

# How to Select a New CRM or DMS



Every dealership has a customer relationship management and dealer management system in place, but are you running one geared to how you did business yesterday, or one that will drive your growth tomorrow?

**It's nothing new** — your dealership has a customer relationship management (CRM) and dealer management system (DMS) in place. But when was the last time you really looked at your CRM/DMS?

Maybe it's the same system that's been running since the location first opened. Maybe it's a system that was installed a few years ago to improve operations. Maybe you're thinking about upgrading or switching to a new system right now. Wherever you are in the CRM/DMS lifecycle, the question isn't whether you have one — it's do you have the right one? And that is a trickier problem to solve, since not every dealership's perfect system will be the right choice for a competitor down the street.

Choosing the right CRM/DMS doesn't have to be an anxiety-inducing process, however. Here are a few best practices to keep in mind as you start to evaluate the best options for your dealership to ensure you don't just buy technology for today, but a system that will serve you well into the future.

## **The Changing Technological Landscape**

If you haven't researched or purchased CRM/DMS systems within the last five years, then you're falling behind — drastically behind, in fact. Technology is rapidly changing across every industry, and every sector, everywhere in the country, and CRM/DMS is no exception.

Assuming you have staff members under the age of 50, the odds are good they have grown up with technology. Under 40, and they are just as comfortable with technology as they are with more traditional ways to sell and manage sales. Under 30, and they are probably starting to get uncomfortable with non-digital processes.



For dealerships that want to attract and retain young, enthusiastic, ambitious people, having “old-school” methods and systems in place will stymie those efforts. A Cox Automotive study about vehicle buyers today found that:

- **88% use the Internet to shop.**
- **46% use multiple web-enabled devices when shopping.**
- **31% use a tablet to perform their search.**

And as true as these are for customers, they're probably equally true for employees.

It might be time to re-evaluate your technology stack if you can answer “yes” to any of these five questions:

1. **Are your menus hand-written?**
2. **Are you running an older operating system on your computers?**
3. **Are the monitors employees use to access systems a CRT, rather than a flatscreen?**
4. **Is your Internet shared by everyone on a single node, with slow download/upload times?**
5. **Does your staff have to use more than 3 clicks to access and use information anywhere in your system?**

Today's CRM/DMS systems are fast, run on the latest operating platforms to take advantage of every upgrade and ease-of-use function on offer, and have been streamlined to ensure any and all information is easily accessible. Modern CRM/DMS systems are designed to get out of the way, so your staff can do their jobs, rather than provide roadblocks and delays that cause frustration across the board.

Not only that, but they likely provide better information as well. Functions such as the ability to offer more personalized experiences — both for the staff and for every customer they serve — as well as detailed reports that can be run any time, by anyone, are just a few upgrades.

Imagine if every F&I salesperson in your dealership could access their numbers any time they wanted with just a few clicks of a button, ensuring they have a much better grasp of what they need to hit their numbers? Imagine if you offered incentives throughout the month, rather than just at the end, based on that information? How much more motivated do you think your team will be? And that's just a single example of what's possible with modern technology powering the dealership.

## **The Expanding Role of CRM/DMS**

Given the way technology is expanding what CRM/DMS systems can do, and how they do it, it should come as no surprise that these systems are becoming even more critical in the day-to-day operations of a dealership.

They have always played an important role, but the reality is that CRM and DMS systems are increasingly becoming the central hub for the entire operation, rather than just a single system that exists alongside several other single systems that all perform individual functions.

One way CRM/DMS systems are starting to expand is through artificial intelligence (AI) functions. In another Cox Automotive survey, 63% of dealers noted that they





believe automation and/or AI technology is going to be increasingly necessary as they adapt to the changing vehicle sales landscape. The ability to relegate functions such as follow up after a purchase, or personalizing and automating some of the initial simple steps in the purchase process can free up the sales team to focus on the places where their skill and expertise truly count.

And that is where the modern CRM/DMS systems come into play. If your current system doesn't support automation and/or AI functions, then it is already out of date, regardless of when you purchased and installed it. These systems are the central hub for these types of processes, the foundation that the dealership should be building its future upon. Having a system that doesn't support the future is like building a house of cards on a bed of sand — it's only a matter of time before the wind sweeps it all away.

It's not just productivity and process improvements that will suffer either. Increasingly, customers expect the dealership to have a baseline of information available when they first walk through the door. This is even more true if they have spent any amount of time on the dealership's website researching options.

The CRM/DMS should be tied into every single online effort the dealership expends, be it the website, social media outreach, content marketing, or anything else. If a customer has interacted with your brand or dealership in any way, at any time, that information should be available to the entire sales team from the beginning of the transaction to the end.

Customers who have taken the time to fill out forms or provide information once won't have patience for any dealer who requires them to fill it out a second time. And for those who want them to fill out the same information in multiple systems? Forget it. Your chances of a great review and referral go exponentially down with every redundant request. Having a central location where all that data is stored and then automatically populated into systems as the transaction progresses isn't just a time saver — it makes for a far superior customer experience.

### **Questions to Ask Before Investing**

Now that you know why having a modern CRM/DMS system in place is critical for future growth and success, now comes the hard part — which one do you choose? There are many options out there, and the right one for your dealership depends on several factors.

Here are 10 questions to ask your potential vendors before making the decision:

- 1. How integrated is this system?** Will it tie into the rest of the existing dealership systems, such as accounting or inventory management? Or will I need to upgrade those as well?
- 2. What kind of reporting functions does this system have?** How detailed are the reports? Who can run them? How often can they run them?
- 3. Is this SAAS** (software as a service) that will be continuously maintained and upgraded by the vendor, or will it be installed wholesale on site, and I'll be responsible for keeping it up to date?
- 4. How often is the system updated?** What types of updates/upgrades are typical in each one? How long does the update process last, and can employees continue to use the system while it's running?
- 5. What is your roadmap for the future?** What additional functions or services are available today, and what are you working on next? Will that added functionality be included with my system, or will it be an additional fee?
- 6. How many users can be on this system at the same time?** Will I be charged a per-user fee? Or is it based on the number of users logged in at any given time?
- 7. How well does this system integrate with third-party platforms such as Facebook or Twitter?** Can accounts be managed directly through the system?

**8. What kind of training do you offer for this system?** Is it a one-time event, or do you come out occasionally for refreshers or to educate staff about new features or functionality? Do you offer training materials that can be used with new hires to get them up to speed quickly when they come on board?

**9. How much personalization is this system capable of providing?** Does it allow staff to input information once, and then have that same information carry through into every form and process? Does it automatically pull in information from multiple sources such as online forms or social media interactions?

**10. How much automation is possible with this system?** What processes, exactly, can it automate? How does it handle automated functions? How difficult is it for staff to correct or change automatically generated information as the sales process progresses?

These questions are just a starting point, but they will allow you to begin drilling down to what each individual system offers, and give a baseline on which to compare them. Perhaps it is more important for your dealership that the new CRM/DMS support legacy systems that aren't currently being upgraded. Perhaps advanced training to get all your staff on board and fully immersed in the system as soon as possible is more critical. Or maybe your dealership requires a system that is regularly updated with new features above all else. Whatever your specific needs, these questions will help point you in the right direction.

Ultimately, a CRM/DMS is the engine that drives the dealership. Ensure the right technology is powering your dealership to drive your dealership has a bright and profitable future.

