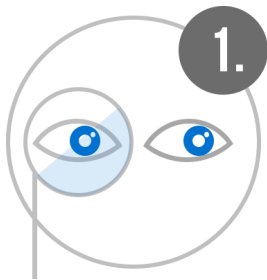


The Auto Dealer's 5-Step Guide to **MEASURING DMS ROI**

Dealers don't need too much context when they see the years 2008 and 2020. These two periods were catastrophic for dealerships and instilled in the minds of dealers the importance of receiving value from their technology vendors during bad times and good times. This is especially true in the case of the lifeline of their dealership that is their dealership management system. This guide will help provide the answer to the question "Am I getting enough value out of my DMS?" and allow you to assess various components of your current vendor.



1. Take a look at your monthly invoice

The next time your office manager receives your monthly DMS invoice, have him/her examine it closely, identify the products/services you use and don't use, and determine their associated costs. This process yields opportunities to shave costs from your current DMS bill — sometimes as much as 20%, according to DMS consultants. At a minimum, take what you discover to negotiate with your current provider for a reduced price on a new contract.



2. How easy is onboarding new employees?

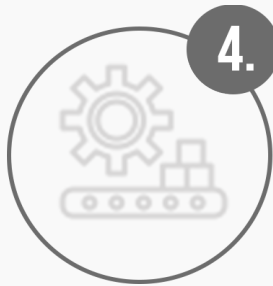
With the dismal employee turnover rate that has collectively cost dealers more than a billion dollars annually, it's paramount that your DMS has a strong onboarding and training process in place considering the average cost of new hires. Your DMS should provide your employees learning paths tailored to each job role that include how-to videos and documentation. This ensures a smooth onboarding process and gives the DMS expert at your dealership a little down time from coaching rookie employees.



3.

Time is money. How long does it take to get support?

How long does it take to speak to an actual person after you've completed several prompts? And once you are connected with someone, are they the right person to speak with? As painful as it sounds, start recording the time you spend on hold or on the phone with somebody and then determine all of the tasks you could have accomplished in that time. An additional, and equally important, support statistic you can measure is the overall time it takes to resolve your support ticket.



4.

Generate the right reports

You've determined the products your dealership is using in Step 1. But do you know how effective those tools really are? Here are some methods you can use to measure effectiveness. If you're using a digital contracting tool, try implementing wet signing one week and the digital process another week. Did your customer satisfaction scores increase enough to justify the price you're paying for this tool? Measuring effectiveness can also be done without experimentation. For example, if you recently started using electronic ROs, generate and compare past and present service reports to see if your dollars per RO or tech efficiency rate increased.



5.

Inspect what you expect!

Nobody is probably more familiar with the software your dealership uses than the employees who rely on it every single day to do their jobs. Take a walk around the dealership and check in with your employees and ask them what aspects of the software they like and dislike. Asking for specifics is a good way to get around the "I hate it" or "It's good" responses. ROI is not just the level of profit your business is generating, but also the level of user satisfaction your team is receiving. A strong disdain for the tools your employees use can eventually turn from what seems like complaining to a resignation quicker than you might think.

These steps hopefully helped provide the answer to the question posed at the beginning of this guide: "Am I getting enough value out of my DMS?" If you find that the answer is "no," it may be time to explore a lower-cost DMS option that provides you the same level of functionality with stronger customer support. Typically, this process begins anywhere from 6 months to a year prior to your contract's expiration date. For more on how to successfully switch DMS providers, check out the [Auto Dealer's 10-Step Guide to Changing Your DMS](#).