Changing DMS Systems
Five Things to Consider before You Change Systems

Sandi Jerome Computer Consulting
Should you Stay or Change?

Case Study #1 – Jumped Shipped

“Should you find yourself in a chronically leaking boat, energy devoted to changing vessels is likely to be more productive than energy devoted to patching leaks.” Warren Buffet

Are you wasting time trying to plug the leaks of your old or bargain DMS system?

How did it get this way?

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A Brief History of DMS Systems

Early Years pre-2000
1. Parts on 3x5 cards to Pad, online, VIMnet onsite
2. Big 3 - ADP, R+R, UCS growth through Acquisition
3. Factory DMS systems; FDCS, VCrest, Infiniti, Saturn EDS
4. Alternative Systems spring up; Ensign/Arkona (DealerTrack)
   ACS, AutoSoft, AutoMate

Millennia Years 2000-2006 - Microsoft “Windows”
1. ADP acquires Dealer Solutions webSuite 3000
2. R+R develops Next Generation Suite – Microsoft Dynamics “Sweet”
4. Star Standards – better acceptance of Alternatives
5. Many dealers stayed with ADP and R+R – 78%
Should you **Stay** or **Change**?

**Case Study #2 – Monthly Cost skyrocketed**

If you put a frog into a pot of boiling water, it will leap out immediately. But if you put a frog in a pot of cool water and then gradually heat the water until it starts boiling, the frog will not become aware of the danger until it is too late. The frog’s survival instincts are geared towards detecting sudden changes. Are you slowly being boiled to death or could you find **Just right**?

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How do you Get to *Just Right*?
4 Issues – Do you require a Tier 1?

1. Determine if you should have integrated or interfaced CRM
2. How much do you use a report writer and what type is included?
3. Which advanced features do you need or did you lose?
4. Do you require multi-company features and which ones?
CRM – Integrated or Interfaced? Does it matter?

1. If you call a customer to make a service appointment and they are sitting on the showroom floor?
2. You email a lead and offer 10 gallons free gas if they test drive – but they bought the car yesterday?
3. You send a reduction in payments offer (Equity Mining) to a customer that paid cash for a new car last week?

1. Do you get more in if you throw all balls at once?
2. How secure is the data flow from ADP/R+R/DealerTrack DMS system?
3. How often and accurate is the data flow?
What is a Report Writer? 3 Levels

1. **Access** to your main database files and transactions with **dynamic security** with ability to select fields, criteria
2. **Filter**, **Export** to csv, XML, Excel
3. One click **Export** of Reports

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**Paperless system** – on of many features...
## Advanced or Lost Features – Make a List

**Increased Productivity (or loss of… are they deal makers or deal breakers)**

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1.</td>
<td>Pricing Matrix and Escalators (order, sales)</td>
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<tr>
<td>2.</td>
<td>Core tracking – Tech notify</td>
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<tr>
<td>3.</td>
<td>Special Order Parts – Cust, RO, VIN notify</td>
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<tr>
<td>4.</td>
<td>Labor Grid Pricing</td>
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<tr>
<td>5.</td>
<td>Parts and Service CRM</td>
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<tr>
<td>6.</td>
<td>Advisor and Tech Calendar – Service Appointments</td>
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<td>7.</td>
<td>Integrated Time Clock, Mobile Tech Dispatch</td>
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<tr>
<td>8.</td>
<td>Technician Request Parts online - Mobile</td>
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<td>9.</td>
<td>Vehicle Checklist – Inspections (Tech, Used, Certified)</td>
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<tr>
<td>10.</td>
<td>Technician Dispatching – multi variables</td>
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<tr>
<td>11.</td>
<td>Laser F&amp;I Forms</td>
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<td>12.</td>
<td>F&amp;I/ Acct Interface by field/control/ Display Receipts</td>
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<tr>
<td>13.</td>
<td>Cost drill down to Open ROs, POs</td>
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<tr>
<td>14.</td>
<td>Online Schedule Reconcile, view Warranty, Deals – easy JV</td>
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<tr>
<td>15.</td>
<td>Side-by-Side Schedules</td>
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<tr>
<td>16.</td>
<td>Data Archiving</td>
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<td>17.</td>
<td>Expense Distribution (Payroll and Acct)</td>
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<tr>
<td>18.</td>
<td>Payroll HR, equipment issued, vacation schedules</td>
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<tr>
<td>19.</td>
<td>Overtime Watch, Clocked In employees</td>
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<tr>
<td>20.</td>
<td>Upload Tech Flags, Sales Commissions</td>
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</table>
What is Multi-Company?

Payables – Checks, one per vendor
AR – Combined Statement
Payroll – direct distribution
Stock transfers
One Enterprise “views”
Parts
Vehicles
Customers
Combined reporting

Big balloon 3 stores - $3,000
1. 3 checks, 3 different distribution (fixed assets, advertising, prepaids) or
2. Debit AR of 2 stores – intercompany mess, 2-3 months later reconcile

True Intercompany
1. Debits the actual account of each store
2. Creates background AR/AP entries
3. Shows the posting description as “Balloon” – not “Intercompany Trans”
4. Reason why some stay with Tier 1 systems and Tier 2 and 3 fails
Tier 1 Systems – **CRM, Multi Company, Advanced, Report writer**

1. **ADP** (Pick, Drive)
2. **DealerStar**
3. **Reynolds + Reynolds** (Pick, Ignite Overlay)
Tier 2 and 3 Systems

**Procede Software**  -  Microsoft SQL – Truck Industry

**PBS Systems Inc**  -  Canada – SQL

**Quorum**  -  Canada – Microsoft SQL

**MPK**  -  Dynamics Nav/SQL

**Dominion DMX**  -  Dynamics AX/SQL

**Dominion Access**  -  Visual Fox Pro (2015 sunset)

**Adam**  -  Visual Fox Pro (2015 sunset)

**AutoSoft ASI Flex**

**Advent DMS**

**DealerBuilt** - Omni Pro

**DDS**  -  Dubuque Data Systems

**DPC**

**CDK Dash** (websuite 2000)

**Jarvis**

**System 2000, ADP Lightyear** (RV, Motorsports)

**Auto/Mate**

**DealerTrack**  -  Arkona, Ensign
What is a Microsoft System?

A. Microsoft Dynamics is a line of enterprise resource planning (ERP) and customer relationship management (CRM) software applications. Microsoft Dynamics applications are delivered through a network of reselling partners who provide specialized services. Very few installations are made without the aid, and cost, of these resellers. In its 2013 update, the first since 2009, Microsoft removed many capabilities of users to access features such as report-writing without the intervention, and cost, of members of their approved reseller network.

B. Microsoft DMS Elements;
- SQL Database
- Remote Access
- ASP or .Net code
- “Per user” pricing
- Reseller network – Approved Microsoft Provider

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<thead>
<tr>
<th>Pro</th>
<th>Con</th>
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<tr>
<td>Acceptance – looks like Outlook Interface to Office</td>
<td>High price – per user</td>
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<tr>
<td>Bloated, slow</td>
<td></td>
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<tr>
<td>Constant required updates, patch</td>
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<tr>
<td>Difficult to customize for our industry</td>
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Can you Build your Own DMS?

“You don’t need to invent the wheel”

- 3 Invoicing/Inventory Systems – issue with ERP Dynamics
- Fully Integrated “modules”
- Factory Financial Structure and Schedules
- Factory Integration
- Over 26,000 screens and 1100 tables/views
- $20 million - $60 million

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Top 5 Factors to Change

1. Cost, cost, cost – need 30% savings
2. 3rd Party and Factory Integration
   - Don’t jump from one frying pan to another
   - Does your new system have what you’re paying $$$ to a 3rd party?
   - Does it really, really need to be interfaced?
3. CRM needs
   - Integrated vs. Interfaced?
   - Access to the data – how long, how often, how secure
4. Contract is up
   - New contract is too long or costly
   - Contract is too complicated
5. Bought wrong system – Employee Factor
Employee Don’t Like Change

"If you teach a monkey to press the Ctrl key, he’ll happily press it all day for a treat. Teach a human and they’ll say, “but on my old system I used the F11 key”

Employees will continue in their current state unless they are encouraged to act otherwise

How do we get acceptance?

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Employee Acceptance

Technology committee
1. IT director
2. Controller
3. Parts Manager
4. Internet Manager
5. General Manager/Dealer

Mission Statement: The Technology Committee is the forum for reviewing, evaluating, and recommending strategies, plans, and policies for dealership information technology. The specific elements of the committee's charge include: Identify strategic directions, capabilities, and objectives IT support, including learning technologies, Ensure a coordinated implementation of the dealership’s IT projects and initiatives, Identify opportunities where IT can help achieve the dealership’s goals – save money!
Cost, Cost, Cost - How to Stay and Save Money

- Combine technologies; CRM, DMS, Payroll
- Use a DMS company that has fixed pricing
- Avoid annual price increases by considering a contract and read your contract
- Understand EVERY item on your billing
- Compare the pricing on items you can buy elsewhere
  - Printer ribbons
  - Credit bureau fees
  - Paper, toner, forms
- Factory Integration – do you need it?
Manufacturer Integration

What do you really use?

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Can you Change? Take this Quiz

1. Resolved the 4 issues; CRM, Report writer, Multi-Currency, and Advanced or Lost Features
2. Have a stable workforce
3. Controller /Parts manager “on board”
4. IT Director/manager to help with Employee acceptance
5. Cost savings – 30%
6. Your data can be converted – not archived or held captive
7. Your CRM/3rd Party items are included, interfaced, or eliminated
8. **Required** Factory Integration verified
9. Getting the Advanced/Productivity features you need
10. Is this a good time?
Questions?

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