5 Ways a Modular DMS Platform Opens New Possibilities for Profit.
We Live In An Era Where Data is Literally at Our Fingertips.

Take a quick glance at your smart phone and you'll find a familiar collection of apps. In addition to supplying an endless stream of information, entertainment, and utility, those apps teach an important lesson about the modern world — we live in an age where data is literally at our fingertips. With the right access from your phone’s operating system, those apps can shape, sort, and serve your data in new and useful ways. Today’s dealerships maintain a similar relationship with their DMS providers.

While all dealerships have a dealer management system at the core of their operations, it is not realistic to expect a single provider to fulfill the many needs of a modern dealership.

To satisfy those needs, dealerships are now required to reach beyond the offerings of their DMS providers and integrate apps, developed by other vendors, into their DMS platforms. Like other successful integrations, these third-party apps depend on a commitment to data access on the part of a DMS.
Data Access + Modular Integration = Happy Dealerships.

In response to the increased need for integration, two general categories of DMS provider have emerged: rigid and modular. Most traditional, well-known DMS providers operate in rigid environments. As a general rule, rigid providers favor security over flexibility, leading them to restrict third-party integration. Modular providers, on the other hand, place great importance on flexible, open integration so that dealerships can leverage the most effective third-party apps available.

Modular providers recognize the importance of connectivity and expect the DMS, the dealership, and vendor to share responsibility for data security.

Just as a smart phone provides data to secure apps, modular DMS providers grant access to dealership data through secure integrations with third-party vendors. New innovations in data exchange, data extraction, and system integration have enabled forward-thinking dealerships to use their data in order to achieve significant competitive advantages. Using a modular DMS platform, dealerships can utilize their own DMS data and, in some cases, realize profit almost immediately.
Here’s Five Ways That Can Happen:

1. **Pick your partners, one vendor at a time.**

   Because owners, executives, and managers of automobile dealerships carry the responsibility for success, they also demand the freedom to make their own choices. Those choices, of course, often surround which vendors they will use to fulfill important service roles within their dealerships.

   Choosing the right vendors, however, is only half the battle. Dealerships must also be sure that those vendors can integrate with their central DMS platforms. In order to enjoy the advantages of today's integrative economy, modern car dealerships must be able to share their data with third-parties freely and efficiently.

   Open but secure data access has become a hallmark feature of modular DMS platforms, which do not limit a dealership's ability to choose third-party vendors or apps.

2. **Invest in your dealership, not in data fees.**

   Most dealerships using a rigid dealer management system pay about $5,000 per month in security fees. By reducing or eliminating those fees, dealerships using modular DMS platforms enjoy an immediate reduction of monthly expense. In order to control the flow of dealership data, rigid providers also charge data access fees to third-party vendors. As vendors pass costs onto their customers, dealerships are indirectly paying for the use of their own data.

   Because data integration is at the heart of their technologies, modular DMS providers have elected to charge little or nothing to third-party solution providers. In theory, this means that a dealership could save money while using the same third-party apps, simply by switching from a rigid provider to a modular platform. Indeed, one dealer reported saving $450/month/rooftop on his CRM costs alone after switching away from a rigid DMS provider.*

   *Source: autonews.com/article/20150720/RETAIL07/307209962/dealers-will-pay-up-for-vendors-data-access-after-code-switch

3. **Your data security is everyone’s priority.**

   Smart, business-savvy dealers want short-term cost savings and longer-term benefits that contribute to sustained success. One of those factors is security.

   Of course, data security is extremely important and modular DMS platforms go to great lengths to ensure the protection of customer information. However, modular DMS providers differ in their approach to security. Specifically, they view data security and updates as a basic, necessary component of their product and not as an additional product or service.

   Modular DMS providers take a more collaborative approach to data security, with vendors sharing the responsibility of keeping a dealership secure.

4. **Get the information you need, when you need it.**

   In today’s connected automotive retail industry, data can no longer be constrained by DMS providers. With their emphasis on easy data access, modular DMS platforms facilitate better and more efficient data gathering on the part of dealership managers.

   In practice, a primary benefit of an open-data philosophy is the ability to create custom reports. Modular DMS structures give dealership owners, executives, and managers the freedom to create custom reports containing all the information they need. With real-time business intelligence, dealerships always know exactly how they’re doing and where they need to improve. This enhanced ability to access data, then, can become a key driver of efficiency and profitability.

5. **Want more functionality? You can build an app for that.**

   All dealerships are different and many find that they need unique functionality that isn’t being provided by an out-of-box integration provider. Modular data management systems allow dealerships to build their own technology apps to fulfill specific needs and to further differentiate themselves.

   Due to their open and secure architectures, modular DMS platforms make custom-programmed apps easier to accomplish from a technical standpoint. Developers have uninhibited access to the data and the information that they need, allowing ambitious dealer groups to explore their potential and move the automotive industry forward in exciting ways.
Data Access Drives Dealership Success. Time to Think Modular.

A smartphone is only as good as the apps it can run—most of which require access to user information supplied by the phone’s operating system. In similar fashion, modern automotive dealerships are using data provided by dealer management systems to power the best third-party solutions. In this age of data at your fingertips, open but secure data access has become a key requirement. Modular DMS platforms, with their emphasis on data access and vendor flexibility, are ideal for forward-thinking dealerships seeking to establish a competitive advantage through innovation.
About Dealertrack DMS

Technology is an essential part of running a successful dealership and many car dealers depend on their DMS platforms to provide modern, innovative solutions. But, in today’s world, DMS providers must offer more than technical superiority. They must also help dealerships to improve customer experience and boost employee efficiency. Dealertrack has paired a high-tech DMS platform with a high-touch approach to customer care, making it easier than ever to run a profitable dealership. Dealertrack’s modular architecture, powered by its unique Opentrack platform, empowers dealerships to seek solutions and select the vendors that work best for their businesses.

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