A DEALER'S GUIDE TO NAVIGATING CLOUD TECHNOLOGY

VUE **DMS**

The Dealer's Cloud-Native DMS

CHOOSING THE RIGHT CLOUD SOLUTION FOR YOUR DEALERSHIP

The automotive industry is evolving - from the convergence of digital retailing to dealership operations changing overnight to the evolution of technology solutions to handle it all. This led many dealers to question the best way to safeguard their data while scaling for maximum productivity and profitability.

We put this eBook together to help you determine the right cloud solution for this next phase in automotive retail. In it, we define the different types of cloud platforms, compared with traditional systems, the advantages of each platform, and share how automotive leaders are currently using cloud technology to improve their business operations. Ultimately, it's designed to

empower you to take back control and accelerate your dealership into the next generation.

At the end of the eBook, you will find contact information for our VUE DMS team. I highly encourage you to reach out with any questions related to the information within this resource. We're here and ready to help as we navigate this next phase together.

Tony Garcia
Executive Director of Technology, Dominion DMS

EXECUTIVE SUMMARY

This eBook discusses the different forms of cloud-based platforms and services emphasizing cloud-native applications. Unlike cloud-based or cloud-enabled solutions, cloud-native refers to how the solution was built. Cloud-native platforms and applications are made from the ground up to reside and operate in the cloud.

There are countless benefits to this approach, including flexibility, security and efficiency. We're sharing the different aspects of cloud applications to help you better understand the option that is right for your dealership as automotive retail moves to faster, more robust solutions.

KEY TAKEAWAYS

> Cloud technology is cost-effective (replaces on-premise hardware/software)

> Cloud-native is web-centric – Built from the ground up to take full advantage of the web

> Multitenancy – Multiple customers can securely use the same computing resources

> Scalable – Real-time updates

> Dealers can focus more on their strategic needs

> It's either cloud-native or not. You can't "patch" cloud-native onto something with an architecture not designed for it

> Cloud-native refers more to how an application is built and deployed and less on where it resides

> Cloud-native is the modern way to develop software

WHAT IS
THE CLOUD?

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The cloud can be complex with multiple classifications. To help you better understand the differences, below are a few basic descriptions:

CLOUD-NATIVE

These applications are built (or "born") in the cloud and deployed in the cloud, genuinely accessing the power of cloud infrastructure. This best-in-class option allows dealers to take full advantage of all that cloud has to offer.

CLOUD APPLICATIONS

These are software solutions for end-users that can be accessed and used via the cloud. This means applications in the cloud are both location-independent and computer-independent.

CLOUD-ENABLED

These are initially developed applications for use in a conventional data center but have since been moved to the cloud. Typically legacy and enterprise software. This "lift and shift" strategy is a low-cost way to take advantage of the cloud for software providers.

CLOUD-BASED

These services or applications are delivered over the internet. It's a general term applied loosely to any number of cloud offerings.
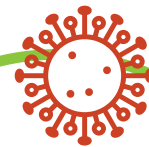
The Covid-19 pandemic helped popularize cloud technology and make it an everyday word. The cloud combined a high level of data security and working options for all employees, notably remote workers. It's also paved the way for consumers to more efficiently interact with businesses and purchase their products virtually.

CLOUD VS. LEGACY INFRASTRUCTURE

Say goodbye to a whole lot of hardware and software. Your applications are up in the air. With cloud technology, you and your employees—and customers—can get the information they need precisely when they need it—with no interruptions, delays, or service downtime.

Many legacy DMS were initially developed as on-premise systems. Once cloud technology emerged, they were repurposed for the new environment – a process known as "Lift and Shift." This is a cost-effective way to provide dealers with some cloud capabilities but can lead to a cumbersome user experience that occurs as a result of moving between two different environments.

FEATURES	CLOUD-NATIVE DMS	TRADITIONAL / ON-PREMISE DMS
Infrastructure	No on-site infrastructure, removing the need for IT and maintenance	On-site servers required, taking up dealership space and resources
Capacity	Scales up automatically during peak hours to meet capacity needs	Built for the worst-case scenario and cannot scale beyond that without expensive upgrades
Delivery	Software updates implemented immediately	Server updates require application changes and longer test cycles
Recovery	Rapid response for native, automatic disaster recovery	Need hours or days of prep time to handle disaster recovery and servers at other locations
Geographic Reach	Leverage closest data center for faster service and optimal performance	Dependent on server location, which can impact performance speed
Accessibility	Web-based application that's accessible anywhere without VPN	VPN required to access, limiting off-site and remote connection

NOT ALL CLOUDS
ARE ALIKE

NOT ALL CLOUDS ARE ALIKE

While the term "cloud" can refer to any number of solutions or applications that exist online, there is a world of different options surrounding that. Let's look at three primary platform types.

Private Cloud. This consists of cloud computing resources used exclusively by one business. The private cloud can be physically located at your dealership's onsite data center or hosted by a third-party service provider. However, the services and infrastructure are maintained on a private network, and the hardware and software are dedicated solely to your dealership.

Public Cloud. You share the same hardware, storage, and network devices with other businesses or cloud "tenants," and you access services and manage your account using a web browser. Public cloud deployments are frequently used to provide web-based email, online office applications, storage, and testing and development environments.
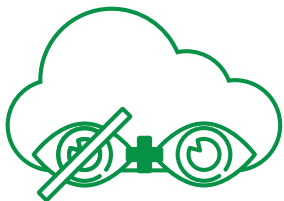
Hybrid Cloud. This is an in-between solution. It's yours, but it's connected to the public cloud. Your data can be stored in a big data center using their storage facility, with the option to have a private cloud.

The term "cloud native" was coined by companies that leverage cloud technologies to control an environment better, launch a product, scale quickly or have greater security over their data. In a rapidly changing market, the ability to move fast and pivot swiftly is critical for dealerships to take back control.

ADVANTAGES OF DIFFERENT CLOUD PLATFORMS

Once you understand what the cloud is and does, it's essential to know the advantages of each platform type. For instance, while a private cloud platform may give your dealership more flexibility, public platforms are generally lower cost, and a hybrid approach can give you more control. Understanding the benefits and trade-offs can help you select the best option for you.
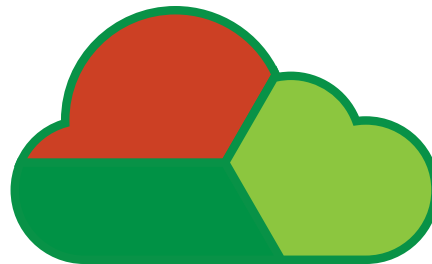
"Resiliency" is about a system's capability to recover from a failure induced by software stress, cyber-attacks, or overload. The higher the resilience, the faster it is for your dealership to get back online with minimal disruption.

PRIVATE CLOUD

HYBRID CLOUD

PUBLIC CLOUD

ADVANTAGES OF DIFFERENT CLOUD PLATFORMS

PRIVATE CLOUD

More flexibility — your dealership can customize the cloud environment to meet specific business needs.

More control — resources are not shared with others, so higher control and privacy levels are possible.

More scalability — private clouds often offer more scalability compared to on-premises infrastructure.

HYBRID CLOUD

Control — your organization can maintain a private infrastructure for sensitive assets or workloads that require low latency.

Flexibility — you can take advantage of additional resources in the public cloud when you need them.

Cost-effectiveness — with the ability to scale to the public cloud, you pay for extra computing power only when needed.

Ease — transitioning to the cloud doesn't have to be overwhelming because you can migrate gradually, phasing in workloads over time.

PUBLIC CLOUD

High reliability — a vast network of servers ensures against failure.

No maintenance — your service provider provides the maintenance.

Lower costs — pay only for the service you use; no need to purchase hardware or software.

Near-unlimited scalability — on-demand resources are available to meet your dealership needs.
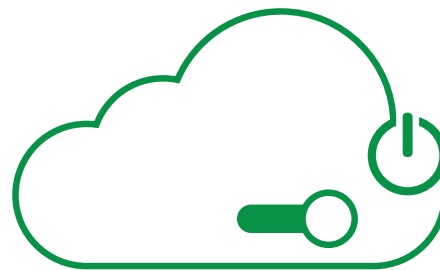
CLOUD-NATIVE VS. CLOUD-ENABLED

There is a lot of confusion between cloud-native and cloud-enabled. While cloud-enabled means the platform or software can be modified for cloud compatibility, cloud-native means it was created to work in the cloud since its inception. That characteristic is what truly separates cloud-native solutions from the pack.
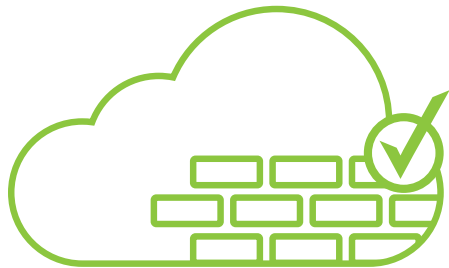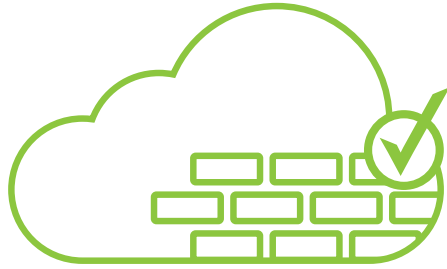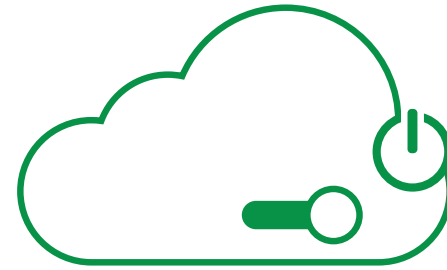
"Multitenancy" means customers of a cloud vendor are using the same computing resources. However, those cloud customers are not aware of each other, and their data is kept separate. This helps dealers see lower costs through economies of scale and more efficient maintenance updates.

CLOUD-NATIVE

VS

CLOUD-ENABLED

CLOUD-NATIVE VS CLOUD-ENABLED

DESIGN
Cloud-Native: Designed from the start to work on the cloud (full scalability and accessibility).

Cloud-Enabled: Designed to use on an on-premise server or data center. It can be modified to use cloud compatibility and functioning.

ARCHITECTURE
Cloud-Native: Developed using programming languages optimized specifically for the cloud (micro-services).

Cloud-Enabled: Developed using traditional architectures optimized for on-premise operation.

SCALABILITY
Cloud-Native: Highly scalable. Automatically scales up or down as needed with no disruptions.

Cloud-Enabled: Limited scalability. Capacity is increased using a manual and error-prone process.

DEPLOYMENT
Cloud-Native: Faster. No hardware or software configurations are required when deploying new services.

Cloud-Enabled: Slower. The hardware needs to be configured for the specific installation environment.

UPTIME
Cloud-Native: Ensures 99.9% uptime via scalable architecture and capability to withstand heavy workload capacity at all times.

Cloud-Enabled: Cloud-enabled applications can also ensure great uptime but the lack of dynamic scalability makes them less preferable.

MAINTENANCE
Cloud-Native: Easy. Requires little to no effort. Updates automated without software downtime.

Cloud-Enabled: Manual upgrades. May require fault and discrepancy checking, causing service disruption.

COST
Cloud-Native: More affordable. No hardware or software investments.

Cloud-Enabled: Costlier. Requires infrastructure upgrades to meet changes.

WHAT DEALERS SAY ABOUT CLOUD-NATIVE DMS

Cloud-native solutions are getting their fair share of attention due to their secure, flexible and resilient features. See automotive dealers explain why they choose to go with a cloud-native DMS and the benefits they received since making the switch.

"For managers, being able to see what's going on even when you're not there is a difference maker. If something major comes up, I can log in and help."

– **Tommy Struchen, Service Manager, Mack Grubbs Hyundai**

"Running a dealership today has become increasingly complex with several moving parts across the various departments. Meanwhile, securing our dealership's data continues to be a top priority for us."

– **Jerry York, Co-owner of York's of Houlton Toyota**

"Our vision is to complete 70% of payments before the customer goes into the dealership. The idea is that customers come in with most of the process already completed. They just have to pick up the keys and paperwork copies."

– **Cary Floyd, Service Manager, Bentley Hyundai Genesis**

"It's a hassle to find space for files. Now that we don't need that anymore, I can shred those old documents and just have everything stored digitally. It's easier to go back and pull them up as well."

– **Wright Griffis, Service Manager, Griffis Motors**

WHAT DEALERS SAY ABOUT CLOUD-NATIVE DMS

"Being able to directly contact customers with the system has made a huge impact. I've had customers say they appreciate the fast response."

Tommy Struchen, Service Manager, Mack Grubbs Hyundai

"A key difference is being able to easily access it anywhere. If I'm out of the office and have to get involved, I can still log in and look at everything remotely from a tablet. In previous DMS, I couldn't access it outside of the office."

Wright Griffis, Service Manager, Griffis Motors

"It takes the worry out of having to put tape on the machine every night, in case something happens. I never had any problems but being more secure - not just physically - is important for us."

Terri Parker, Comptroller, Mack Grubbs Hyundai

"It's a huge benefit having everything in the cloud. We try not to work when we're not working, but I've had to pull up the DMS out of the office a couple times. My loose papers that we used to file away are now all scanned in."

David Lawrence, General Manager, Premier Toyota

KEY BENEFITS OF CHOOSING CLOUD-NATIVE SOLUTIONS

As we continue to accelerate the pace of digital retailing, the cloud will play a critical role in ushering in this next phase. By choosing cloud-native technologies, you can modernize your dealership with more secure, mobile and efficient processes. This shift towards modern solutions will be paramount in helping you take back control and adapt as the industry evolves.

KEY CLOUD-NATIVE BENEFITS

Security. The cloud backs up all of your data with immediate disaster recovery, providing you with access at all times to ensure business continuity. Security updates and patching are implemented regularly and in real-time without disruption or downtime. In addition, cloud-native technology offers encryption, deterrent, and compliance to prevent issues in the first place.

Flexibility. Cloud solutions can be securely accessed anywhere there's internet or hotspot, without VPN requirements. Because cloud-native technology is designed for the cloud and easily accessible through a web browser, dealers can leverage those applications on any mobile device in any location.

Efficiency. The nature of the cloud means you take (and pay) for only what you need. This is made possible through immediate, automatic scale up and down, which keeps up with your dealership's changing demands without the extra cost.

Resiliency. Cloud-native solutions are robust and always on, making disruption virtually unnoticeable. The software stays online as individual issues are addressed, so you don't compromise on the user or customer experience.

Cost-Effectiveness. Cloud solutions come with professional staff, advanced security systems, and cutting-edge hardware and software - saving time and money from maintaining the system yourself.

ABOUT TONY GARCIA

As the Executive Director of Technology at Dominion DMS, Tony Garcia is responsible for developing and deploying VUE DMS technology features, security enhancements, and OEM and third-party integrations. He diligently monitors and updates the software to ensure the best possible technical performance for VUE clients. With more than 20 years of experience, Tony has designed, implemented and deployed several successful programs across various industries. He is passionate about helping people deploy and use technology to enter the market with speed and clarity.

ABOUT VUE DMS

VUE DMS, the first cloud-native dealer management solution built on Microsoft Azure provides US-based retail automotive dealers the digital security, flexibility, and efficiency to meet today's rapidly changing market. Leveraging decades of experience serving dealerships, VUE DMS enables dealers to take back control to deliver a superior experience, reduce costs and protect their business. Learn more at VUEDMS.com.

Visit **VUEDMS.com/CloudGuide** **or call** **877.421.1040** **to learn how you can benefit from the security, flexibility, and efficiency of a cloud-native DMS**

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