

## Microsoft Dynamics NAV has created a project called Mona Lisa in AAA AUTO that will secure further development in new markets in this company

AAA AUTO, a.s., the biggest net of car centers in the Czech Republic, has decided to exchange its non-homogenous information platform on the basis of Linux and other products. Microsoft Dynamics NAV system has been chosen as an ideal solution that offers a sufficient guarantee of successful realization of company growth strategy in an intermediate horizon. AAA AUTO will be able to accelerate its growth and improve the quality of its services after implementation of this system. Thanks to this project AAA AUTO can become the most significant company in the international vehicle market in near future.

### Situation

AAA AUTO, a.s. is the biggest second hand cars dealer in central Europe. It offers more than 4000 vehicles of various types and brands in the total area of 67 200 m<sup>2</sup>. It sells more than 3 800 vehicles in one month. AAA AUTO also operates in Slovakia, Rumania, Hungary and it has recently expanded to a Polish market.

Existing IT support of business processes is secured by tens of non-homogenous specific applications. Some of them were developed in-house, others were bought. Technologically they made use of various platforms: from Oracle via Microsoft to Foxpro, from Linux to Windows. In spite of its variety existing IT systems have been able to provide the company with sufficient support and flexibility.

If we consider this mosaic IT system in the horizon of intermediate development of the company and its strategy, we cannot ignore obvious limits of its future possibilities. Although it seems to be convenient it could become a felt want. The biggest risk is the fact that used systems were designed for one country, one language and work with one currency. Other problems are connected with data and systems integration and their insertion and update.

AAA AUTO plans expansion to entire Europe. The company asked a question: Is existing information support able to secure efficient aim achievement? The answer was clear: No! That is why the company has decided to build a new unified platform that will meet the needs of the company and solve majority of instantaneous problems at the same time.

### Business Aims

What does an ideal system for AAA AUTO look like? It is central and integrated. Beside functional requirements that are specified by key business processes – purchase, sale, service, stock, financing, logistics, support of sale, strategic planning, capacity measuring and manager information – the system meets the needs for security of a company development strategy. It means the ability to work in various language mutations, with various currencies and in a lot of legislative environments. From the technical point of view the system is maximally available and efficient. It can be enlarged, segmented and so on. Further on, it has to secure the data efficiently and it is possible to control it centrally.

## AAA AUTO

### Overview of the solution

**Country:** Czech Republic, Slovakia, Rumania, Hungary, Poland

**Branch:** Car sale, service

**Customer profile:** AAA AUTO, a.s. is the biggest second hand cars dealer in central Europe. It offers more than 4000 vehicles of various types and brands in the total area of 67 200 m<sup>2</sup>. It sells more than 3 800 vehicles in one month.

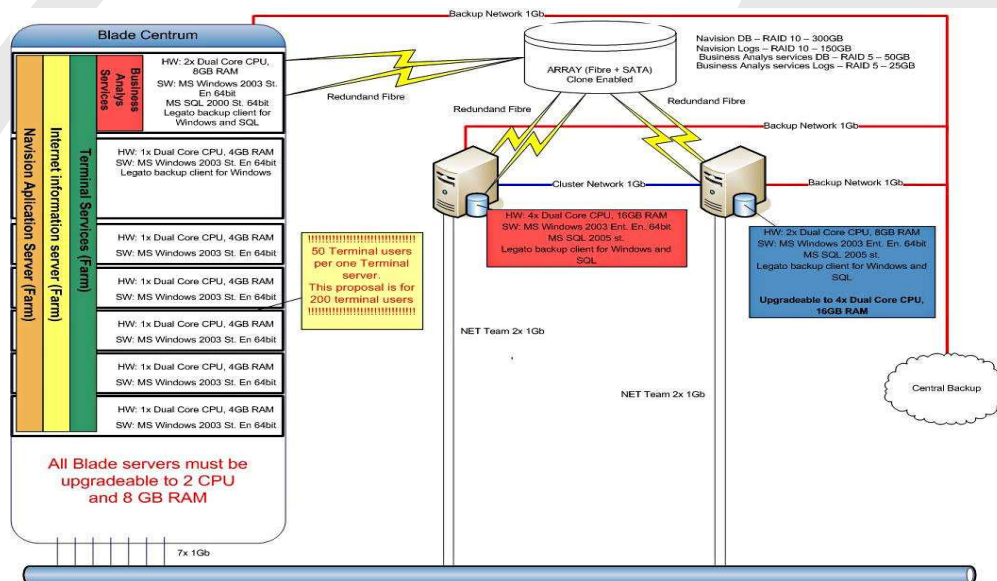
**Starting position:** For the security of intermediate strategy it was necessary to change tens of non-homogenous applications on the basis of Linux and other products for unified information platform.

**Solution:** Microsoft Dynamics NAV system has been chosen as an ideal solution that offers a sufficient guarantee of successful realization of company growth strategy in an intermediate horizon.

### Main contributions of the solution:

- Creation of assumptions for international growth of the company
- Shortening of time necessary to open new subsidiary
- Shortening of time necessary to penetrate into a new market
- Smaller space for mistakes when making business decisions
- Costs saving for control, support and development of IT systems
- Assumptions for further development of AAA AUTO
- Availability and reliability of Microsoft platform

In perspective this system should also support new areas in the business of the group. It should be set on such technologies and by such partners that it will be able to guarantee possibilities of its further development in an intermediate horizon.



**Implemented solution awards:**



**Solution**

AAA AUTO decided to build a new system on a platform of Microsoft Dynamics NAV in April 2006. The project that was introduced by Microsoft and its partner Axiom SW met the requirements of the customer. The product is based on perspective technologies and TCO (total costs ownership) solution was one of the lowest. Fastness of investments return appeared optimal after taking all key factors into account.

The project was called Mona Lisa for its indisputable premeditation, impressiveness and smart "simplicity".

Mona Lisa is based on ERP solution of Microsoft Dynamics NAV 4.0. From the point of view of system architecture the solution is built as two-layer (with preparation to three-layer, that will be implemented from 5.0 version). Database layer is secured by two database servers Microsoft SQL 2005 standard edition that are able to take over the work in case of failure. Application layer will be based on Microsoft Windows 2003 st. Ent 64bit. product.

Business Intelligence tools are implemented separately. User layer is formed by IIS farm, Windows terminal services farm, thick client Microsoft Dynamics and sharepoint services. User authorization is fully carried out via LDAP services, in this case via Microsoft Active Directory. To secure efficiency requirements and sufficient spectrum load balancing and clustering were used where Microsoft technology allowed.

The company conceived the implementation as the implementation of information system for support of business processes such as purchase, sale, service, stock, financing, logistics, sale support, strategic planning, capacity measuring and manager information. Axiom SW made the system implementation in cooperation with Microsoft and an internal team. Quality control is made by IDS Scheer.

Pilot operation will start during the month of November and December 2006 in a newly opened subsidiary AAA AUTO. Full "Mona Lisa smile" is planned to the 1st of March 2007. Operation launch will be realized in a way of "big bang".

**Profile of the partner:**

Company AXIOM SW offers complex supplies of Microsoft Dynamics™ NAV and Microsoft Dynamics™ CRM information systems including the hardware, related software applications and specialized consultation and advisory service.

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## Contributions

Mona Lisa will help AAA AUTO reach the main strategic aim: massive, efficient and flexible international expansions. Existing measuring shows that time necessary for implementation of a yet existing subsidiary into a new Mona Lisa system will be much more shorter than implementation into present systems. It will be shortened from 30 days to 5 days. New foreign market will receive Mona Lisa in 4 weeks. Present system needs 3 months!

## Innovation of the project

Realization of the project including the proposal of new processes developed by IDS Scheer company brought a lot of significant improvements in almost all spheres of the company functioning.

The improvements were made particularly in these spheres

### Finance and Controlling

**Costs and revenues to vehicles** – it is possible to monitor all costs and revenues bound to a particular vehicle. This is also connected to exact evaluation of profiles. This functionality is a basic item for subsequent results analyses and decision about strategy in the sphere of sale and purchase.

**Balance of customers and suppliers via all companies** – as the central Microsoft Dynamics NAV database consists of some tens of companies belonging to AAA Auto group, it was ensured that the system enables to monitor balances of all customers and suppliers in real time through all database on-line.

**Global proposal and approval of payments for all companies** – the functionality of central approval of payments through all companies has been prepared from similar reason that was mentioned in case of balances of customers and suppliers

**Monitoring of final condition of the subsidiary** – definition of the final amount of vehicles in the subsidiary according to user defined criteria, on-line evaluation of planned and real condition.

**On-line survey of bought out and sold vehicles** – this on-line evaluation is crucial for middle management of the company and operative decisions. Monitoring is possible on-line via all countries, companies and subsidiaries.

**System of commission calculation**- data for commission calculation are drawn from all Microsoft Dynamics NAV modules and cover the commission calculation from the point of view of all operations connected with purchase/buyout and sale of vehicles. All this is combined with data about insurance and vehicles sale on leasing. Correct calculation and realization of commissions is one of the basic motivational factors for employees and that is why there is a stress put on this functionality.

**IFRS support and international accounts** – introduction of results of the company according to international standards is a very important item for companies functioning in the stock market. AAA Auto presents accounts according to IFRS, when full support for these accounts and data processing is provided by Microsoft Dynamics NAV system.

**Communication with CRM** – on-line communication with a system for CRM has been realized. This system enables an efficient communication with company customers. Data about contacts, vehicles, planning of meetings the customers are transmitted within this communication.

### Communication with other systems

**Interface for insurance companies** – electronic transmission of insurances to insurance companies and import of commissions received by insurance companies is realized. This communication makes all communication process efficient and lowers the risk of error formation.

**Interface for leasing companies** – similarly to electronic communication with insurance companies the electronic exchange of data with leasing companies is provided.

**Eurotax** – data about particular vehicles are very important for used cars business. These data are provided by Eurotax. Algorithms for vehicles evaluation on the basis of data from Eurotax were put into Microsoft Dynamics NAV. The communication with central Eurotax database takes place in regular intervals and basic data are updated.

### Reports and printing

**Automatic DSR generating** – an automatic night report generating is used especially into the Microsoft Excel format to make the process of reporting efficient and the system performance optimized.

**Printing of signs** – printing of signs for particular cars directly from Microsoft Dynamics NAV is realized to ensure bigger efficiency and make the manipulation process easier. Each subsidiary has a possibility to influence its own printing according to momentary needs.

**Central status report** – it is an on-line overview of chosen key indexes. The indexes are of car sale type according to subsidiaries, countries and so on, buyout of cars according to subsidiaries and countries, calculations of leasing penetrations (how many vehicles have been sold on leasing). This on-line overview is used by the company management to monitor current situation and to adopt operative decisions.

**Possibilities to print documents into screens** – the printing of documents (sale and purchase contracts, business conditions) has been prepared according to the screens saved in Microsoft Word format to ensure maximum work flexibility with the system and its administration. As a user it is possible to map database into screens saved in Microsoft Word. It is possible to save all screens in various languages and the system automatically prints the correct language version of the document when printing according to the subsidiary and country.

**Automatic generating of hit-sheets and black-sheets** – the success of AAA Auto consists in very good usage of accessible information. The correct buyout of vehicles is a very important factor. The so called black-sheets and hit-sheets, that are automatically generated, are used for optimization of this process. They serve to analyze demanded and undesirable vehicles according to user defined criteria and the significance assigned to them.

## Control mechanisms

**Control of obligatory fields** – significant losses of information happen when using an information system. Other subsequent problems originate from the losses if the information is not entered completely. The functionality of obligatory fields serves to

make these inaccuracies lower. This functionality consists of definition of fields that have to be completed and by this it is ensured that a user enters all required data into information system.

## Searching and filtering

**Detailed searching** – it is possible to search according to different criteria and saved screens over all database and all companies. Subsequently it is possible to display different results according to user needs. This searching is one of the most used functionalities of the system and that is why it is significantly optimized. The searching takes place over one hundred thousands to millions of items and the response is within seconds.

## Interesting win over competition

The company acquired a significant competitive advantage over competition by means of implementation of Microsoft Dynamics NAV system and automobile upgrade ABS (Automotive Business Solution). Company management has a significant tool for strategic control of the company and all activities thanks to the unification of information and the possibility to its analysis.

## Creation of a potential of further user growth

A concept of starting new subsidiaries and realization of new territories was made during the implementation. This concept will enable AAA Auto to create and set up new subsidiaries from the point of view of information system coverage during days. Realization of operation in new country is, according to approved concept, the question of weeks. This fact influenced positively possibilities of planning the expansion and growth of the company, when the process was significantly accelerated.

## Product and technology

- Microsoft Dynamics Nav 4.0
- Microsoft Windows 2003 Enterprise 64bit
- Microsoft Windows 2003 Standard 64bit
- Microsoft SQL Server 2005 Standard

## Implemented solution awards:

