

Future-proof & lean DMS integration

How to overcome costly and complex DMS integration and support new business opportunities such as online sales, better customer experience and analytics, as well as connected cars



Diverse DMS landscape

Efficient processes and systems in automotive retail are becoming increasingly important for OEMs. They are a critical success factor in reaching sales targets by enabling efficient customer-facing processes and lean processing of large sales quantities.

This factor is hindered by the heterogeneous landscape of dealer management systems (DMS), which is a common issue in the industry. Worldwide, more than 400 different DMS vendors are estimated to exist today, serving various functionalities, dealer groups and regions.

This leads to an enormous amount of effort to provide systems integration in the dealer network, commonly resulting in only 1-3 well-integrated DMSs for each OEM. Furthermore, dealers and DMS manufacturers have repeatedly raised concerns that new interfaces are taking too long to be implemented.

Challenges for OEMs

This situation results in several issues faced by car builders:

- Lack of usage of OEM systems within the dealer network and missing process integration in sales and service
- Missing strategic governance on OEM and DMS providers' side
- No alignment of interface implementation with overall strategic goals
- Inability to achieve strategic targets without process-oriented integration of strategically important interfaces

Typical strategic goals enabled by improved integration of dealer systems are efficient customer-facing processes and a holistic CRM. Furthermore, the seamless integration of connected vehicles will enable critical use cases for business models in sales and after sales in future retail.

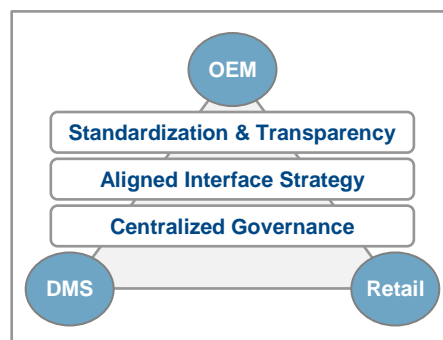
Action plan for strategic integration

In the project experience of Arthur D. Little, three best practices can be applied to enable the integration of automotive retail.

- 1) Gain transparency of processes, systems and interfaces and standardize internally and externally

The landscape of interfaces and resources/ functions involved in managing the integration with dealer management systems needs to be analyzed and made transparent. This is essential to eventually determine the long-term strategically important connections with retailers.

Moreover, global standards for documentation, data objects and interfaces have to be established. This leads to a large efficiency rise in the implementation of new interfaces, as well as increased utilization of existing ones by retailers. Furthermore, a new DMS can be integrated with very limited support by the OEM.



- 2) Define the integration strategy to support overall OEM sales, after sales and customer management targets

A holistic integration strategy has to be developed, which results in a roadmap showing the lifecycle of all long- and short-term interfaces towards retail, including methods of prioritization for implementation.

Key questions need to be answered:

- a) Which data/ functionalities have the

largest impact on customer experience and retail performance?

- b) Which countries and retail groups should be prioritized?
- c) How many and which DMSs are most valuable and should be used for own retail as well as for greenfield?

This leads to a global roll-out roadmap for new OEM interfaces, including prioritized DMSs and markets. In the decision making for the technical roadmap, the current discussions for a cross-OEM DMS interface standard need to be taken into account.

- 3) Centralize governance and create "one voice towards retail"

OEMs should establish strategic governance to align the DMS interface roadmap with overall strategic goals.

Furthermore, the new interface strategy, standards and processes have to be communicated professionally to dealers and partners, e.g. DMS providers. This can be achieved by publishing the information on an integration and communication platform where all documentation is available.

The heterogeneous DMS landscape will persist, and might even rise with new channels, e.g. online sales. Nevertheless, by implementing the discussed practices, OEMs will be able to manage the complexity with very little effort because of well-documented and accessible interfaces. By this it can roll out customer-oriented processes, as well as real-time integration, quickly, and gain one of the top competitive advantages for the upcoming years.

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