**6 RED FLAGS
SIGNALING IT'S**

Time for a new DMS

Introduction

There are two types of people in the dealership: those who are frustrated with their DMS and don't know why and those who do know why but don't do anything about it. But what both might not realize is that the issues they're facing are costing the dealership money, time and, quite honestly, their own sanity. This white paper will examine six triggers that make dealerships decide it's finally time for a new DMS.

What's the problem?

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- Value too low for the high costs paid

- Support issues

- Business practices of DMS provider

In addition to these issues, this white paper will explore sever-al other pain points that make dealers consider switching their DMS providers.

1. Training is a hassle

With a staggering overall turnover rate of 67 percent in dealerships and an average employee tenure of just two and a half years, consider your dealership's approach to train new employees. What is your DMS doing to help? If they're offering sub-par web training or courses on their learning management system, they're only adding to your problem.

Your DMS should provide your employees learning paths tailored to each job role. This ensures a smooth onboarding process and gives the DMS expert at your dealership a little down time from coaching rookie employees.

Who knows? With better access to good training, your DMS might actually enable your team to be more satisfied with their job, and aid in employee retention.

Good training → **Satisfied employees** + **Employee retention**

2. You wait forever to get support

Let's say you have a couple of employees who forgot how to generate the reports they want, or you have three new sales-people who need CRM and desking training. How long it takes to get the answers they need depends on a number of factors, and the first is actually connecting with your DMS.

The majority of DMS support lines are automated, requiring you to follow a series of prompts, only to be put on hold. And if you do finally reach somebody, they may or may not be able to support your case depending on their level of dealership or technical knowledge. This usually means more waiting. You might even be asked to use an online chat tool for support. A tool like this is designed to help them, not you.

Even if you get the answers you need, you've just lost time that could've been spent selling or fixing more cars. But you did gain one thing: a good deal of stress in an already stressful job.

Wait times:

5 min	20 min	20 min	5 min	5 sec
Reynolds & Reynolds	**CDK**	**Dealertrack**	**Autosoft**	**Auto/Mate**

*These statistics are the result of a mystery shopper call conducted on Sept. 26, 2018.

3. Your data is being held hostage

There's an important distinction here. Who owns the data, vs. who controls the data. Almost every DMS provider will say the deal-ership owns the data, but the dealer doesn't control it? Depending on your DMS provider, there's little autonomy when deciding which of your outside vendors has access to your data. Rather, your DMS holds your data hostage and decides who you can do business with. How thoughtful of them!

A number of DMS vendors have raised integration fees for third-party vendors who wish to get access to the dealership's data, claiming the surcharges result in enhanced data security. But these fees are more often than not passed onto to the dealer, meaning the more vendors you integrate with, the more you're paying each month. These DMS vendors act as gatekeepers. And they're not just blocking the gate; they're charging you admission to your own system! This has become a common critical business issue, and has even resulted in litigation by outside vendors and dealers themselves against several DMS providers.

To combat overwhelming monthly integration fees, some DMS ven-dors have taken an approach to open standards with application programming interfaces. These APIs are designed to limit integration costs by allowing dealerships to connect with vendors of their choice through secure, real-time data exchanges.

4. Your team is spending too much time performing manual processes

A DMS' weak third-party integrations usually means more manual data entry for your dealership. Aside from the needless task of typing data into the system a second time, dealerships run into the issue of fat fingering incorrect information or pulling in the wrong numbers from one screen to another. Your team shouldn't have to spend time fixing errors when they have customers waiting to be helped. This is a problem the software industry solved many years ago.

A good DMS should take any dealership's workflow into consideration when developing or enhancing features in the software. It's not prac-tical to have multiple tabs open in the DMS, or have to leave the DMS and jump into another program just to value a trade, process credit or check for any open recalls. DMS vendors that offer fluid and more streamlined workflows help eliminate manual data entry into the DMS and reduce the risk of incorrect data.

5. Your DMS goes down a lot

The costs associated with network downtime are significant, and for dealerships, can total hundreds of thousands of dollars per year. When calculating the cost of downtime, you need to ac-count for lost sales, frustrated customers and lost data.

Though your DMS might not necessarily be the direct cause of down-time, there are situations where it is responsible. Some DMS provid-ers host all of their dealerships on just a few servers that are shared amongst all of them. So obviously, when one server goes down, every dealership on that server also goes down.

Many dealerships are also limited in the amount of changes they can make to their own network due to the contracts they signed with their DMS. Some DMS providers insist on controlling the dealer's network in the name of security. That may sound good, but when your network is down and you need to make changes this can be problematic.

The costs of downtime

- Loss of data
- Risk of security breach
- Loss of productivity
- Loss of revenue
- Damage to goodwill

[Haley, Jeremiah, "How to Prevent Network Downtime." Digital Dealer, 31 Mar. 2017]

Considering the cost of downtime, it's crucial your DMS gives you immediate access to and control of your network.

6. You don't really know what you're paying for

It might sound like common sense, but when was the last time you really took a good hard look at your monthly DMS bill? You might discover software add-ons you've purchased but aren't using. You might find charges for additional services like customizing a re-port, document storage fees and software upgrades. Maybe you'll find costs for consumables like toner, paper or other items. You'll likely see hardware charges for items that are much less expensive on the open market. In the end, you'll likely recognize a gap in the cost to value equation.

So the next time you get your monthly DMS bill, take a long look at it and ask yourself whether or not your provider is earning money by giving you value or gouging you for needless line items that just aren't worth it.
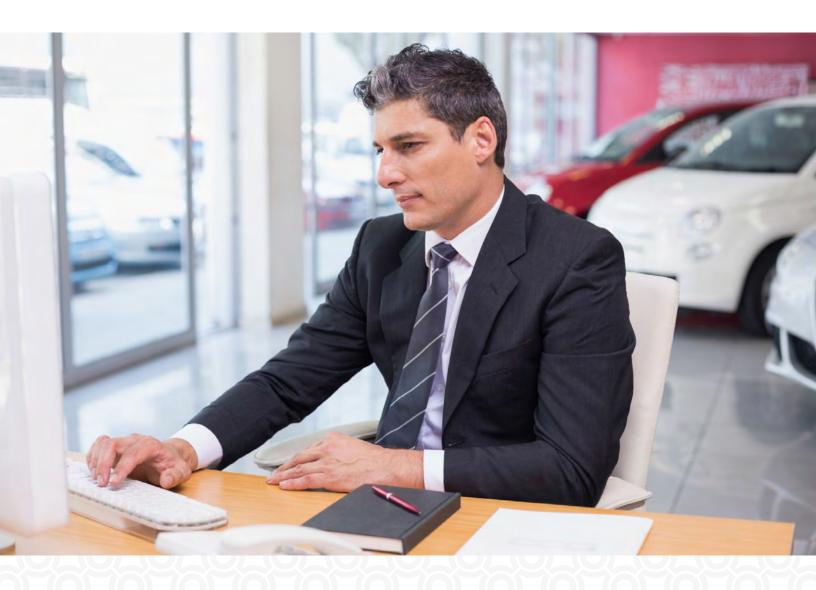
Conclusion

These red flags are more than just a warning. If ignored for too long, they'll take a toll on your efficiency, profits and customer experience. If you've found that you relate to a number of these critical business issues, it may be time to explore what the root of the problem is. Is it a people, process or software issue? What you discover will determine what steps you need to take next.

Find out how Auto/Mate can help you solve these red flags in your dealership. Contact us today to set up a consultation discussion about the specific challenges your dealership faces.

A DMS That Does Business Differently

Auto/Mate by DealerSocket is a leading dealership management system provider. Our innovative software delivers the functionality, flexibility, and value dealers need to maximize profits, optimize processes and enhance the customer experience while saving thousands on their monthly DMS bill.

The addition of Auto/Mate to DealerSocket's suite of products creates a new choice for dealers seeking a connected platform that's driven by innovation and backed by award-winning customer service. Together, we serve more than 9,000 dealerships and 300,000 users. For more information, <u>contact us here</u>.