SUMMER 2006 News, events and resources for dealers from AutoSoft International

AUTOSOFT DMS NEWS

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Dealer Principal Feature Saves Dealer $4,000 a Month

John Burford is a Chevrolet dealer in Richmond, Kentucky, and a dealer who truly takes advantage of the Dealer Principal financial planning feature in his AutoSoft DMS.

One recent afternoon an hour spent on Dealer Principal helped him identify opportunities for cutting $4,000 in recurring monthly expenses!

This "immediate-fact" reporting feature helps AutoSoft dealers better command their business because it helps make the DMS what it should be – a dealer *management* tool.

"With Dealer Principal I can extract a 'Cliff Notes" version of key financial and operational metrics, without having to ask my office manager to compile it for me first, like inventory, aged units, expenses, parts and service sales, or customer life-time service value," said Burford.

Time spent looking at the Expense Trend Analysis and View Expense Detail reports in Dealer Principal gave Burford the data he needed to improve his dealership's financial well being.

"Not only did I see expenses that could be eliminated, but I also saw expenses that were being spread to departments in the wrong percentages.

"My hour of looking at my financial situation through the AutoSoft Dealer Principal feature saved me $4,000 in monthly expenses," Burford said.

autosoft international

From the Desk of Charlie

Time to Focus on Business Basics

Well, here we are again, the auto industry in difficulty.

But the sky is far from falling.

It is in times like these when a return to the basics will continue to pay off. Now is the time to review with your staff the importance of the fundamentals.

You remember the fundamentals – the practices that got your dealership up and running originally:

1. prospecting
2. follow up
3. fast response to Internet leads
4. smart used department management
5. thorough service lane walkarounds
6. extra-mile customer service
7. sharp focus on expense control.

When times toughen up as they have today, we can watch or we can act. One action that strengthens your footing in any type of business climate is to eliminate waste.

Be broad-minded. Can you reduce head count through attrition without sacrificing service? Can you rearrange advertising for greater return on your investment? Can you isolate supply purchases that you might consolidate or eliminate?

It might surprise you to learn that you already own the most powerful expense control tool available to your business – your AutoSoft DMS.

The AutoSoft DMS offers the lowest monthly fees in the industry and in many other ways can help you run your dealership better.

But, if you are like most dealers, you're using no more than 15 percent of your DMS' capabilities.

So when you explore what the other 85 percent the AutoSoft DMS has to offer your business you'll be pleasantly surprised.

Did you know, for instance, that you can download and print current system manuals from it; perhaps here is the answer to the special report you've wanted to create. What happens if you press the F1 Help key? You go to manuals online so you can resolve an issue yourself quickly.

And, this other 85 percent also is where you gain access to Dealer Principal, the AutoSoft "Cliff Notes" version of your dealership's key operational and financial quickly, in a highly understandable format.

One AutoSoft customer recently spent a few afternoon hours exploring the data summaries he generated through Dealer Principal and identified opportunities to eliminate a $4,000 recurring monthly expense.

If you'd like a quick tour of Dealer Principal and what it offers you, call our Support Desk at 800-473-4630, ext. 256 and ask for a Dealer Principal overview.

Then dig into your Dealer Principal feature. Working it often will help you fine-tune your operations and help you strengthen your business.

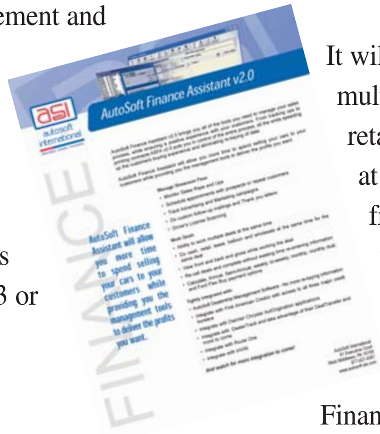
Charlie

Charlie

When you know the facts the choice is easy. AutoSoft.

Sell, Finance More Cars

Looking for an inexpensive solution that will help your dealership sell and finance more vehicles – while it delivers showroom management and desking tools as well?



This solution is AutoSoft Finance Assistant v2.0. It is an ideal sales and finance enhancement for any AutoSoft DMS user, AutoSoft users now running Finance Assistant 1.53 or an AutoSoft user now using a competitive finance product.

From tracking ups to printing contracts – to ensuring a positive experience for your customers – AutoSoft Finance Assistant v2.0 puts you in control of the entire process. It speeds up the customer's buying experience and eliminates re-keying of data.

Finance Assistant v2.0 gives you complete showroom management capabilities, from monitoring sales representatives and ups to tracking advertising and marketing campaigns to generating "thank you" letters – even driver's license scanning.

It will help you work deals too, including multiple deals. With it you'll do cash, retail, lease, balloon and wholesale deals at the same time for the same deal! View front and back end gross as you work the deal. Recall deals without re-entering information – and work all kinds of terms and payment options.

Finance Assistant easily integrates with the AutoSoft DMS, as well as with First American CREDCO (with access to all three major credit bureaus), and with DaimlerChrysler AutOrigination applications. It also integrates with DealerTrack and RouteOne and with triVIN online vehicle registration and titling.

For more about AutoSoft Finance Assistant v2.0, call 877-427-4367.

Sawdust Brake Pads in Your Shop?

Marketers of counterfeit auto parts may be moving their merchandise into dealerships like yours.

Some fake parts are so splendidly manufactured and packaged that even OEMs often can't tell their own parts and packaging from the fake ones. In one case of seemingly identical AC Delco brake pad packaging, the fake pads are made of sawdust.

These parts are being sold all through the retail channel, from car dealerships to independent garages, retail auto parts stores…wherever the counterfeiters can place their product.

"Some of these fake auto parts actually work," noted Paul Foley, vice president of the Automotive Aftermarket Suppliers Association, Research Triangle Park, North Carolina.

However, installing them on customers' vehicles puts human life at risk.

"The tell is these fake parts' price," said Foley. Their pricing is often 25 percent or more less than OEM pricing.

These prices can be an attractive incentive to parts managers and bodyshop managers pressured to reduce costs.

It is your responsibility to ensure the parts your dealership installs on customers' vehicles are not counterfeit.

"Forget the technology. 'Eye Candy' sells used vehicles!"

~ Pre-Owned Sales Consultant Paul H. Webb

"Measure and post everyone's production results every day for all to view."

~ Fixed Operations Consultant Ed Kovalchick.

What's New *and* How To

Q: How do I track when a customer's file has been added to the system?

A: The Customer Information screen in the Trade Receivables has a new "First Date Customer" field. Now when you create a new customer file this field defaults to the current date. This allows you to track when a customer's file was added to the system.

Q: Is there a simpler way to produce multiple DOCS without always having to re-enter the information?

A: Yes with our new "Rename" button in the Daily DOC screen. This allows you to manage your DOCs without having to manually re-enter the DOC information and will be useful, for example, for dealers who created Parts, Service, and Body Shop DOCS using DOCs 1 through 9 and who want to switch them from the current DOC number to P, S, or B. In the Rename DOC window, click the DOC you want the displayed DOC to replace. If the DOC you select has more than one record in it, the system will warn you. If you continue, all records in the DOC will be overwritten with the current DOC information.

On a related matter, you can now add a title to a daily DOC, and the title will display in the DOC selection list on the Daily Operating Control menu. To add a title, create line 000, and type the title you want to use for the DOC as the description. This line will display in the DOC selection list to help identify the DOC. If you do not create line 000, the system will use the first line you create for the DOC as the title.

Q: I wish the AutoSoft system made it easier to insert decimal points for currency.

A: Mission accomplished! Now you can on the Miscellaneous Operating Parameters screen in the Accounting setup. If you select to have the system automatically format the entries, it will add the decimal two places from the last digit in the figure. For example, if you type 5, it will format the entry as .05. If you type 50, it will format the entry as .50. If you type 550, it will format the entry as 5.50.

Q: I missed some system update news. I'm probably not the only user who could benefit from a reminder of them.

A: While we publish these items daily and make them available to you through your AutoSoft DMS screen they can be overlooked in the rush of the day. Here are a few of the more recent system upgrades:

- The Customer Information screen in the Trade Receivables has a new "Memo Data" button. This button opens a free-form text box that allows you to add notes you want to keep with the customer's file. The text box holds up to 500 characters.

- On the Department Assignments screen in Payroll, you can now specify if the employer-paid benefits should be applied to regular pay, special pay, and/or bonus pay.

- GM dealers can now pull incentive memos to the Factory Receivable Statement screen.

- You can now view customer service history from the Vehicle Sales Reports menu (Accounting>Reports & DOC's>Vehicle Sales>Customer History).

- You can now access the Cashier Setup from the Accounting System Setup menu. Information entered through the Accounting System Setup menu will change the setup in the Cashier module and vice versa.

- The Vehicle Sales History screen has been enhanced. Now, you can select the month and type of sales you want to view on the screen. Also, there is a new "Extended Search" button on the screen that allows you to search for a sale based on the stock number or customer's last name.

- VIN decoding has been added to the Vehicle Purchases screen. To view data, click the car icon next to the VIN field. If VIN data is available, the system will fill in the Year, Make, Model, and Body based on the VIN information.

- There is a new Allow Cashier to Create Customer Charge Accounts parameter on the Miscellaneous Operating Parameters screen. If you set this parameter to Y for yes, the cashier can create customer charge accounts while posting cash receipts.

- The Ford financial statement will now pull the A/R aging. See your AutoSoft DMS screen to download the Ford Financial Statement A/R Aging Overview.

- There is a new Miscellaneous Passwords button on the Passwords menu. You use this button to enter passwords for the Dealer Principal program and the Time Clock. You can set passwords required to void documents and checks in the Accounting module, to void counter slips in the Parts Inventory module, and to void repair orders in the Service Writing module. You also use this screen to determine if the user can access the transaction entry data menu bar on the journals screens.

Q: How do I handle payroll deductions in my AutoSoft DMS?
A: There are new options available on the Edit Deductions and Enter Deduction screens in Payroll. The Regular Pay (R/P), Bonus Pay (B/P), and Special Pay (S/P) fields now allow you to enter additional options that determine how the deduction is calculated. There are now five options:
- If you select N, no deduction is taken.
- If you select Y, the system deducts both dollars and a percentage.
- If you select D, the system deducts only dollars.
- If you select P, the system deducts only a percentage.
- If you select T, the system takes only the amount indicated by the table assigned to the deduction.

These changes have also been made in Payroll:
- The Should Gross Pay Be Posted To The G/L By Totals or By Employee parameter has been removed from the Miscellaneous Parameters screen. Now, you can enter 16 pay descriptions and 32 deductions on the Pay/Deductions Setup screen.

- On the Pay/Deduction Setup screen, there is a new SA (Scheduled Account) column. If you type S is this field, the system will post the account by line. If you type N in this field, the system will post the totals to the account. You can choose to set every account to S if you want all payroll information to post by line even if the account is not a scheduled account.

- On the Define Departments screen, there is a new Sch (Scheduled) column. If you type S is this field, the system will post the account by line. If you type N in this field, the system will post the totals to the account. You can choose to set every account to S if you want all payroll information to post by line even if the account is not a scheduled account.

Q: What is AutoSoft doing to streamline its Journal Utilities to make them easier to use?
A: A number of simplified processes are now in place. Last Journals Posted is now Reverse A Journal Entry. This opens the Last Journals Posted menu. The Last Journals Posted menu has two changes:

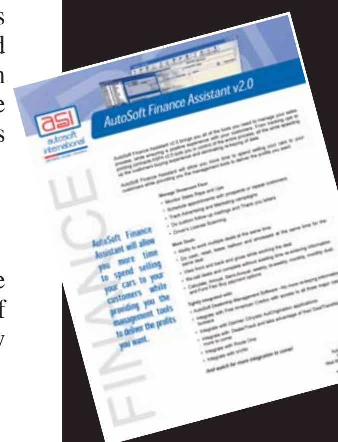
- Reverse Entire Journal Selected: Use this button to reverse the posting of the selected journal. The journal will automatically reverse in the correct month. The system prints the information for your records. This feature is set to post direct regardless of how your system is set to post.

- Move Entire Journal Selected: Use this button to move the selected journal from the current month to the post-ahead entries or from the post-ahead entries to the current month depending on how the entry was posted. The system will make a reversing entry and repost the entry in the correct month. The system prints the information for your records. This feature is set to post direct regardless of how your system is set to post.

Q: How do I handle pricing for Internet sales in my system?
A. In the Vehicle Purchase Journal and Vehicle Information screen, you can enter an Internet Price. If you use Web Manager, this is the price that will show on the Internet for the vehicle.

Q: Can Accounting be modified to better handle certified used vehicle sales?
A: Yes indeed. When creating vehicle sales parameters in the Accounting setup, you can now create parameters for certified used vehicle sales. When entering a vehicle sale in the journal entries, you can flag the sale as C for certified used vehicle sale. When viewing the sales, you can select to view just the certified used vehicle sales.

Learn all the FACTS about the affordable DMS from AutoSoft. Download yours at www.Autosoft-asi.com



Sell and finance more cars with AutoSoft Finance Assistant v2.0. Download complete information at www.Autosoft-asi.com

Got Questions?

Want to know how to better operate a certain function in your AutoSoft DMS? Want to learn more about a particular AutoSoft feature or module?

Ask your question and get your answer right away via e-mail. Then we'll print your question and its answer here in this newsletter for others' benefit.

Send your questions to: support@autosoft-asi.com

You can find this link conveniently located at the bottom of the Help screen in your AutoSoft DMS by pressing first F1 from any screen in the application.

In Brief

Read about AutoSoft's "Most Recommended" standing in the recent NADA survey of DMS providers. Visit www.autosoft-asi.com to download your PDF-version copy of our new DMS brochure, "Ask the Dealer Who Switched," or talk to your AutoSoft representative.

Sell and finance more cars with the help of AutoSoft Finance Assistant v2.0. It delivers the tools you need to manage your sales while managing customer expectation and satisfaction. Click to www.autosoft-asi.com to download complete details.

Hyundai and Mazda dealers are now part of the AutoSoft family with the recent completion of dealer communication software certification between AutoSoft, Hyundai and Mazda.

Reclaim Those 'Lost' Deals

The secret is effective follow up

by Paul H. Webb

We all realize there isn't a sales consultant on the planet who can successfully sell to all the people all the time.

The national average is one sale per five prospects.

So what happens to the other four who left without buying? Should we just write them off?

No way! Nationally, the closing ratio for customers who have already been to the dealership at least once without buying skyrockets from 20 percent for "normal walk-ins" to 76 percent.

How do you get these people back? The process is easy and it's free – it's called follow up.

The fact that these customers came back to your dealership in the first place tells you that they want to do business with your dealership.

Here's how your sales team can bring more of those buyers back.

The follow-up process

It's important to respect the fine line that exists between making the sale and annoying customers to the point they never want to come back.

Some customers — no matter what you do or say — will never buy a vehicle during their first visit.

So when it's clear that a deal won't be made today, you need to take a step back and let the customer move at the pace he or she is comfortable with.

Sometimes that means they'll leave without buying.

Instead of quitting on them, give them another opportunity to say "yes" and follow up with them 24 to 48 hours later.

The follow-up process should begin before the prospect walks back out the door.

Cue: Never ask a customer whether it's OK for you call them or even the best time to call; why give them the opportunity to say "no thanks."

Rather, be direct and give them a reason to return to the dealership. If you didn't have a vehicle they wanted, make sure you know what they want and tell them that new inventory arrives every day.

Let customers know you are looking for the vehicle that will make them happy and that you will call them when you've got it.

Let's say a customer liked a vehicle at your dealership, but you couldn't come to terms. Tell the customer you'll work on their situation, and that you will call them within the next two days when you're sure a deal can be worked out.

With such customers all it often takes to convert a "be-back" into a sold customer is giving them a little time to think about it and another $100 or so to sweeten the deal.

Effective follow up

When following up with a customer, remember, timing is everything — and the phone is your friend. The most effective customer follow-up telephone calls happen within 24 to 48 hours of the dealership visit.

Making that call can be difficult, but you've talked to them before, so don't be shy about talking to them again.

Here are a few tips:

• Use the telephone to follow up. Letters don't have the same kind of immediate response and are not as personal.

• Practice making follow-up calls with your manager to gain more confidence.

• Be polite and respectful on the phone by thanking your customer for initially coming to the dealership.

• Always let your customers know why you're calling. Getting to the point quickly lets your customers know you value their time.

Set an objective for your sales team: to generate two appointments per day per sales consultant from these customer follow-up calls. If they do that, they'll book 40

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Key Data, Extraordinarily Deep

First State Chevrolet's DMS contract with ADP Dealer Services was about to expire. Maralene Givens, controller for the Georgetown, Delaware, dealership enthusiastically embraced the pending changeover to the dealership's new choice, AutoSoft.

"I was quite willing to make the change," she said. "AutoSoft simply makes it so much easier and convenient for us to retrieve data and print it to screen in PDF format. We've eliminated a lot of paper costs and data storage needs.

"With the AutoSoft system I can look into payroll, general ledger and other accounts extraordinarily deep, through an entire year's worth of records, right on the screen, rather than being limited to only a month's records that the older system limited us to. The old system forced us to print out each month's records to compile a history."

Givens said AutoSoft's in-system records archiving lets her call up and print to screen in PDF format, or print to printer, the precise historical records she seeks.

"I really like this look-back feature where I can point and click on the record I want to access for any month and see the detail right on the screen," Givens said. "And with AutoSoft's easy backup to rewritable CD I have easy access to every record back to the beginning of our history."

Givens also likes that the AutoSoft DMS receives software updates via the Internet. Users can still be accessing the system while updates occur. Parts and service updates require all users to be off the system for about 15 or so minutes and are scheduled once per month at the end of the business day. No more tapes or CDs to load on weekends.

"Our old DMS vendor fought hard to keep us, but in the final analysis AutoSoft was a better choice for us. Our DMS costs have plummeted and the entire staff finds its Windows-based operation more convenient and easier to use," Givens notes.

sexiest motive, *continued from P-6)*

appointments a month (assuming they work five days a week, four weeks a month).

We know that only about half of these appointments will actually be kept, and if we use the 76 percent closing ratio -- because every one of these customers has been to the dealership before -- you'll net 15 sales a month just from customers you've talked to before. That's a good return, isn't it, considering the average salesperson sells 10 vehicles a month?

Remember, your customers appreciate professional follow-up telephone calls.

Investing the time to reach out to them a second or third time can be a very profitable use of your sales team's time.

Paul H. Webb is a principal of Street Smart/I.T.S., Inc., (www.StreetSmartSalesTraining.com), a used inventory performance improvement company. Mr. Webb also shares his ideas for improving used vehicle profits with OEMs and NADA 20 Groups, NADA management seminars and annual conventions.

be productive, *continued from P-8)*

Time is easily lost. Consider:
- Late for work (actual starting work time) loses eight minutes
- Personal phone calls lose five minutes each
- Roach coach visit other than break time loses 11 minutes
- Explain to service writer what muffler bearing is loses six minutes
- Wait for parts five times loses 29 minutes
- Flirt with new office girl loses 16 minutes
- Can't find 13mm open-end wrench loses six minutes
- So on and so on

Flat rate technician pay plans or others than pay incentives for achieving pre-determined production outputs can help reduce these loses. Also:

- Measure and post everyone's production results every day for all to view.
- Watch the peer pressure create improved results as the competitive human spirit influences performance.

Explain the value of clock time to technicians. Ask them what causes them to lose time to help determine where improvements need to be made. Then make them.

Ed Kovalchick, CEO of Net Profit Inc., improves fixed operations results for dealerships off all sizes. He is a consultant to AutoSoft. Net Profit is located in Alabaster, AL. Contact him at Profit001@aol.com or visit www.npinc.com

In Brief

Financial statement updates for 2006 for most OEMs, 20 Group reporting and pre-owned vehicles are now available for download from your AutoSoft DMS. Go to the AutoSoft DMS Update Screen, find your manufacturer and click. Once you run the 2006 update you can not go back to 2005 so first be sure you are ready for the update.

The AutoSoft DMS is an affordable Windows-based DMS that delivers total accounting, payroll, sales and marketing, service and parts, bodyshop and F&I. AutoSoft is delivering results for more than 1,700 dealerships. We offer no contracts, affordable monthly fees and some of the best technical support and customer satisfaction in the industry.

SUMMER 2006
AUTOSOFT DMS NEWS

Why Johnny Can't Be Productive

The expense of lost time is worth calculating

by Ed Kovalchick

The average technician's output is 80 percent, which translates to a technician producing well less than eight paid hours for every eight clock hours.

In other words, we may pay the technician for eight clock hours; but, in return, the technician only produces about 6.4 hours of billable labor time.

Using a $60 per hour labor rate, at an 80 percent technician output, an average service department is losing $12 per clock hour (20 percent x $60) or $96 each eight-hour day per tech.

That's a loss of over $24,000 in income per year per technician plus related parts sales.

In a five-tech shop that loss tallies over $120,000 annually, a serious chunk of change. At 100 percent technician output, the hourly income would be an actual $60 per clock hour.

The whole point of having a tech is to generate income to pay the bills plus at least a 20 percent profit to ensure the store stays in business.

A technician's time performing non-revenue producing tasks is lost time which can't be billed.

At a $60 per flat rate hour one technician minute is worth $1 of income.

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