



THE HOUSE OF S.T. BHATIA

Customer: Bhatia Traders

Web Site: www.bhatiatraders.ae

Number of Employees: 150

Country or Region: United Arab Emirates

Industry: Retail industry—Distribution, wholesale, B2B trading

Partner: CEM Business Solutions

Web Site: www.cembs.com

Customer Profile

Founded in 1974, Bhatia Traders is a leading distributor of duty-free goods in the United Arab Emirates, specialising in logistics, distribution, and wholesale trading.

Software and Services

- Microsoft Dynamics
 - Microsoft Dynamics GP
 - Microsoft Dynamics Retail Management Systems (RMS)
- Microsoft Server Product Portfolio
 - Microsoft SQL Server 2005

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Trading House Records Major Gain in Net Profits with Business Management Tool

“Sales growth year on year in the UAE due to the economic slowdown is not a reliable indicator, but since deploying Microsoft Dynamics GP, net profit has increased from 3.5 per cent to 4.5 per cent.”

Dr. R. Durgadoss, Finance Director, Bhatia Traders

Bhatia Traders, a highly diversified commercial operation in the United Arab Emirates (UAE), needed to consolidate its financial reporting by deploying business management software. The company chose Microsoft Dynamics® GP with Microsoft Dynamics Retail Management Systems (RMS) to achieve a culture change and greater efficiencies in the business. As a result, net profit on sales has increased significantly despite difficult trading conditions.

Business Needs

Bhatia Traders, based in Sharjah in the UAE, is the flagship company of the House of S.T. Bhatia Group, specialising in duty-free operations at seaports, bonded warehousing, and seaman's clubs. Bhatia Group is highly diversified, with interests in multiple lines of business, including the duty-free trade, hospitality, general trading, and logistics. By 2007, the group needed to consolidate its financial information, which was held on five different systems, including locally developed software.

Dr. R. Durgadoss, Finance Director at Bhatia Traders, says: “Our business management software was no longer fit for purpose with multiple issues including conflict of data, the need to re-enter data in different applications, and delays in producing reports for the management information system (MIS). Our point of sales (POS) checkouts in our duty-free retail outlets were not IT driven and we needed better inventory controls.”



In a highly competitive market, Bhatia Traders could nevertheless rely on its considerable reputation and experience dating to the 1970s, but the global economic downturn had led to difficult trading conditions. Dr. Durgadoss adds: "Delays in producing management information meant we were losing deals, and often our sales executives didn't know what customers wanted. The company had become too top-line driven. We wanted to change the culture of the business from simply generating revenue to a new focus on creating profits. We needed to set key performance indicators (KPIs) and assign key responsibility areas (KRAs) in each of our business units to get the most out of our most important asset—our people."

Solution

Bhatia Traders considered a range of business management solutions, including Oracle, Sage, and locally developed solutions. After an evaluation of the market, it decided to deploy Microsoft Dynamics GP with Microsoft Dynamics Retail Management Systems (RMS) for its POS system in the retail outlets. Bhatia Traders was already using the Windows® operating system and Microsoft Office Excel® 2003 spreadsheet software, together with Microsoft SQL Server® 2005 data management software.

Dr. Durgadoss says: "Our conclusion was that Microsoft Dynamics GP was the best fit with the culture of our organisation because it was easy to use with familiar Microsoft tools. With its user-friendly screens and operating systems, Microsoft technology is widely used in the Gulf region."

Before choosing Microsoft Dynamics RMS, Bhatia Traders involved its sales agents in testing the system to ensure they were comfortable with the product.

Dr. Durgadoss adds: "This was a critical factor in our selection of Microsoft—having our choice endorsed by front-office staff who are face to face with customers every day. We also wanted a toolset that our IT staff could manage easily without needing specialist training."

Bhatia Traders worked with Microsoft Gold Certified Partner CEM Business Solutions, which rolled out the solution for the retail outlets in just 90 days, and integrated the business management system with the customer's existing IT assets. Abhiram Ramakrishnan, General Manager, CEM Business Solutions, says: "As part of the deployment we mapped all Bhatia Traders business processes across the multiple sites, with a view to consolidating all the group accounting systems."

Dr. Durgadoss says: "CEM Business Solutions successfully re-engineered our business processes but also evaluated the capabilities of our people to ensure a good match between our employees and the accounting toolset. This continued for six months after the rollout to help improve the MIS even further."

Benefits

Bhatia Traders has transformed its business from a focus on revenue generation to a new emphasis on profitability, by standardising on Microsoft Dynamics GP business management software. In difficult trading conditions due to the global economic recession, Bhatia Traders has improved customer service and introduced an IT-driven approach to the POS system for its duty-free shops. Dr. Durgadoss says: "Sales growth year on year in the UAE due to the economic slowdown is not a reliable indicator, but

since deploying Microsoft Dynamics GP, net profit has increased from 3.5 per cent to 4.5 per cent."

- **Software supports culture change in the business.** Bhatia Traders has successfully adopted a new culture within the group where its business units focus on increasing profits as well as expanding revenue. Dr. Durgadoss says: "When we close a transaction, we can now see immediately what impact it will have on the bottom line."
- **Employees take responsibility for achieving targets.** Each business unit now has its own KPIs and KRAs, which are monitored through the business management software.
- **Retail outlets improve accounting for duty-free sales.** The Microsoft Dynamics software for POS, which integrates easily with Microsoft Dynamics GP, gives senior management better visibility over duty-free retail sales of tobacco and beverages at UAE seaports.
- **Ease of customisation improves adoption by employees.** The software matched the skill sets of Bhatia Traders employees, resulting in rapid adoption. Dr. Durgadoss says: "After implementation, the partner helped us with ongoing customisation to improve the MIS and with any other issues that emerged."
- **Management plans to add business intelligence reporting by 2011.** Building on the success of the deployment, Bhatia Traders is planning to add reporting and business intelligence tools by 2011.