

# Make the most out of your DMS

*Most dealers have a system, but many have yet to perfect it*

**BY LIZ HOCHSTEDLER**

■ ASSOCIATE EDITOR

In an attempt to organize their business, cut down on staffing levels and better maintain inventory, most dealers have employed a dealer management system at their stores. However, simply having the system in place isn't going to make a business much better than it already is.

Dealership staff has to work to learn a system and embrace the tools that work best for their unique store. Jim Phelan, owner and partner of c-Systems Software Inc., estimates 80 percent of dealers aren't using their DMS systems to its fullest potential.

To optimize the investment into a system, dealers need to make a commitment to the DMS, have staff fully trained, use the appropriate functions and track updates.

## COMMITMENT AND TRAINING

"Any time you're implementing a system, it takes management's commitment," said Kris Denos, director of development for ADP Light-speed. "Through the years, I've seen dealers that have done better than others, and one of the biggest factors in that is commitment from the upper management."

A DMS system is an investment and usually takes time to set up and implement. Experts say it's important that the staff, especially management, learn how to use the system correctly from the start to optimize use.

"Technology is as difficult or as easy as the user wants to make it," said Pete Rassega, vice president of CEO of nizeX Inc. "The same technology, some people love it, and the same technology, some people hate it, and the difference is one person learned how to use it correctly and the other one didn't."

If dealerships don't learn the system early, it's likely they will become frustrated and revert to old practices.

"Dealers get really busy, they don't have time, they don't understand something or they don't call you to tell you they don't understand something, and they just adapt to some crazy off-the-wall process," explained Glenn Hancock, president and chief information officer at nizeX Inc.

They key to perfecting the system is training all users. Each staff member should be properly instructed on using each aspect of the system.

"Most dealers do not effectively train their personnel in the use of their DMS. It is false economy to scrimp on a training budget," Phelan said. "Employees that are well versed in the operation of the DMS are more effective, efficient and make fewer mistakes. Those same employees are able to service customers better, and satisfied customers return to purchase again and again."

Nearly everyone on a dealership's staff should have access to some aspects of the DMS, experts agree. A few exceptions can be made, such as for technicians or delivery drivers. However, those positions might require access if no one else is completing data input in their place.

"Not everyone in the dealership has to have access to the entire system, but I think everyone touches a piece of it," said Dave Baumgartner, lead trainer at Ideal Computer Systems.

Most, if not all, DMS systems have security features in place that give users access only to areas under their authority and keep unauthorized users out of other areas.

## FUNCTIONALITY

Each function built into a DMS system is provided for a reason. Common pieces include accounting, F&I, inventory control and purchasing, point of sale, service, receivables, payables, payroll, and customer relationship management for some.

"If you're really a full-service dealership, and you're doing all these functions in your dealership, you really should be using all these modules," Denos said.

Though each part is important, some are essential to master. Many experts agree that the most important tool is the accounting piece.

"That accounting piece has to be perfect in order to give you that information you need to run your business," said Dave Yeargin, director of sales for Ziios Inc.

A properly used accounting system will better allow dealers to make critical decisions regarding the business. Though the tool is of utmost importance, many dealers worry more about manipulating numbers to make the bottom line pan out, rather than accurate reporting. Improper inputting can be extremely hazardous to the business.

"Due diligence must always be done to insure reporting results, efficiency and profitability are

not adversely affected," Phelan explained. "It does not matter how well designed the DMS may be — if the operators of such systems are lazy with their processes, a perceived profitable business may rapidly become bankrupt."

Another very important piece is parts inventory. Parts have to be carefully tracked, so product doesn't disappear or sit on a shelf for too long.

"No part leaves a bin, a wall, a shelf without being on an invoice because otherwise you have a greater chance that product is going to leave the store without being paid for," Baumgartner suggested.

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# Updated websites appeal to customers

*Fresh promos, homepages and inventory bring visitors back*

BY LIZ HOCHSTEDLER

■ ASSOCIATE EDITOR

There's no question that more than a decade into the 21st Century, a website is key to getting and keeping customer interest in a retail business.

A large majority of dealers have websites, yet many are not using them to their full potential.

"Why have a website if you're not going to talk about what's going on?" asked Dave Valentine, national sales manager for website provider PowerSports Network.

It's not hard to find dealer sites that aren't up to date. Many have the same homepage images

they've been using for a long time; others have empty events calendars; some include old news articles, and many host photo galleries featuring events from at least three years ago.

"From my perspective, it shows me that you don't understand the power of the Web and the opportunities that you're missing [if your site isn't updated]," said Heather Blessington, CEO of Duo Web Solutions, which specializes in dealer website maintenance and marketing.

## KEEP IT FRESH

Keeping a website fresh, presentable and professional is important in a competitive retail world.

"There are more visitors that come to your website than come to your brick and mortar store, and you're going to have the first impression on them on the homepage," said

Bob McCann, director of education at ARI Network Services.

The first glance at any part of a website is important, industry experts say. Studies have shown that an average website visitor decides whether or not to stay on a site within the first eight seconds on the page, said Laura Reinders, marketing coordinator for PowerSports Network.

Oftentimes the homepage is the first introduction to the dealership. As far as unique visitors, a dealer's search page is sought first, followed by the homepage, reported 50 Below's

carefully so as to get the most attention.

"With our dealers, in almost all of our Google analytics, less than 10 percent of people go below the fold, meaning they don't scan down," Blessington said.

## INVENTORY FIRST

The page that ranks in importance with the homepage is the inventory section. When customers visit a dealer's site, they're looking for the freshest inventory and don't want to find unavailable product.

"The area where we can tell the customers go to and is the most frequently visited is the inventory section, so making sure it is up to date is making ground," McCann said.

With PG&A inventory, some Web providers are integrated with dealer management systems (DMS) to allow the inventory in the DMS to automatically feed into the website with frequent updates. Others load OEM and distributor catalogs directly onto the site.

New unit inventory works basically the same as PG&A. The Web providers in the industry have access to OEM catalogs and can load whichever models will be sold in the dealership onto the website automatically.

Loading preowned inventory, however, takes more work, since each preowned unit is unique.

"The bottom line is you want this to be as close as real time as possible, so when you get new units in, you need to think that, 'I need to be getting this on the website,'" Blessington said.

The experts suggest that every unit on the showroom floor be available online to optimize the exposure of each.

"If they only have 15-20 percent of the vehicles they have on the Web, they won't sell," Nurmi said. "If you have 250 vehicles, put 250 vehicles on your site."

Dealers in the auto industry post 80 to 90 percent of their vehicle inventory online on average, he reported, but the powersports industry is behind in that category. Not having enough units up can directly affect a dealership's sales.

"A customer's alternative isn't to pick up the phone and give you a call; their alternative is to

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"For a retailer, it's always important to get your website updated, especially with a new promotion that comes available or products that have just been put on sale," he said.

The best first impressions often come from sites that are updated frequently.

"I don't think I would trust a dealership if I saw a sale ad that ended two months ago," Reinders said.

Most industry Web providers allow dealers to update their sites as often as they wish, and they also offer account representatives who are available upon request and/or at set times throughout the year. How often a page is visited determines how often it should be refreshed.

For larger dealers, Nurmi suggests monthly homepage updates, while smaller dealerships often opt for quarterly changes.

"The homepage is critical to getting interested parties further into the site," Reinders said.

Information on promotions, new models, upcoming events and any other pertinent and fresh details should appear prominently on the homepage until the information expires or becomes outdated. It should also be positioned

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**WEBSITE**

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go to another website," Nurmi said.

The status of the vehicle's sale should also be posted. A customer should be able to easily spot if a unit is still available, pending a sale or sold. Many dealers keep their sold units online for five to seven days or even up to 30 days to show that inventory is moving out of the store.

In addition to the homepage and inventory pages, others should be updated as well. A calendar can be filled with dealer events, promotions, new product launches, consumer shows or races that the dealership is supporting. Other local events that might interest customers also should be included.

"What the dealer wants to do is to become the authority of sorts in powersports in your area," McCann explained.

**NO EVENTS? NO CALENDAR**

Event calendars can feature links to pages with more information and photos, and experts suggest events be posted at least a month in advance when possible.

The photo gallery is another section of the website that needs to be kept fresh. Valentine suggests photos stay updated and galleries be deleted after more than a year unless the photos are from a significant event that customers would like to remember for years to come.

"You should put them up as soon as possible after an event because they have a lot more relevance," he said. "You should also put them on the homepage."

Before a photo-worthy event, a dealer should decide who is taking photos and how quickly they will be posted. An email or Facebook message can also be sent out before or after the event, asking attendees to submit their photos. After the photos are posted online, they should be shared on Facebook and other social networking sites, and viewers should be encouraged to then visit the dealership site.

"It's one thing just to put new pictures up there, but it's more important to drive traffic to make sure people look at those pictures," McCann said. Traffic onto the website can then turn into sales.

If a dealer doesn't have time to update the calendar or photo galleries or a page with news headlines, those should be removed from the website.

"I tell dealers all the time if you're not going to update it on your website, don't add it," McCann said. "If you're not going to have events, don't use that calendar. If you don't use it, at the end of the day, shut it off."

Besides leaving a good impression with customers, increasing sales and informing visitors, keeping a website fresh also helps with search engine optimization (SEO).

"If you don't keep your website up to date, you're going to lose your SEO rating," Reinders explained.

The experts suggest dealers stay committed to their websites and assign an administrator to keep it fresh. Blessington recommends each dealership carefully consider Web initiatives and assign someone other than the busy principal to keep up with the site.

"Have a plan and have a strategy for how you're going to do it. It's unreasonable for the owner to think that, 'I'm gong to keep up with this,'" she said. "It's an investment. Your website needs to be a line item on your budget, and in terms of marketing, it needs to be a primary line item on your budget."

Many dealers see a return on that investment, she says. A fresh website is more welcoming to a consumer, and it's more likely to turn an Internet-browsing shopper into a loyal consumer. **PSB**

**DMS**

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Inventory must be closely monitored and tailored to a dealership's current needs. If that piece isn't kept up to date, a dealership could overstock or understock product.

"One of the mistakes I've seen dealers make is they get themselves in an overstock situation because somebody sold one of something, and they think they have to order five," Baumgartner explained. Not knowing what is selling or what is not selling might have a dealer ordering too much or too little of any given part.

F&I modules also rank high in importance for dealers that have a strong F&I business.

Along with learning the standard tools, dealers should also keep up with updates in their DMS. Service providers are constantly working to improve their tools, and many provide updates that range from minor additions to complete system overhauls. Paying attention to what is coming up or what tools have already been added is important when trying to optimize the use of a DMS.

"I would say that keeping up to date on the changes of your DMS and being aware of what your DMS offers you, it's something you definitely want to keep tabs on because your system might alright have what you're looking for," Denos said.

It's vital to learn exactly what a DMS system

does in order to make the most out of it. Especially for longstanding dealers, that can be a challenge because a DMS system changes the way the business has been run. A DMS system, especially when used correctly, has an abundance of benefits. It's essential to learn what those benefits are and how to implement them into a dealership.

"In this particular day and age — kind of challenging economic times — the need for access to the information from within your dealership is more important than ever," Yeargin said. "These businesses are very competitive, so the need for correct data and to be able to access that data real time is more important now than ever before." **PSB**



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