

Building an Internet-driven global automotive company

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Agenda

- ➔ **Introduction**
- ➔ **Launching a car company**
- ➔ **The information backbone**
- ➔ **Who's connected?**
- ➔ **Case studies**
- ➔ **Future directions**
- ➔ **Conclusions**

Strategic Business Systems

- ➔ **Serves distribution operations of Motor Vehicle manufacturers**
- ➔ **Vehicle Distribution, Warranty, Parts, & Dealer Communications**
- ➔ **Customers include:**
 - **Toyota, Saab, BMW, Peugeot, Kia**
 - **Harley-Davidson, Ducati, KTM**
 - **Hino Diesel, Land Rover, Hummer**

Launching a car company

- ➔ **This includes entering new markets!**
- ➔ **Business Strategy**
 - **Product Positioning**
 - **Budget**
 - **Time to market**
- ➔ **Information Technology (IT)**
 - **Must support overall strategy!**

IT Elements

- ➔ **Network**
 - **Data / Voice**
- ➔ **Software**
 - **Operations / Finance**
- ➔ **Servers**
- ➔ **Support**

Build vs Buy IT?

➔ Build

- Just the way I like it
- Slow to market
- High budget

➔ Buy

- Experience
- Fast to market
- Shared expenses

Build vs Buy IT?

- ➔ **The answer varies, depending on:**
 - **Strategy**
 - **Timing**
 - **Budget**
- ➔ **No overriding answers**
- ➔ **The Internet opens many new doors**

Internet information backbone

A “buy” strategy

An “information backbone”

- ➔ **A way of connecting all individuals with all servers**
- ➔ **Distance is not a factor**
- ➔ **Different uses**
 - **Communicate, report, buy, sell, ...**
- ➔ **Different applications**
 - **Web, eMail, Terminal Access, ...**

Why use the Internet?

➔ Budget

- Much less expensive than alternatives (including the costs of security)

➔ Strategy

- Everyone is connected, everywhere

➔ Timing

- Can get up NOW !

Applications Service Provider

- ➔ **With motor vehicle specialty**
- ➔ **Has infrastructure already in place**
 - **Internet connections**
 - **Servers**
 - **Software**
- ➔ **Great concept for:**
 - **small markets & budgets**
 - **lean distribution model**

Who's connected?

Almost everyone, including:

- ➔ **Internal operations**
- ➔ **Vendors**
- ➔ **Dealers**
- ➔ **Consumers**

Barriers to progress

Why isn't everyone here?

Barriers to progress

- ➔ **Corporate “Inertia”**
- ➔ **Politics**
- ➔ **Sub-optimization**
- ➔ **NOT MONEY!**

Organizational change

- ➔ **NECESSARY TO ACHIEVE INTEGRATED SYSTEM**
- ➔ **“Single point of TRUTH” !?!?!?**
- ➔ **“Silo systems” come from SILO organizational structures**

Integration must be planned

- ➔ **Integration comes in two ways**
 - **Forced from the top**
 - **Purchased from the outside**
- ➔ **The Internet is another chance to obtain true integration of systems**
- ➔ **Have the same system that manages the data serve it to the web**

Example of planned integration

- ➔ **Warranty is the most integrative application (uses dealer, vehicle, part, & customer information)**
- ➔ **Strategic Service/Warranty System built to use external data sources for all of the above information**
- ➔ **Example: Harley-Davidson uses Strategic Warranty, but none of our other systems**

Case studies



Qvale Automotive Group



deTomaso Mangusta

A Powerful Statement in Evolution



Qvale Automotive Group

- ➔ **Licensee of the DeTomaso Mangusta**
- ➔ **Very small vehicle sales volume**
- ➔ **Global Strategy**
 - **Headquarters in San Francisco, USA**
 - **Manufacturing in Modena, Italy**
 - **Dealers in Europe & USA**

Qvale's dilemma

- ➔ **Very small budget for IT**
- ➔ **Desire to start now ...
difficult to reconstruct data later**
- ➔ **What would you do?**

Qvale's IT plan

- ➔ **Use the Internet as a global communications backbone**
- ➔ **Buy ERP software for manufacturing**
- ➔ **Use an Application Service Provider for distribution systems**
 - **Strategic Business Systems**
 - **Vehicle Distribution, Warranty, Parts, & Dealer Communications**



Qvale systems

Web Dealer Communications System



Dealer Communications System

[≡ Parts](#)[≡ Warranty](#)[≡ Vehicle](#)

deTomaso Mangusta

A Powerful Statement in Evolution

Welcome to Qvale — Modena's deTomaso Dealer Communications Web site! Our system has been uniquely designed to process all dealer communications system functions through any standard Web browser. The system also enables us to communicate all essential dealer bulletins and announcements in real time, providing you with essential information required, when required, with efficiency and convenience.

We are dedicated to producing superior quality products and services. It is in this spirit that we have chosen this state-of-the-art technology for our dealer communications vehicle.

DeTomaso Dealer Web Site

A Powerful Statement in Dealer Communications Evolution!

| [Parts](#) | [Warranty](#) | [Vehicle](#) | [Home](#) |



[Vehicle Retail Registration](#)

Dealer Communications System - Vehicle

≡ Parts

≡ Warranty

≡ Vehicle

deTomaso Mangusta

A Powerful Statement in Evolution

August 31, 1999 - New Model Year End Lease Program

The new year end clearance lease will start September 4 through October 10, 1999. With this program, we will provide a special leasing rate of 2% or \$500 cash back. In addition, dealers will receive \$500.00 sales incentive for all sales recorded during the model year end program.

May 11, 1999 - Record Sales for April

We would like to personally congratulate our dealers for a April record sales month. Sales had an increase of 8% over March 1999 sales numbers. April was also a record sales month. We thank you for your efforts and look forward to keeping consistent growth in the coming months.

May 2, 1999 - New Model Year 2000

The new Model Year 2000 will bring several enhancements to our product line. We will be introducing our new CCTX model. This will give us significant exposure in the



Vehicle Retail Registration

Enter registration information and click Previ
Mandatory fields are marked with an asterisk

- Preview
- Menu
- Help

Dealer 486

East Cost Dealer

Region 20

Basic Information

VIN *

Retail Mileage *

Retail Type *

Retail Date *

Posted 1/04/2000

Sales Personnel

Salesman L. Name

F. Name

SSN

Sales Mgr L. Name

F. Name

SSN

Fin & Ins L. Name

F. Name

SSN

Retail Type Retail Date * Posted 1/04/2000

Sales Personnel

Salesman L. Name	<input type="text" value="Herrold"/>	F. Name	<input type="text" value="Mark"/>	SSN	<input type="text" value="076-76-9834"/>
Sales Mgr L. Name	<input type="text"/>	F. Name	<input type="text"/>	SSN	<input type="text"/>
Fin & Ins L. Name	<input type="text"/>	F. Name	<input type="text"/>	SSN	<input type="text"/>

Owner Information

Owner Title	<input type="text" value="Mister"/>	F. Name	<input type="text" value="Bob"/>
Owner L. Name	<input type="text" value="Smith"/>		
Address	<input type="text" value="22 W. First Ave"/>		
Address 2	<input type="text"/>		
City	<input type="text" value="Middletown"/>	State	<input type="text" value="NJ"/>
Zip	<input type="text" value="07464"/>	Country	<input type="text" value="USA"/>
Phone	<input type="text" value="201-343-9987"/>		
Occupation	<input type="text" value="Corporate Executive"/>	Age	<input type="text" value="41 to 50 Years"/>
Salary	<input type="text" value="\$100,001 - \$150,000"/>	Sex	<input type="text" value="Male"/>

Vehicle Information

Vehicle Usage Loan / Lease (length, months)

Trade-in Information



[Claim Entry](#)

[Claim Search by Vehicle](#)

[Claim Status Search](#)

Dealer Communications System - Warranty

≡ Parts

≡ Warranty

≡ Vehicle

deTomaso Mangusta

A Powerful Statement in Evolution

Sept 1, 1999 Engine Campaign Bulletin

A new service campaign will be sent to customers for all 1998 models. This campaign will be a service oriented campaign designed to improve the reliability of passenger side air bags. The campaign number is PCX4833. Please use this campaign number for all submitted claims for this service campaign.

July 1, 1999 - New Labor Time Manual

The new labor time guide has just been completed. This labor time guide indicates all labor operations associated with a service job. These labor times have been analyzed and adjusted based on studies from several of our technicians. The new labor time guide will now be available through the Web. If you want paper copies of the manual you can either download the labor time guide, or send a request for a printed copy @ \$10 each.

Claim Entry

Click on the Detail buttons to add Claim Details to your Repair Order Claim.

- Change
- Preview
- Menu
- Help

MESSAGES Claim information accepted, Press Preview to process or Add detail

Dealer 486 **East Cost Dealer**

Repair Order Information			
R/O Number	RP100		
Service Start Date	10/10/1999	VIN	137ET1112 P2000030
Service End Date	10/10/1999	Odometer	100 Miles
Claim Information			
Claim Number	1	Claim Type	Regular Wty ▼
Complaint	L Signal Broke ▼	Malfunction	Park break leak ▼
Primary Labor Op	LO1	Repair	Electrical ▼
Causal Part	C001		
Problem			

- Parts
- Labor
- Notes
- Unscheduled Labor
- Materials
- Sublet
- Towing

Delete	Line Type	Part/LaborOp	Comments	Qty/
<input type="checkbox"/>	P	C004	COMPRESSOR	



Claim Search by Vehicle

Select Search button to perform another in



Model Year 93 Model MDL4 VIN 137ET1112 P2000030
 Wty Start 5/31/1993 Wty End 12/22/2001 Ext Wty (Y/N) N

R/O#	Clm	Status	Line Type Desc.	Parts/Labor	Comments
000030	1	A	4/29/1996	0	
			LABOR	LO1	Replace MV3 Valve
			PARTS	C004	COMPRESSOR
000030	1	A	10/02/1996	100	VALVE STUCK
			LABOR	580-02-01	Handle Bar Assembly
			PARTS	C002	BLOWER MOTOR
RP0022	1	A	10/02/1996	110	VALVUE STUCK
			LABOR	LO2	Replace Wiring Harness
			PARTS	C002	BLOWER MOTOR

Claim Status Search - Netscape

Repair Order

Dealer 11200 Auto Imports, Inc.
 Chassis P2000019
 Repair Order R00002
 Odometer 12
 Service Start 3/06/1993
 Service End 3/06/1993

Claim

Claim 1
 Type A Regular Wty
 Problem
 Complaint CC1 Air leak
 Malfunction F1 Park break leak

Search button to perform another inquiry.

Deale
From
To

Repa
Order

Document: Done

R00002	<u>1</u>	P2000019	<u>REJECTED</u>	1/01/1999	60.00		.00
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Search

Menu



Dealer Communications System - Parts

- ≡ Parts
- ≡ Warranty
- ≡ Vehicle



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A Powerful Statement in Evolution

- [Parts Order Entry](#)
- [Parts Availability Inquiry](#)
- [Parts Order Status](#)

Sept 1, 1999 - Part VOR Order Policy

Part orders for VOR (Vehicle Off Road) must be submitted by 5:00PM EST. Orders submitted after 5:00 PM EST will not be able to be fulfilled and delivered in one days time. All orders received late will be scheduled to process during the next business day. There are no exceptions to this time schedule.

June 18, 1999 - Physical Inventory

There will be no part orders processed on June 18, 1999 between the hours of 3:00PM and 5:00PM EST. The part warehouse will be conducting its annual physical inventory. Please submit your part orders prior to the physical inventory cutoff time.

May 13, 1999 - Part BBX-234 Supersession

Engine canister (Part number BBX-234) will be discontinued effective May 15,1999. The part will be substituted by two part numbers (BBX-UVM and SY333). The ordering system will automatically provide the part substitution for this part during the pa



Part Order Entry

To print this page, press CTRL+P

[Menu](#)
[Help](#)

Your order has been submitted to STRATEGIC BUSINESS SYSTEMS.
 Your order number is: 185

Parts Order Summary

Dealer	486	East Cost Dealer	
Reference #	00/01/04	Order Total	\$ 323.00
Order Type	STOCK	Allocated	\$ 228.00
Ship Via	TRUCK	Back Ordered Total	\$ 95.00
Ship To	88 FIRST AVE NEW YORK NY 10073		

Part	Quantity	Comment	Unit Price	
C002	1		\$ 95.00	
BLOWER MOTOR			Extended	\$ 95.00
PART NOT SUPPLIED BY YOUR WAREHOUSE.			Allocated	
			Back Ordered	1



Part Availability Inquiry

Enter part number and select Check button for part av

Check

Menu

Dealer 486
Part Number C002
Part Is AVAILABLE
Dealer Price \$ 100.00
List Price \$ 150.00
Superseded by

East Cost Dealer
BLOWER MOTOR

Next Part Number

Search

Check

Menu



Part Order Status

Enter a date range and click on Search button to list other orders for your
 Click on an Order link to display details.

Dealer 486 East Cost Dealer

From Date

To Date

Order	Type	Order Date	Status	Ship To	Dealer PO Number
000058	VOR ORDER	12/24/1999	COMPLETE		91/12/24
000056	VOR ORDER	12/17/1999	BACK ORDERED		DLR140NO1
000087	VOR ORDER	12/06/1999	BACK ORDERED		REF3
000086	VOR ORDER	12/06/1999	COMPLETE		REF1
000127	CSP ORDER	10/02/1999	OPEN		



Qvale systems

Internal Operations System



14:53:39

QVALE AUTOMOTIVE GROUP
Main Data Processing Menu

XMR001
REL 1.0
QMAIN

Select one of the following:

- Cross Applications System Menu
- Dealer Management System
- Vehicle System
- Parts Distribution System
- Service/Warranty System

- Change AS/400 Password

- Sign off

Selection

Opt

and/or

Option Id



14:54:12

QVALE AUTOMOTIVE GROUP

XMR001

3/25/00

Vehicle System

REL 1.0

VEHICLE

Select one of the following:

- Vehicle Management Menu
- Vehicle Distribution Menu
- Vehicle Retail Sales Menu

- Sign off

Selection

Opt

and/or

Option Id



14:54:47
3/25/00

QVALE AUTOMOTIVE GROUP
Vehicle Management Menu

XMR001
REL 1.0
VML001

Select one of the following:

MAINTENANCE:

- Change Vehicle Config Data
- Work with Models**
- Work with Transmissions
- Work with Exteriors
- Work with Interiors
- Work with Emissions
- Work with Tops
- Work with Options
- Work with Option Package Dtl
- Work with Monroney Text
- Change Vehicle Monroney Msg
- Work with Port Work Order Text
- Work with Model Yr Cost/Price
- Work with Yr/Model Misc. Cost
- Work with Yr/Model Line Items
- Work with Year/Model Options
- Work with Product Line
- Work with Model Classes

Selection

Opt

and/or

Option Id



14:55:16
3/25/00

QVALE AUTOMOTIVE GROUP
Work with Vehicle Year/Models

VMR182
REL 1.0
DSPCTL1

Position to Year/Model /

Type options, press Enter.

- 1=Create 2=Change 4=Delete 5=Display 6=Cost/Price
- 7=Trans 8=Emiss 9=Exterior 10=Interior 11=Ext/Int Combo
- 12=Options 13=Top 14=Monroney Text 15=Port Work Order Text Cst/

Opt	Year	Model	Short Desc	Long Description	Prc
	2000	MANGUSTA	Mangusta	Mangusta	Y



14:56:51 QVALE AUTOMOTIVE GROUP XMR001
3/25/00 Service/Warranty System REL 1.0
SERVICE

Select one of the following:

- Svc/Wty Management Menu
- Svc/Wty Product Campaign Menu
- Svc/Wty Processing Menu
- Svc/Wty Parts Return Menu
- Mailbox Master Listing -
by Mailbox ID
- Sign off
- Electronic Mail User Signon
- Change AS/400 Password

Selection

Opt and/or Option Id



14:55:56 QVALE AUTOMOTIVE GROUP XMR001
 3/25/00 Parts Distribution System REL 1.0
 PARTS

Select one of the following:

- Parts Management
- Purchasing Menu
- Warehouse Management
- Parts Order Processing
- Parts System Searches
- Sign off

Selection

Opt and/or Option Id

Integration of these systems

- ➔ **All systems access same files**
 - **Dealer**
 - **Internal**
- ➔ **All systems run over the Internet**
- ➔ **All systems available everywhere**

Implications for Qvale

- ➔ **Limited initial capital expense for vehicle, warranty, parts, & dealer communications systems**
- ➔ **Proven systems NOW**
- ➔ **Integration of USA & European product distribution efforts**
- ➔ **Focus on product, not Information Technology**

Future Directions

**New technologies,
but a clear trend!**

The Internet's impact will continue to increase

- ➔ **New Internet technologies will lead to new choices**
- ➔ **The Internet has made competing data communications technologies obsolete**
- ➔ **Today's youth view the Internet in the way their parents viewed Television**

XML (Extensible Markup Language)

- ➔ **The next generation of “web” technology**
- ➔ **Adds additional “intelligence” to web applications**
- ➔ **Allows easy sharing of data between different types of computers**
- ➔ **The basis for “next generation” Dealer Communications Systems**

Conclusions

Smaller manufacturers

can look “large”

Smaller markets

are more practical to enter

Application Service Providers

**Offer new opportunities
for ALL manufacturers**

A return to IT centralization

**Language, culture, & laws
are the constraints**

Questions ???

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