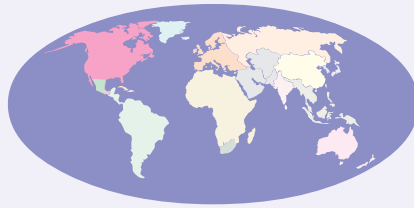




Researched, compiled and published by Woods & Seaton



Contents List and Prices



North American Developments & Trends

“Smaller” DMS Providers and their Customers

Asbury Automotive Group Inc. and DealerTrack-*Arkona*

Don Wood Automotive & DealerBuilt-*Lightyear*

February 2009





North American Developments & Trends

The "smaller" DMS Providers

February 2009

Overview

For our 2009 Analyses of *North American Developments & Trends*, we are reviewing the DMS of each of the more prominent "smaller" DSPs, in operation with their largest, most demanding customers.

The objective is to confirm how far each DSP has progressed towards being able to compete with ADP and R&R to supply centralised DMS to Dealers who are larger than "small-to-medium".

- "Small-to-medium" is not a precise definition. But usually dealers who buy from the smaller DSPs have up to 4 or 5 "modest-size" locations or, if they have more, they have not centralised their systems. Several of the smaller DSPs are supporting dealers with 6 or 7 locations, but often with a DMS in each location plus some central consolidation of accounting.
 - That is another approach to supporting larger customers, but not those who want to centralise their administration and systems.

Moving "up-market" to attack larger dealers is not easy, because...

- **Dominance has been earned...**

ADP and R&R have not gained and retained the larger dealers and groups without good reason. Their DMS have evolved to provide enough capacity for even the largest groups, and their applications software has been developed for over 20 years to satisfy complex large customers.

- To replace one of their large, multi-brand, multi-location "Group" systems requires a similar level of system capacity and content, which cannot be developed "overnight".
 - We have examples of smaller DSPs who gained a too-large customer too soon, and failed.

However, the large DSPs are...

- **Not totally impregnable...**

Slowly the situation is changing...

The progress of **DealerTrack (DT)** with its *Arkona* DMS in the **Asbury Automotive Group Inc.**, which is reviewed in this document, is the leading example of this change.

- Asbury is converting its 87 locations to a central DT-*Arkona* DMS.

In 2005, this type of deal was no more than a vision for Arkona, and not yet a serious matter for ADP and R&R, who may have been more concerned about the future possibility of Microsoft or SAP threatening their established positions with the major Dealer Groups.

- Arkona is now part of a much larger DSP, which can increase the confidence of Groups when they consider a change to reduce their costs.

Other smaller DSPs whose potential to gain larger customers is currently of interest include...

- ① **AutoSoft International** - which supports over 1,700 Dealer rooftops, and is a member of GM's *IDMS* "club", with interfaces to numerous other OEMs.
- ② **Auto/Mate** - has over 500 Dealer rooftops, is a member of GM's *IDMS* "club" and has a modern DMS.
- ③ **Automotive Computer Services - ACS** - with its *ACCESS* DMS supporting 350 Dealer Rooftops.
- ④ **ADAM Systems** - whose DMS supports about 600 Dealer rooftops.
- ⑤ **DealerBuilt** - with its *Lightyear* DMS which is gaining some larger customers in the USA.
- ⑥ **PBS Systems Group** - with its *Aristo Gold* DMS in Canada and the USA.
- ⑦ **Quorum** - another member of GM's *IDMS* "club", with its *Xsellerator* DMS in Canada and the USA.



Two other DSPs operate mainly in the Heavy Truck market...

- ❑ **Karmak** - with substantial numbers of customers in Canada and the USA. It is not a threat to ADP and R&R in the Car Dealer market.
- ❑ **Procede** - whose DMS is in use at the multi-Brand Mossy Group - supporting 1,000 users, and was reviewed in *North American Developments & Trends - 2003 - Volume 2*. But Procede has since concentrated on the Heavy Truck market.

Numerous other DSPs are also in the market, some of them long-established with loyal customer bases, including...

- ① **DPC Systems**
- ② **Dubuque Data Services**
- ③ **Jarvis**
- ④ **Meadowland** - with its *AutoMan* DMS - a Dealer's own development.
- ⑤ **MPK** - with its DMS based on Microsoft's smaller *ERP* platform, *Dynamics-NAV*.
- ⑥ **Rapid Systems**
- ⑦ **Systems 2000**.

Reviews of individual "smaller" DSPs

DealerBuilt is the first of the "smaller" DSP - after *DealerTrack-Arkona* - to be reviewed because...

- ❑ It has become more prominent in the past year - see Part 1 which follows on page 29.
- ❑ A visit to its largest customer was practical in our schedule immediately after visiting Asbury, allowing us to make an interesting comparison - see Part 2 on page 32.

The visit was to...

Don Wood Group - Athens, Ohio - using DealerBuilt's *Lightyear* DMS.



North American Developments & Trends

The "smaller" DMS Providers - February 2009

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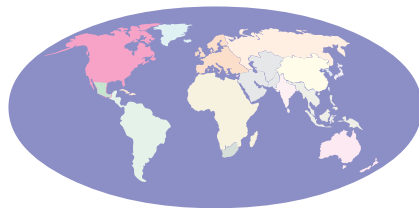


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6. North American Developments & Trends - "Smaller" DMS Providers - February 2008
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