

# HOW TO CHOOSE A DEALER MANAGEMENT SYSTEM



## YOUR STEP-BY-STEP CHECKLIST



## HOW TO CHOOSE A DEALER MANAGEMENT SYSTEM



### WHICH DEALER MANAGEMENT SYSTEM IS RIGHT FOR YOUR DEALERSHIP?

#### A STEP-BY-STEP CHECKLIST

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If you operate a heavy-duty vehicle dealership, you likely have a dealer management system (DMS) in place to manage your business. The DMS enables a dealership to perform all of the day-to-day functions their dealership encounters from sales operations, financing operations, service operations and more; it is important that all these functions of a dealership work together. Your DMS is a critical tool for your dealership, so it makes sense to periodically evaluate your software to ensure your business is receiving the maximum value from your investment.

This checklist provides you with a step-by-step guide to help evaluate the fit of your current DMS while considering every department of your dealership. Does your current DMS allow for your Parts and Service departments to work seamlessly together? Can you easily view relevant reports to monitor the health of your dealership? Does the DMS align with your future growth plans?

Each set of departmental questions will help guide you in evaluating your unique needs and understand if your dealership is maximizing the value of your DMS.



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### DMS PROVIDER OVERVIEW

When evaluating DMS providers, it is important to consider the relationship as a *partnership* rather than purely transactional. Whatever DMS you choose will be the operational center of your dealership for the foreseeable future and it is critical the provider has your business' best interests in mind.

☐

How long has the DMS provider been in business?

☐

Is the DMS provider a leader in the market so that you can expect they will remain in business and well-financed to invest in their product in the future?

☐

Will the DMS accommodate the future growth of your dealership and align with your business' growth strategies?

☐

Are existing clients of the DMS provider available to you to learn about their experience?

☐

Does the DMS integrate your departments so that common records are shared?

☐

Is the technology in the DMS up-to-date with current technology standards?

☐

Does the DMS handle multiple dealership locations?

☐

Can you monitor dealership key performance indicators (KPIs) for all locations rolled up together AND individually?

☐

Do you have unlimited access to your data so that you can use it to make business decisions?

☐

Regarding state and federal regulations, are there security protocols in place to protect your data retention liability?

☐

Will this provider offer the best value for the whole product, including functionality, implementation, training, support, and maintenance?



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### IMPLEMENTATION/TRANSITION

If you are considering switching DMS providers, then it is important to understand the transition process. You want to ensure a smooth software implementation with minimal disruption to your business.

The following questions will help you evaluate the implementation considerations for planning a transition:

- ☐ What is the end date of your current DMS contract, and when would your new system need to be up and running?
- ☐ Is there a clear switchover plan and do you have the resources and time frame to switch DMS providers?
- ☐ Will you be able to keep existing data and customer information so that you have historical financial and inventory records as part of the conversion?
- ☐ Will there be a testing period to run test transactions and ensure forms and reports are set-up as desired, as well as request changes?
- ☐ Do you have a plan in place for the go-live date including having full participation from the DMS provider such as having team members on-site?
- ☐ What is the full on-boarding plan through the first 90-days to ensure a smooth transition?

#### NOTES:



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## TRAINING

Your employees are your most valuable asset and having access to comprehensive training will help your dealership staff master the DMS. But training shouldn't end with the implementation – ongoing access to training resources will ensure your business is maximizing on the value of the full software platform.

Consider the following questions to help determine if the training resources from your DMS provider are adequate for your dealership:

- ☐ What is the learning curve for new employees to get up-to-speed with the DMS?
- ☐ What training resources are available for current employees during implementation of the DMS?
- ☐ What training resources are available for future employees when the DMS is already in place in your dealerships?
- ☐ Are advanced training opportunities available for staff after they have become familiar with the DMS?
- ☐ What types of training options are offered, such as instructor-led or e-learning?
- ☐ What resources are available for employees to learn at their own pace, such as on-demand webinars and instructional videos?

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### SUPPORT

As with Training, Support should be an ongoing resource available through the DMS provider. It's not a question of "if" issues or questions arise, it's "when". Ideally, the DMS provider will offer support services to ensure your dealership's questions and concerns are quickly addressed.

To evaluate the support provided by your DMS, we recommend reviewing the following questions:

- ☐ What support options are available? What hours and time zones are covered?
- ☐ How quickly are you able to talk to a support agent and what is the process to contact DMS support?
- ☐ How quickly are issues typically resolved?
- ☐ Does the support staff have the expertise to address your questions satisfactorily?
- ☐ Does the DMS have a self-service online resource to find the latest information on products, integrations, notifications, and best practices?

#### NOTES:



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### ACCOUNTING

Financial information is the backbone of your dealership. Your accounting department needs accurate, real-time data to provide financial reporting, manage accounts receivable, and measure profitability.

The following questions will help you understand if your DMS allows your accounting department to operate efficiently:

- ☐ Does the accounting functionality of the DMS match the needs of your business?
- ☐ Are you able to create customized reports and dashboards to deliver accurate and timely financial information? Are you able to schedule an email delivery of those reports?
- ☐ Is financial reporting built into the DMS, or does it require a separate product/partnership?
- ☐ Can you easily view dealership department profitability?
- ☐ Does the DMS allow you to effectively manage cash flow?
- ☐ How efficient is the management of your Accounts Receivable or Accounts Payable?
- ☐ Does the DMS allow for easy management of vehicle depreciation?
- ☐ Are assets and amortization effectively managed in the DMS?
- ☐ Are you able to automatically send email copies of invoices and statements to your customers on a scheduled basis and/or email customer invoices on-demand?
- ☐ Does the DMS have the ability to archive all documents for future reference?
- ☐ Are operating budgets created easily? Are you able to track actual performance and variances?
- ☐ Do you have the ability to track a single vehicle through its multiple life-cycles within your dealership?
- ☐ Does the DMS allow your customers to easily access their own online account and use it to make payments?





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### VEHICLES

Being able to access data on your full vehicle inventory is essential to your business. Your DMS should allow you to create, manage, and update inventory quickly as well as track detailed vehicle history.

The following questions help you understand if a potential DMS will manage your vehicle inventory from initial orders to delivery:

- ☐ Does the DMS accurately track the true cost of a vehicle, including preparation charges, additional costs, and internal work orders?
- ☐ Are you able to easily view all transactions throughout the life of the vehicle with a single click?
- ☐ Does the DMS allow you to control vehicle expenses with integrated service department work requests?
- ☐ Do you have the ability to customize or modify your sales invoices?
- ☐ Does the DMS automatically and electronically archive your invoices for easy look-up and reprint?
- ☐ Does the DMS offer an integration with a proven, industry specific CRM provider?
- ☐ Does the DMS integrate with Polk VIN data?
- ☐ Are you able to use copy+paste functionality to minimize duplicate data entry?
- ☐ Are you able to sell one or more vehicles and process trades on the same order?

#### NOTES:





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### LEASE-RENTAL

A lease-rental solution is imperative to efficiently manage the administrative tasks associated with vehicle leasing and rentals. A DMS should provide lease-rental specific features including real-time management of vehicles and customers, as well as ensuring proper billing.

The questions below can help you understand important features a potential DMS should offer your lease-rental department:

- ☐ Does the DMS provider have a lease-rental specific application to manage reservations and billing?
- ☐ Are you able to view real-time vehicle availability to simplify creating new rental reservations?
- ☐ Is the DMS provider integrated with your telematics fleet management partner?
- ☐ Do you have the flexibility to define billing cycles based on the needs of your end-customer?
- ☐ Are you able to establish default billing rates and customize by customers?
- ☐ Does the DMS handle on-site fuel management including inventory control, cost, gross profit, and reporting?
- ☐ Will rental billing convert days to weeks and weeks to months automatically when exceeding established time thresholds?

#### NOTES:



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### PARTS DEPARTMENT

Maintaining an efficient and profitable parts department is an important aspect of your dealership. Tracking and managing inventory is critical to control costs and your employees need to have the right training, tools, and integrations for your DMS to be successful.

Answering the following questions will give you a better idea for improvement opportunities within your parts department, and what features you should evaluate with a potential DMS provider:

- ☐ Does the DMS offer integrated payment processing for your credit/debit card transactions allowing you to:
  - ☐ Avoid manually keying dollar amounts?
  - ☐ Split payments between different methods, such as check and credit, or credit and debit?
  - ☐ Use "credit card on file" during invoicing?
  - ☐ Accept payments via checking accounts electronically (ACH) in real-time?
- ☐ Is the general ledger updated with transactions in real-time so you have up-to-the-minute control over your department?
- ☐ Does the DMS integrate with your preferred OEM parts vendors allowing you to:
  - ☐ Send purchase orders electronically?
  - ☐ Receive suggested orders electronically?
  - ☐ Update contracted pricing electronically?
  - ☐ Receive obsolescence returns and suggested transfers electronically?
- ☐ What level of flexibility is available in the system to customize parts pricing matrices?
- ☐ Does the DMS provide access to the complete parts sales history at the click of a button, allowing users to search for transaction details easily?
- ☐ Are you able to use tools such as barcode scanning and signature capture to increase efficiency?
- ☐ How are parts inventory counts managed with the DMS?
- ☐ If you have multiple locations, will you be able to check parts inventory at other locations and transfer inventory between locations?



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### SERVICE DEPARTMENT

The service department is a vital source of revenue for many dealerships – when they are managed efficiently. Your DMS will need to facilitate collaboration with other departments including parts, sales, and accounting to maximize service profit.

The questions below will help guide you when evaluating the service department solution offered by a DMS:

- ☐ Does the DMS have an integrated process for the service workflow including technician communication to the parts department, and handling of service recommendations to the service writer?
- ☐ Does the system allow service order inputs from different points of creation including OEM integration, third-party integration, mobile/tablet, as well as manual entry?
- ☐ Are you able to define labor rates by customer, job, both, or as a mark-up or down from a door-rate?
- ☐ Does the DMS allow the customer to pay for service on the same work order that also contains both internal and warranty work?
- ☐ Are you able to create estimates, and approve/reject them for audit visibility and tracking?
- ☐ Does the DMS offer an efficient pre-delivery preparation process?
- ☐ Are you able to set maintenance schedules to be notified and alerted when work is due on a vehicle?
- ☐ Does the DMS provide a time clock capability as part of the service features?

**NOTES:**



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### REPORTING & ANALYTICS

Your DMS shouldn't just serve as a software front-end for sales, repair, and parts orders. Your DMS should also provide your management team with key performance indicators (KPIs) to measure the state of your dealership so that you have the right information to make business decisions.

The following questions should guide you when evaluating the reporting and analytics functionality of a DMS:

- ☐ Are you able to access your data to fully understand your business and make key strategic decisions?
- ☐ Is reporting built into the DMS so that front line staff is equipped to measure their quality of work?
- ☐ Are you able to set alerts and notifications regarding key metrics, allowing you to evaluate and act if necessary?
- ☐ Does the DMS provide real-time visibility to industry verified KPIs that are priority metrics for leading dealership groups of all sizes?
- ☐ Does the management team have complete and contextual data to monitor and lead your growing organization?
- ☐ Is the DMS capable of delivering your preferred reports according to your schedule?
- ☐ Does the DMS offer the ability to create custom reports for the unique aspects of your dealership?
- ☐ If you have non-standard needs, does the DMS provider have the expertise and experience to offer appropriate professional services?

#### NOTES:



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### CLOUD-BASED SERVICES

Many dealerships are utilizing the cloud environment in the form of a hosted services DMS. This concept is quite simple: your DMS provider hosts your database, web apps and OEM integrations using a third-party cloud partner, while providing a range of support and services tailored to the dealership's needs.

Consider the following questions to evaluate if your DMS' cloud services will meet your needs, or to determine if this type of solution is right for your dealership:

- ☐ Does the DMS have options for hosted services?
- ☐ Is your data secured and managed by the people who create the software and can keep it running at peak performance?
- ☐ Are you comfortable with the system's ability to address downtime issues and ensure business continuity?
- ☐ Does the DMS have proper security and authentication controls to safeguard and protect your data?
- ☐ Do you own your data and have free and unlimited access to it?
- ☐ Are you required to pay for software upgrades and new version releases?
- ☐ Has your dealership recently invested in new servers? And will these IT investments serve the existing and future needs of your dealership?
- ☐ Do you have adequate IT resources to handle implementation, software upgrades and security planning?
- ☐ Does your business have a disaster recovery plan to account for the unknown?

#### NOTES:

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### **ABOUT PROCEDE SOFTWARE**

Since 2001, Procede Software has been a leading provider of enterprise-level Dealer Management Solutions (DMS) for the heavy-duty truck and ancillary markets. Serving dealer locations throughout the United States and Canada, the industry's leading dealerships trust Excede to run their business because of its full functionality across all dealership departments, high reliability and strong integration with their OEM providers. Procede Software is a Microsoft Certified Gold Partner as Excede, its powerful DMS, leverages the strength of Microsoft® SQL technology to provide advanced Windows® and browser-based applications with real-time information.



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