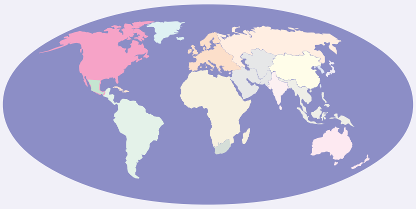
Researched, compiled and published by Woods & Seaton

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

ESTABLISHED 1973

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 it 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

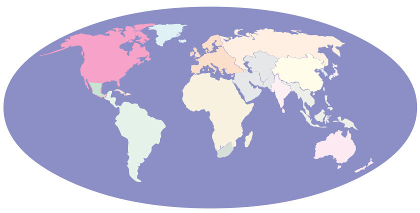
The “smaller” DMS Providers - February 2009

Contents 1

Contents 2

Contents 3

Contents 4



Woods & Seaton
Automotive Systems & Communications Service

Reference Library - 2002 onwards

In addition, Briefings / Newsletters have been delivered each year.
A summary list of topics is available on request.

March 2008 to February 2009 Subscription Year - Analyses supplied to Subscribers

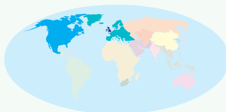
1. International Dealer Systems Providers - SAP - Second Review - June 2008
2. GM's Global Dealer Systems Strategy - July 2008
3. Porsche Informatik - Importer, Dealer and Web systems - August 2008
4. International Sales Systems - November 2008
5. Mercedes-Benz - Global Dealer Systems - February 2009
6. North American Developments & Trends - "Smaller" DMS Providers - February 2008
   Initial two reviews of DSPs and their major customers...
   - DealerTrack-*Arkona* and Asbury Automotive Group Inc.
   - DealerBuilt-*Lightyear* and Don Wood Group

March 2007 to February 2008 Subscription Year - Analyses supplied to Subscribers

1. European Developments & Trends - Italy - June 2007
2. European Developments & Trends - OEM Integration with Dealers - June 2007
3. North American Developments & Trends - Arkona - a subsidiary of DealerTrack - July 2007
4. International Dealer Systems Providers - The "new" Incadea - September 2007
5. International Dealer Systems Providers - SAP - Initial Review - October 2007
6. International Dealer Systems Providers - Reynolds & Reynolds - European Operations - November 2007
7. International Service Systems - January 2008
8. North American Developments & Trends - Systems Interconnections - A changed situation - March 2008

March 2006 to February 2007 Subscription Year - Analyses supplied to Subscribers

1. European Developments & Trends - Volume 2 - Dealers & Groups - April 2006
2. European Developments & Trends - Volume 1 - The Market - June 2006
3. The growing array of European Specialist Dealer System Providers - July 2006
   North American Developments & Trends - November 2006
4. Volume 1 - The Market, OEMs and Dealer Systems Providers
5. Volume 2 - OEM-Dealer Projects, Dealers & Groups
6. International Dealer Systems Providers - February 2007



March 2005 to February 2006 Subscription Year - Analyses supplied to Subscribers

1. European Dealers & Groups - IT and Organisation - April 2005
2. European Developments & Trends - Dealer IT Costs - April 2005
3. European Developments & Trends - Standards for Dealer IT - June 2005
4. European Dealer System providers in Car & Truck Dealer Networks - July 2005
   Developments & Trends in Automotive Retailing - North America - September 2005 (Total 267 Pages)
5. Volume 1 - The Market, Automakers, DMS & Specialist DSPs, Finance Acceptance Networks, Dealer IT Standards.
6. Volume 2 - Dealers, Groups, Stimulating Projects.
7. European Developments & Trends - On-line Parts Systems - January 2006

March 2004 to February 2005 Subscription Year - Analyses supplied to Subscribers

1. Importer Systems - April 2004
2. Automotive CRM, Internet & e-Commerce - Europe - July 2004
- Developments & Trends in Automotive Retailing - North America - September 2004
3. • Volume 1 - Market Overview, Automakers, Vendors, ASP, Leasing & Desking, Finance Acceptance Networks, Standards.
4. • Volume 2 - Dealers, Groups, Stimulating Projects, Independents
5. Automotive Systems & Services in the UK - Market Overview - January 2005
6. IT & Business Processes in the European Independent Automotive Aftermarket - February 2005

March 2003 to February 2004 Subscription Year - Analyses supplied to Subscribers

1. Automotive CRM, Internet & e-Commerce - Europe - March 2003
- Developments & Trends in Automotive Retailing - North America - September 2003
2. • Volume 1 - Market Overview, Automakers, Vendors, ASP, Leasing & Desking, Finance Acceptance Networks, Standards.
3. • Volume 2 - Interesting Dealers and Groups - including AutoNation review.
4. Automotive CRM, Internet & e-Commerce - North America - October 2003
5. Microsoft in Automotive Retailing Systems - October 2003
- Developments & Trends in Automotive Retailing - Europe - January 2004
6. • Volume 1 - Block Exemption, Executive Summary, Market Overview, Standards, Automaker Strategies, Legacy, new-generation and ERP DMS, Multi-national Vendors
7. • Volume 2 - National Vendors, Progress with ERP, Progress with ASP, Dealers & Groups - Netherlands, Finland, Germany, MAN Trucks, Parts systems.

March 2002 to February 2003 Subscription Year - Analyses supplied to Subscribers

1. Systems in Automotive Retailing - Italy and Spain - March 2002
2. F&I Systems in the UK - April 2002
3. North American Automotive Aftermarket - May 2002

4 & 5 Developments & Trends in Automotive Retailing - North America - August 2002

6\. Automotive CRM, Internet & e-Commerce - North America - September 2002

7 & 8 Developments & Trends in Automotive Retailing - Europe - January 2003

Prices

North American Developments & Trends

The “smaller” DMS Providers - February 2009

Note: All of our Analyses are supplied automatically to full Subscribers to our annual…
Automotive Systems & Communications Service

Prices of copies of ***“Smaller” DMS Providers*** are as follows…

Delivered to…	Book Copy	Additional .pdf copy
• UK	£750.00	£300.00
• Continental Europe	€850.00	€350.00
• North America	US$1,125.00	US$475.00