

# Building SaaS Applications for Your Business Partners: A Dealer Management Case Study

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# **Dealer Management System (DMS)** an advanced SaaS solution

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**Michael Moraitis, Group CIO** 

**NISSAN Greece** 

Nic. J. Theocarakis SA



### Nic. J. Theocarakis Group























#### Terminology & sizing information

- Spare Parts Dealer (SP)
  - A dealer that sells spare parts (retail/ wholesale)
- Show Room (SR)
  - Authorized dealers that sell brand new cars
- Body Shop (BS)
  - A dealer that does panel repairs and paint
- Work Shop(WS)
  - A dealer that fixes mechanical problems and maintains a Nissan car
- Number of Dealers -- 130

	SR	SR+SP	SP+WS +BS	WS+BS	SP+WS	SR+SP+ BS+WS
Large (5)	V	V	V	V	V	V
4	$\vee$	V	V	$\vee$	$\checkmark$	$\vee$
3	$\vee$	V	V	V	$\vee$	V
2		$\vee$	V	V	V	
Small (1)		V	V	V	V	





#### Our Nissan Dealers' Network







#### The Challenge

#### Challenge

Nic. J. Theocarakis SA wanted to implement a common software platform to facilitate its 130 Dealers' Network and NISSAN car owners

- · for their everyday activities and requests
- to implement standardized service procedures
- to provide top quality service to the end customer
- to maintain a unique car history per VIN and share any available information across our network
- to minimize administrative, IT, process and handling costs

#### **Solution**

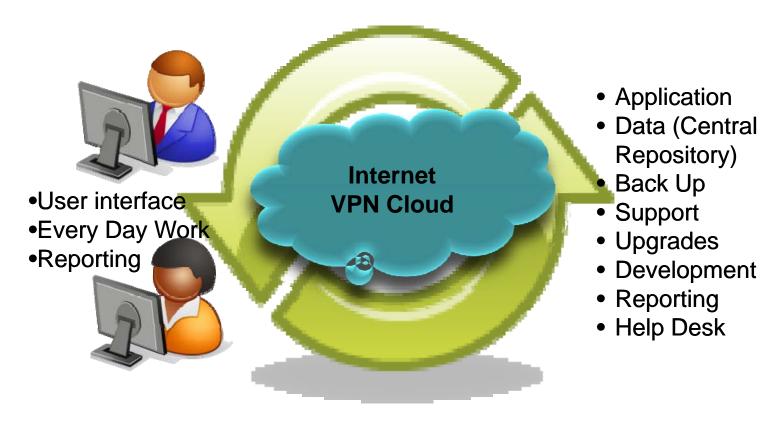
Nic. J. Theocarakis SA implemented a SaaS solution called Retail Internet Exchange (RIX)

- Online real-time 24 x 7 x 365
- True collaborative environment for 130 Nissan Dealers and 1400+ users
- Integrated processes for the distributor,
- Integrated processes and communications for the dealers,
- Covers Sales, Workshop, Spare Parts, Body Shop, CRM, etc., Finance and General Management.
- Comprehensive record of all activities with each customer, and an application based on vehicle identification numbers compiles history for each car.





#### **Operational Topology**







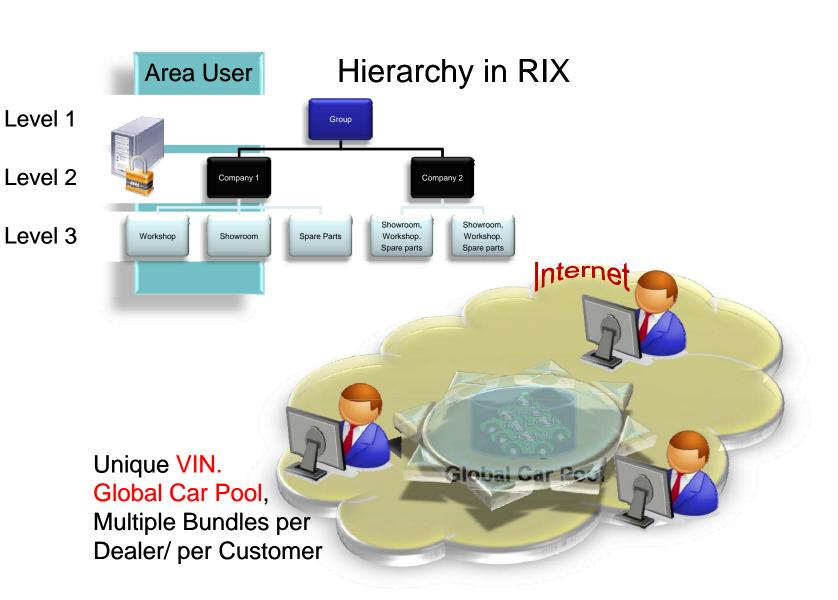


#### **RIX Business Modules**





#### Core Architecture







#### Roll Out Phases & Steps

- Three initial pilot dealer sites
- Fix up initial deficiencies & add on extra features
- Three groups of five dealers per year
  - Dedicated startup consultant until operation
- Add on modules
  - Online Availability
  - Spare Parts 2<sup>nd</sup> step
  - Work Shop 3<sup>rd</sup> step
  - Online Spare parts 4<sup>th</sup> step
  - Etc.
- Very efficient Help Desk
- Launch of the rixforum.nissan.gr
- Add on features
  - Ex. RSS Feed
  - Ex. SMS







#### Rollout problems

- Resistance to change
  - From the dealers
  - Internally from our users
- Losing control of the data
- Local IT was losing control of work
- Migration of costs (from local support fees to network fees, etc.)
- Losing control of independence
- Closely monitored





#### Return On Investment

- True 24/7 working environment
  - We extended our working time shift schedule to 24x7 from the 8x5 we used to have
- Standardized processes
  - Integrated processes for the distributor and dealers
  - Immediate rollout of any new plan and process
- Full control and monitoring (extended office environment)
- Common auditing practices
- Global pricing policies
- Better handling of Inventory and cost handling
- Comprehensive record of all activities & VIN history
- Better control of claims and repair orders
- Better delivery lead time
- Quality assurance and quality control
- Minimized the cost of IT for the dealers







#### Return On Investment #2

 Q1: Have you seen an increase in sales attributable to the improvements you've made -- and especially to dealers' ability to serve customers better now during evenings and weekends? How much -- do you have a metric?

Analyzing RIX data from 1/1/2009 until now, we report the following results:

- 30% of the total number of car orders are submitted during non-working hours of Nic. J. Theocarakis, meaning late afternoon hours and Saturdays.
- 100% of the total number of car orders entered our central systems with no Nic. J. Theocarakis
  employee involvement, meaning that all the work was done by the end users at the point of sale at our
  dealerships. As a result, we minimized human errors from data entry, we managed to have a true FIRST
  COME FIRST SERVED system, and to minimize the required time of the CAR ORDER process.
- In analyzing the data collected over the last 6 months, we found that more than 50% of the total sales
  done during non-working hours and during weekends, with the respective benefits.
- Q2: Has your customer base grown? How much -- do you have a metric?
  - During 2009, when we faced the economic crisis and most of the companies recorded a tremendous drop in sales volume, we managed to have a 1.5% increase in our sales of new cars. RIX is the tool that allowed all of our end users (dealerships) to take advantage of any possible sale, since they have a real time 24x7 online car/model etc. availability, so they had a significant competitive advantage over our competitors.
  - Furthermore, in 2008 our sales ranking was #8, while in 2009 our sales ranking is #6, stepping up 2 positions.
    - \* SOURCE Of data: The Association of Motor Vehicle Importers-Representatives (AMVIR)





#### Return On Investment #3

- Q3: Have the improvements you've made increased your customer satisfaction ratings? If so, how much do you have a metric?
- Q4: Have you seen an increase in customer retention attributable to the improvements you've made? How much -- do you have a metric?

Consumers are better informed on aspects concerning car quality, as well as the accompanying services – therefore are hard to please. Data collected from RIX along with other market data are used as a tool in order to:

- Monitor and analyze the customer satisfaction level and trend in performance
- Benchmark
- Compare the company's indicators with its competitors
- Specify possible weaknesses

Every year our company conducts two surveys (Sales Satisfaction Index – SSI, and Customer Satisfaction Index - CSI) in order to :

- 1. Measure overall customer satisfaction from sales and after sales procedures.
- 2. Identify what customers want in terms of service (Sales and After Sales).

In the following table we present the scores of both surveys, clearly indicating a constant increase in customer satisfaction. From our internal analysis, it is obvious that RIX has made a significant contribution to these increases, since it provides all the necessary means and tools to the end user to SERVE better/ more professional/ more efficient the end customer Greece wide.

YEAR	SSI	CSI
2004	95,39	93,74
2005	95,98	94,56
2006	96,75	95,61
2007	97,21	95,79
2008	97,88	96,09





#### Important Issues

- Confidentiality
- Disclosures & Agreements
- Support (real time)
- Integrity

In any case you have to identify and market the Add On Value of the SaaS system.

Any add on value must have immediate impact on economics, customer satisfaction & productivity.





#### Advantages

- Hassle-free every day operation
- Unattended upgrades
- Follow Nissan Compliance
- Minimized cost
- 24 x 7 x 365
- Accessible from everywhere (\*)
- Statistics and use of Best of Practices
- Economies of scale
- New dealer is operational in 5 days
- Live Help Desk



(\*) VPN ruled



# What the dealers realized after one year of operation (on average)

- The don't have to pay development fees every time a new guidance is released from Nissan
- They have a worry-free environment
- They don't have to invest in new hardware + software + licenses, etc.
- They don't have to worry about backups
- Their clients receive the exact same level of service throughout Greece
- They have a vast extra flow of additional information that they couldn't have locally
- The have a worry-free network environment





## RIX in numbers (2009)

	Qty
Financial Statements (Statements & Details)	461,393 & 1,334,376
Repair Orders (Orders & Details)	126,907 & 647,136
Repair Order Time Stamps	63,359
Spare Parts	590,933
New Car Quotes	50,168
Warranty Claims	58,047
Users (Daily)	1000+
Agents Run Daily	33.000 – 37.000
Agents Run / Year	Approx: 11.000.000+
Page Views/ Day	Approx: 340.000+
Page Views/ Year	Approx: 115.000.000+





#### **Costing Methodology**

- Sales departments set the size of each dealer
- Start up fee
- Annual support fee (based on the matrix)
- Annual maintenance fee (based on the matrix)
- VPN cost (based on the bandwidth)

2010	E	Σ	Α	ΕΣ	EA	EA PAR	
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4						a a	
3						ten	
2						maintenance	
1						Ë	
5						325	
4						9	
3						startup	
2						ts	
1	70						
	A. Commission						





### The DMS ecosystem







#### Pillars of success







#### **Best Industry Solution**

#### IBM Award 2008

... According to the IBM Lotus Award judges,

"This year's Best Industry Solution winner was a nearly unanimous choice for its innovative industry solution approach."







#### **IBM** Customer Case Study

IBM Case Study

Lotus. software



Greece's national Nissan distributor drives costs down, service quality up with dealer network built on IBM Lotus Domino and IBM-DB2 UDB as backend

#### Overview

- The Challenge Nisan distributor Nis J. The coarakis SA and its dealers had to rely on in efficient, error prone phone and fax communications to transact business, and lack of standard practices impacted service quality
- Why IBM?
  IBM offers a market leading, flexble and Web-ready messaging and collaboration platform that provides rapidapplication development and favorable TCO
- The Solution

  A Web-based dealer network built on IBM® Lotus® Domino® and a Lotus Domino application package from IBM Business Partner e-On Integration S.A., with IBM Lotus Sametime® Instant messaging and IBM Lotus Domino Everyplace® for wireless communications—a I nunning on IBM System x™ servers
- Key Benefits
- Real-time information reduced turn around time to deliver and fulfill car orders from 11 days to 7 days
- Central IT management reduced dealers' IT costs by 69 percent and reduced overall IT costs to 0.21 percent of sales
- Standardized business processes, practices and procedures he be d ensure consistent service quality
- Automated ordering helped enforce "Firstcome, first served" car availability policy



NJT meets regularly with Nissan representatives to reach agreement on sales volume targets, policies and prices. It then seeks to meet or exceed the sales targets via a network of 130

of its extended enterprise by creating

a sophisticated online dealer network.

"Of our 130 dealers, about 100 of them had different, local systems that couldn't accommodate any of our standards. The Lotus Domino-based system we designed with e-On Integration enabled us to bring the whole network together and standardize processes."

-Michalis Moraitis CIO Nic J. Theocarakis SA









# Thank you for your attention! Any Questions?

mmor@nissan.gr

+30-210-3489234

+30-694-5264954





#### Apps Screenshots Index

(we have included some representative screenshots)

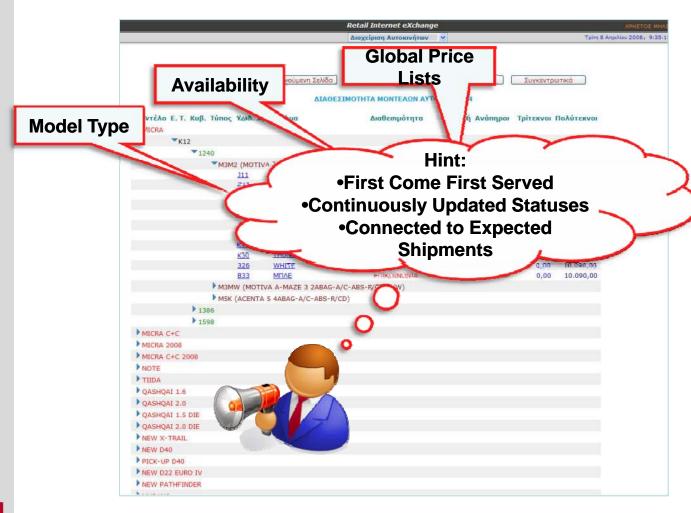
- Car Online Availability
- Car Offer
- Follow Up
- Car Order
- e- Appointment
- Time Stamps
- Repair Order
- Warranty Claim

- Vin History
- Vin & Client Bundling
- SP stock & Price
   View
- Quality list at the Dealer
- Delivery to the Client
- Tracking to the Dealer



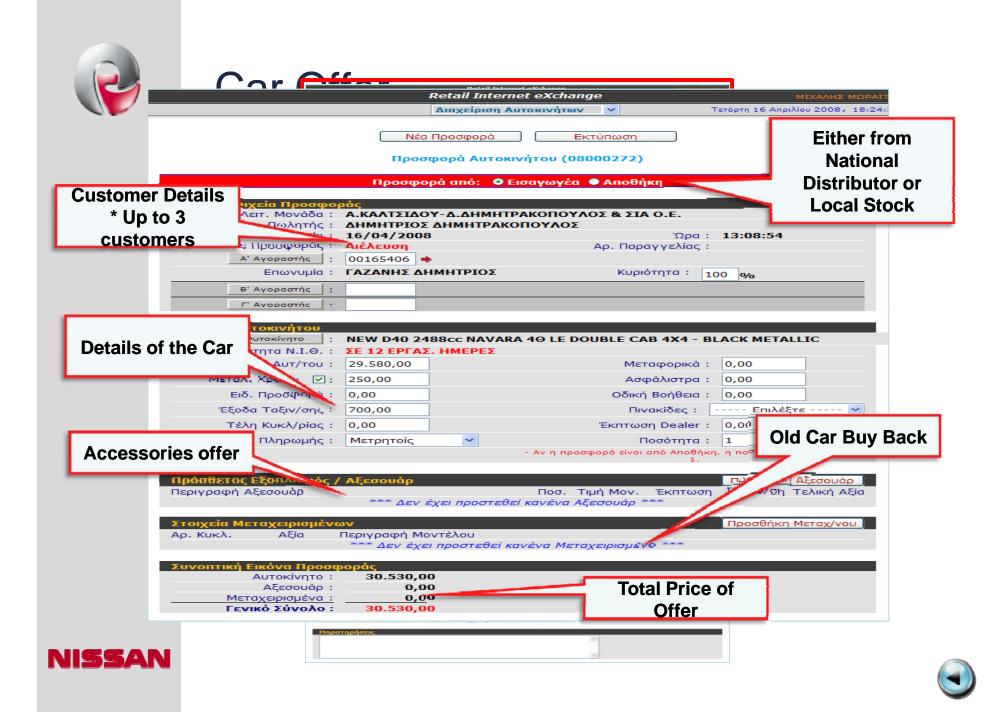


#### Car Online Availability









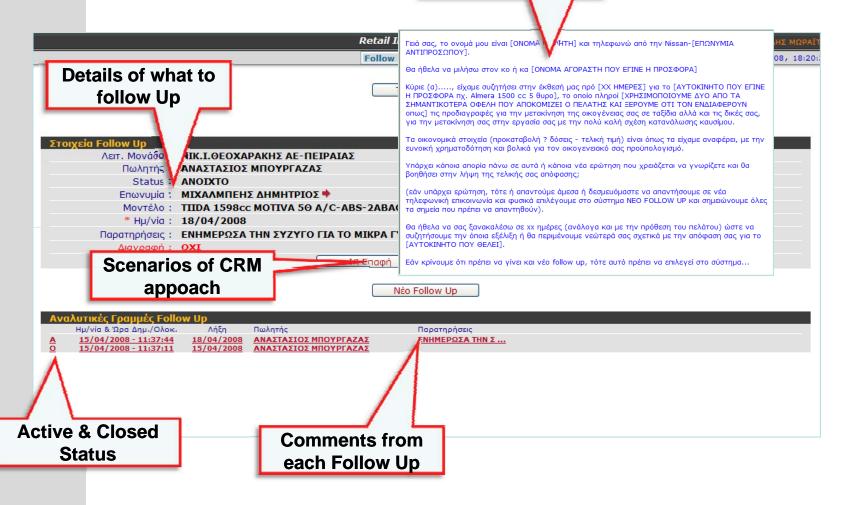






#### Follow Up

#### Two possible scenarios

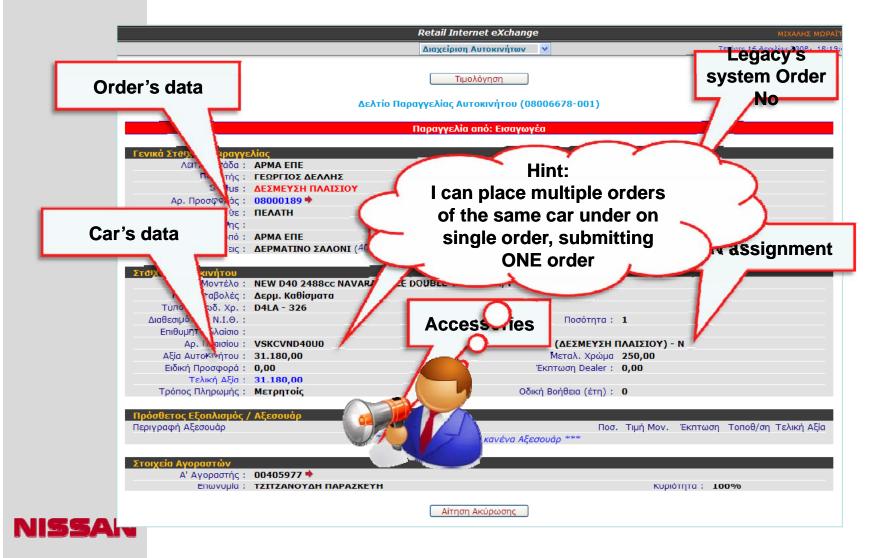








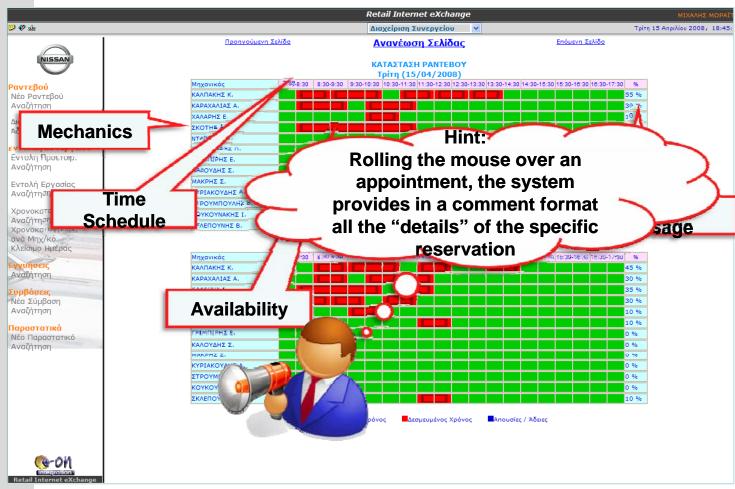
#### Car Order







#### e – Appointment

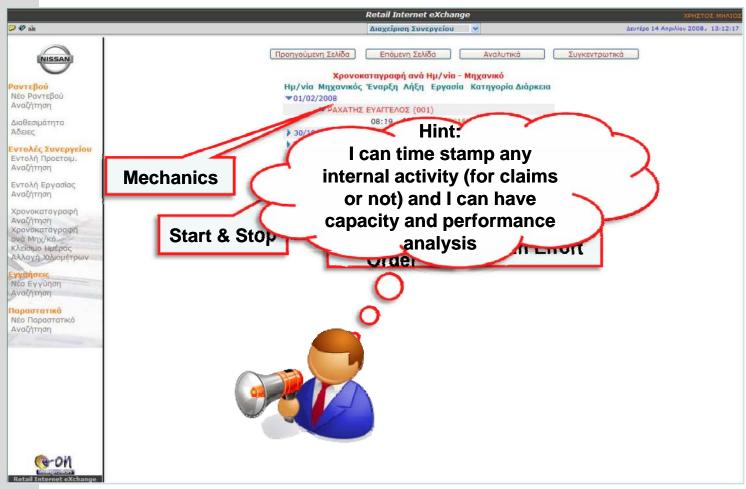








#### Time Stamps/ Mechanic

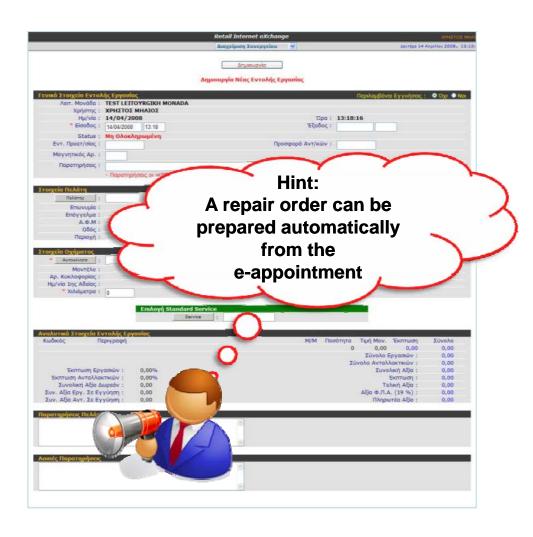








#### Repair Order (New)





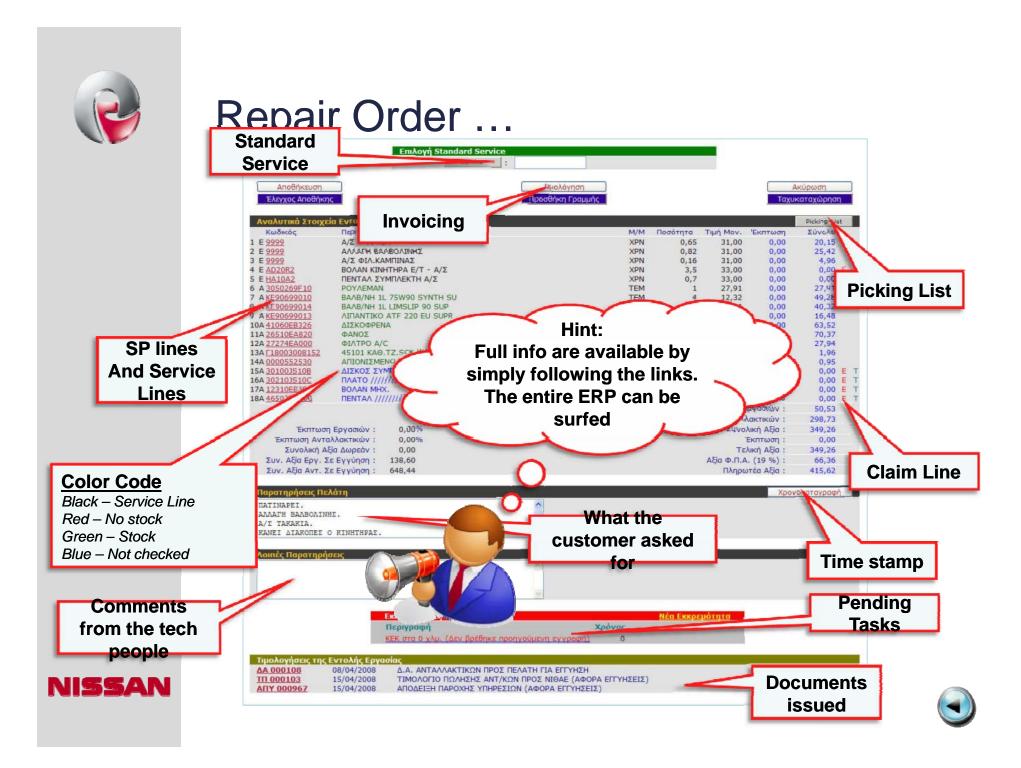


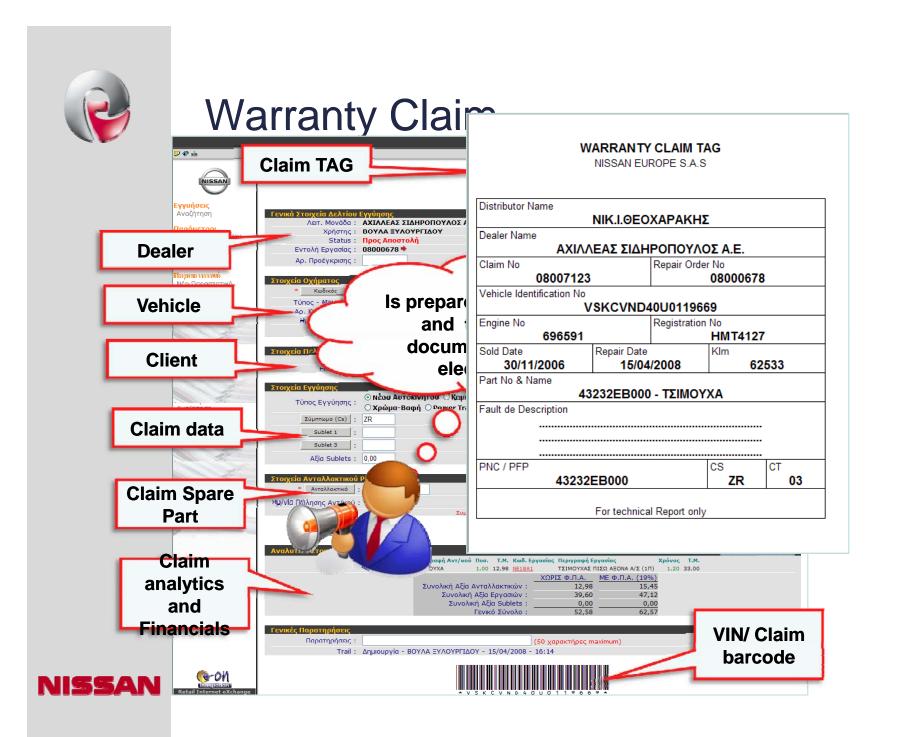


## Repair Order ...

		Retail Internet eXchange	
		Διαχείριση Συνεργείου 🔻	Τρίτη 15 Απριλίου 2008, 9:21
	Εκτύπωση	Δελτίο Εγγύησης	Έλεγχος Ολοκλήρωσης
		Εντολή Εργασίας (08001084)	
	Γενικά Στοιχεία Εντολής Εργασίας	Пер	ιλαμβάνει Εγγυήσεις : Ο Όχι Ο Ναι
	Λειτ. Μονάδα : ΤΣΙΩΡΗΣ ΙΩΑΝΝΗΣ		
	Χρήστης : ΚΛΕΑΡΧΟΣ ΠΕΝΤΑΖΟΣ		
	Hμ/via: 08/04/2008	Ώρα : <b>08:51:41</b>	
	* Είσοδος : 08/04/2008 08:51	Έξοδος : 08/04/2008	
	Status : Μη Ολοκληρωμένη	Αρ. Εκτυπωτικού :	
Repair	Εντ. Προετ/σίας :	Προσφορά Αντ/κών :	
	Μαγνητικός Αρ. :		
Order			
	Παρατηρήσεις :		
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	Seconda Baldan		
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	Επώνυμία : ΓΚΟΤΣΟΠΟΥΛΟΣ ΔΙΟΝΥΣ		
	Επάγγελμα : <b>ΓΕΩΡΓΙΚΕΣ ΕΠΙΧΕΙΡΗΣΕ</b> Α.Φ.Μ : <b>043337745</b>	Δ.O.Y: KATΩ AXA	ZAT
	Οδός: ΚΑΤΩ ΑΧΑ 'Τ'Α.	Πόλη : ΚΑΤΩ ΑΧΑ	
Customer ====	Περιοχή : 252 00 ΚΑΤΩ ΑΧΑΙΑ	Τηλέφωνο : 269302314	
		111111111111111111111111111111111111111	,
Data	Στοιχεία Οχήματος		
	* Auтокіvηто ; 06001835 <b>→</b>		
	MOVTÉNO: NISSAN NAVARA 2480	DICK UP 40 LE DOUBLE CAB 4X4 - BLACK METALLIC	
	Αρ. Κυκλοφορίας: ΑΧΥ1761	Αριθμός Πλαισίου : VSKCVND4	40U0072707
	Ημ/via 1ης Αδείας : <b>16/03/2006</b>	Αριθμός Κινητήρα : 666260	
	* Χιλιόμετρα: 88520	Ημ/νία Τελ. Επίσκ. :	
	Late tassets.		
	Happersonal Association Association		
Car	Anni (, Thurst ng)mm.		
			Red Arrow
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	AA 900108 08/04/2008 10:000102 15/04/2008	4.A. ANTANANTIKISH IPOZ TENATH FIA EFFYHÖH TIMONOTIO TIONIGHE ANT/KISH IPOZ NIBAE (ABOPA EFFYHÖEIZ)	
	ON 111.000102 15/04/2008	ANOMETH MAPOWE VINEETINN (ABOPA INTYMENT)	



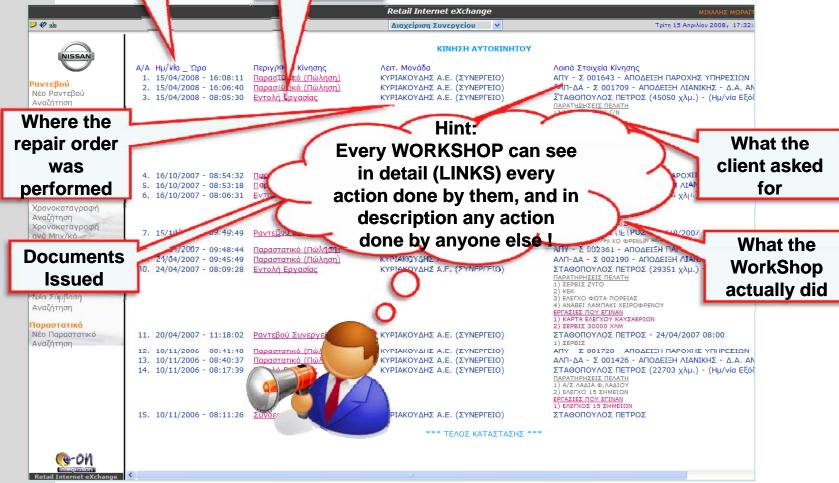


















#### VIN & Client bundling

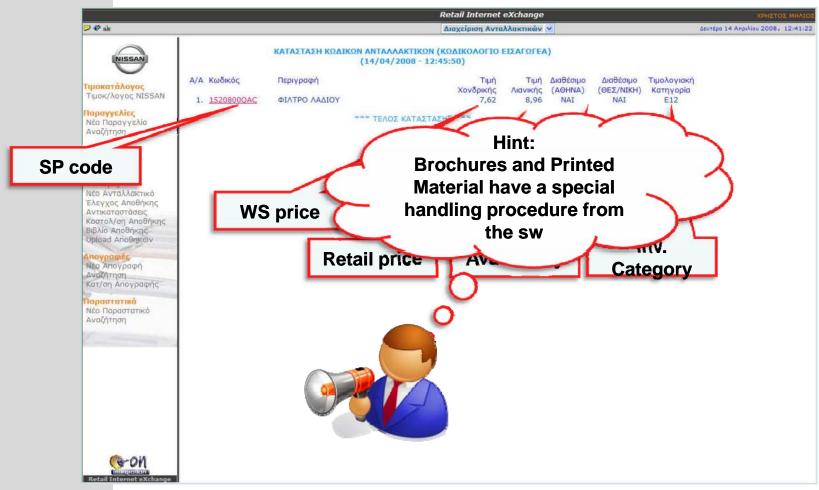








#### Spare Parts Stock/Price view

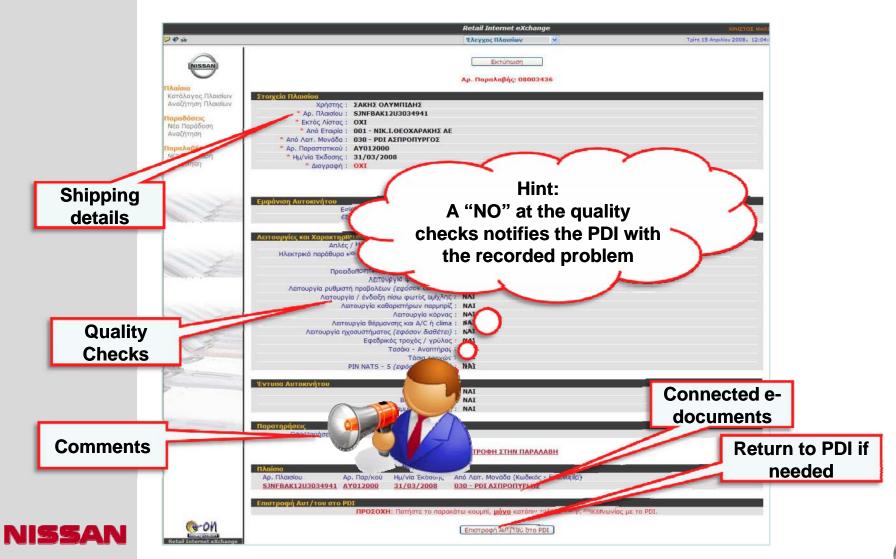








#### Quality List at the Dealer





Additional
Data
Ex. Plate No.

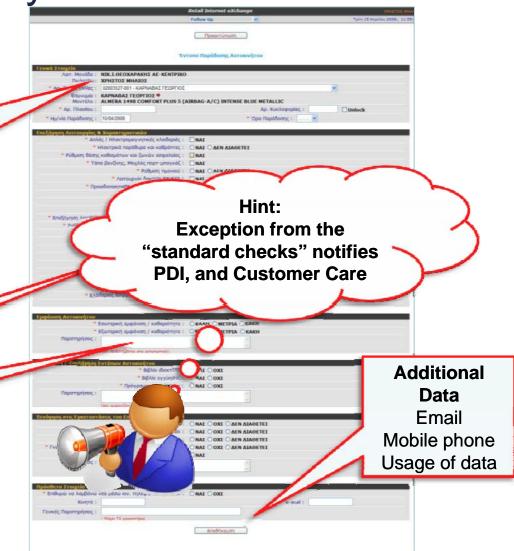
Date & Time

Q - criteria

Internal

**Comments** 

Delivery to the Client

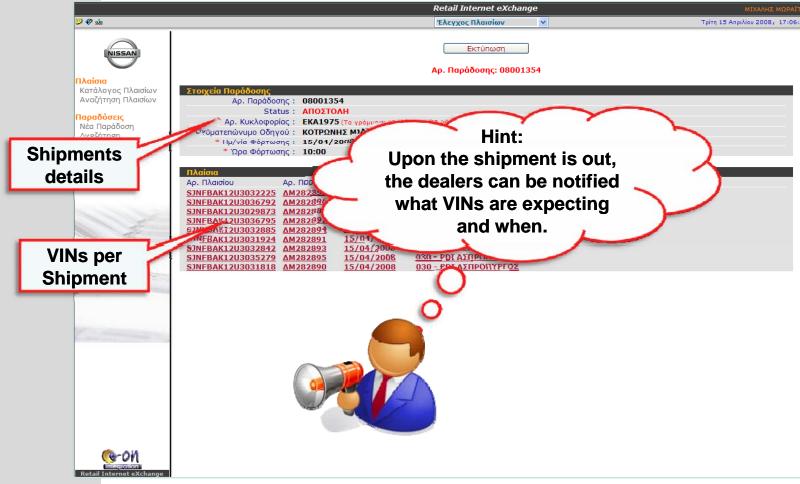








#### Tracking VIN to dealer









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