” says Smith. “That's extremely exciting for us, and it's really the foundation of what we were driving for when we deployed the technology. Cost savings and speed of deployment were great, but really what we wanted was a lift in retail store sales. And that new kind of transparent interaction with the consumer gave it to us.” More important, the solution gave the company the ability to develop new business channels and improve relationships with its customers. “We wanted to create this air of transparency, trust and confidence in our automotive services and our products. And so to do that, we had to create technology platforms that allowed for that transparency and that trust building,” says Smith.

The IBM team played a key role in creating the overall solution, providing technicians, engineers and lab services staff members who helped TBC construct and deliver the solution. In fact, Smith anticipates that IBM will play a key part in the solution's future development. “We have developed a long-term relationship with IBM that allows us to continue the success story that we have built on during the initial deployment.”
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To learn more about IBM WebSphere software, please contact your IBM marketing representative or IBM Business Partner, or visit the following website: ibm.com/websphere

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