

DEALER'S GUIDE TO SELECTING YOUR NEXT DMS



The Dealer's Cloud-Native DMS

INTRODUCTION

Thank you for downloading “Dealer’s Guide to Selecting Your Next DMS.” Choosing a dealer management system (DMS) is one of the most complex decisions you will make for your dealership. Since the DMS touches every aspect of your business operations, it is essential to get it right. In this eBook, we examine some of the modern challenges dealers face and how your current DMS might be causing more problems than solving them.

The most successful dealers are using their DMS to improve security, mobility, and efficiency to meet today’s demands. They are re-imagining their operations by changing how they run their business and interact with their customers.

Your next DMS will have dramatic implications on how quickly you can pivot and continue to meet the needs of your employees and customers. With this eBook, you’ll get a better understanding of how you can conquer your toughest dealership challenges while delivering a superior user experience, reducing your costs, and protecting your business.

Kind regards,

Sharon Kitzman

President, Dominion DMS



MODERN DEALERSHIP CHALLENGES

Recent events are accelerating dealership digital transformation, requiring dealers to think differently about their operations and customer interactions. Rapid changes in customer shopping preferences, technology, data security, and regulations create an unpredictable future.



Consumer Shopping Preferences



Technology



Security



Changing Regulations

CONSUMER SHOPPING PREFERENCES

According to a recent NADA survey about the future of auto retailing post-COVID, 82% of dealers said the digital sales process is here to stay. This survey result is in reaction to consumer buying behaviors, which saw a dramatic shift in the digitalization of vehicle purchases.



82%

OF DEALERS SAID
THE DIGITAL SALES
PROCESS IS HERE
TO STAY

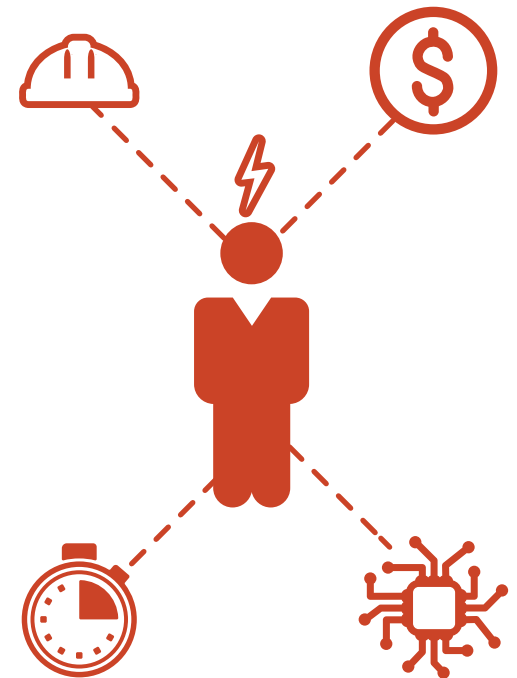
MODERN DEALERSHIP CHALLENGES



TECHNOLOGY

Dealer management system integrations with third-party software are necessary, but they are more complicated than ever. With so many technologies to connect with, dealerships spend significant time, human capital, and installation costs for each integration. Some DMS providers even have difficulties integrating with their own third-party systems.

MODERN DEALERSHIP CHALLENGES



SECURITY

Experts expect cyberattacks to increase every year, but active monitoring should avoid 93% of breaches if suppliers constantly update those software solutions. Yet, over 70% of dealerships are not up-to-date on their antivirus software, according to Total Dealer Compliance.



70%

OF DEALERSHIPS ARE
NOT UP-TO-DATE ON
THEIR ANTIVIRUS
SOFTWARE

MODERN DEALERSHIP CHALLENGES



CHANGING REGULATIONS

Dealerships are regulated by multiple federal and state agencies, with increasingly stringent mandates. As dealerships continue to change how they service their customers, including the transition to a digital environment, dealers must adopt some of their policies to remain compliant.



MODERN DEALERSHIP CHALLENGES



TRADITIONAL DMS LIMITATIONS

Today, DMS options are almost limitless, with new entrants regularly entering the market. While the availability of additional solutions is overall positive, it is challenging to know which one is the right fit for your dealership. Modern challenges require a solution that helps you meet automotive retail's constantly-changing demands.

Legacy systems are cumbersome and require a VPN. Adoption also becomes a hardship as most systems are complicated and hard to learn. They also encourage the adoption of processes that might force you to work outside of the DMS, exposing your dealership to risks, limiting productivity and jeopardizing employee collaboration. In the end, you will compromise profits.

“ Legacy systems are cumbersome...and hard to learn. ”

DEALERS' TOP CRITERIA FOR SELECTING THEIR NEXT DMS

In a recent survey* of dealers, security, mobility, and maintenance efficiency are the top features driving their next DMS decision:

44%

Security



34%

Mobility



32%

Maintenance Efficiency



* Market Research, "2021 Dominion Value Proposition Study," Cascade Insights, November 2020

WHAT TO LOOK FOR WHEN SELECTING YOUR NEXT DMS



Secure: Data privacy and security continue to threaten dealership profitability. A DMS built on Microsoft Azure Cloud sets the standard and allows greater peace of mind, for you and your dealership and customers.



Mobile: Recent events have caused dealers to rethink their operations and make adjustments faster than ever before. A DMS that does not require a VPN and can be used on a mobile device will enable your dealership to become more flexible and allow you to respond to changing customer needs faster.



Efficient: Employee morale continues to become threatened by outdated and clunky software built on legacy systems. Solutions that streamline communications between dealership employees and customers will give your dealership the competitive edge it needs to create a better experience for internal users and external customers.

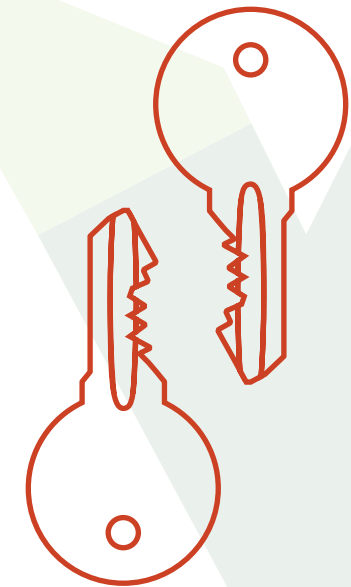


Automotive Retail Experience: All dealers agree that running a dealership is complex. There is expertise in understanding regulations as well as operational procedures that come from direct industry experience.

KEYS TO SELECTING YOUR NEXT DMS

Selecting a new DMS is a complex process that involves a considerable amount of input from internal stakeholders. For obvious reasons, choosing a DMS is a long-term decision, so the solution needs to fit your demands today while providing the flexibility to adapt to tomorrow's challenges.

Dealers that arrive at a sound decision take two critical steps as they start the evaluation process. First, they assess their current operations to identify areas of opportunity to improve their efficiency, security and adaptability. Second, they develop a set of specific criteria that helps them facilitate the improvements of these areas. These decisions are made in a team environment that accounts for all of the dealership's relevant departments.



1 ASSESS OPTIONS & AREAS
FOR IMPROVEMENT

2 DEVELOP CRITERIA FOR
IMPROVEMENT



IDENTIFY EFFICIENCY GAPS

Most dealers today know that efficiency is the final frontier of profitability. Inefficient operations are limiting profits and draining employee morale. They are starting to adopt processes that improve how the business conducts its operations.

Examine everything from your sales processes to how your team communicates internally. Seek input from key stakeholders – such as your service manager, parts manager, and sales manager – to understand their challenges and frustrations. These small changes can add up to dramatic benefits for your employees' experience, leading to better customer satisfaction.



CONDUCT A SECURITY AUDIT



Data security continues to be one of the biggest threats facing dealerships. The days of allowing a customer's private information to sit in a box in the back room are gone.

The safest dealerships are those starting to incorporate processes that will enable customers to contract digitally. While new techniques like these allow a level of convenience, they also need to be facilitated with a layered defense system across your business's entire ecosystem.





ASSESS THE EMPLOYEE EXPERIENCE

Digital retailing continues to get a lot of attention from the industry – but it shouldn't come at the expense of your dealership staff.

Innovative dealers are taking this a step further and thinking differently about all of their internal processes. Only then can an employee provide a better consumer shopping experience. They deliver and service vehicles at customers' homes and let them pay for the car before arriving at the dealership. The best way to facilitate this experience is to use a mobile DMS that can be accessed on a smartphone, tablet, or desktop without a VPN.



ASSEMBLE THE RIGHT TEAM



Unlike other dealership software, a DMS touches every aspect of the business. It is essential to know who to include and, more importantly, who not to.

The best decisions are made when the principal, general manager, controller and fixed operations roles evaluate the DMS since they all have different business objectives. They must see how the DMS will support them once it's implemented.





ASK THE RIGHT QUESTIONS

There's a lot of information out there about DMS solutions and the numerous features they provide. Beyond the functionalities, it's essential to have as much information as possible about the vendor.

The following are a list of questions to guide you through the discovery process:

- > Which DMS provider do you want to partner with?
- > What is their track record?
- > How much experience do they have in the DMS space?
- > What is the quality of their support?
- > Do they have your best interest in mind, or your OEM?
- > What is the value of this DMS? Are you truly getting your money's worth?
- > What features do you need - and which ones do you not?
- > What is the actual cost of this partnership?



CHECKLIST

This list of criteria can help your dealership evaluate your next DMS solution. Ignoring one of these items can have dramatic consequences on your dealership's long-term success. Below are attributes that should be present in your next DMS partner.

- ✓ Extensive Experience Serving Dealerships
- ✓ OEM-Agnostic Solution
- ✓ Device-Agnostic Platform
- ✓ Accessible Remotely without VPN
- ✓ Cloud-native Technology
- ✓ Single Platform with All Modules Included
- ✓ High-Quality Customer Support
- ✓ Modern Features and Functionalities
- ✓ Intuitive User Experience
- ✓ Built-in a Secure Cloud Environment
- ✓ Fast Security Updates with Minimal Disruptions
- ✓ Low Learning Curve



CONCLUSION

Selecting a DMS is a complex and often frustrating process. It is not lightly made. Hopefully, the advice in this eBook provides you with meaningful insights to choose your next partner.

Regardless of your decision, it cannot be stressed enough the importance of selecting a DMS with prior automotive retail experience. Dealers know there are processes, policies, and compliance regulations that cannot be ignored for the sake of the consumer experience.

By selecting a dealer-focused cloud-native DMS that is designed for today and built for the future with decades of experience serving dealerships, you will be well-positioned to conquer your most demanding challenges – no matter what tomorrow brings.

Sources:

<https://blog.nada.org/2020/12/07/what-covid-has-taught-us-about-the-future-of-auto-retailing/>
Market Research, "2021 Dominion Value Proposition Study," Cascade Insights, November 2020.



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/SelectaDMS or call 877.421.1040 to learn how you can benefit from the security, efficiency and mobility of a cloud-native DMS



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