



Franchise Operator's Software-as-a-Service Solution Enhances Profitability and Operational Excellence for Franchisees

Overview

Country: United States

Industry: Hosting, Application-Service, and Software As A Service Providers;

Partner Profile

J.D. Byrider is the nation's leading used car and finance franchise company. With more than 800,000 consumers matched to quality, affordable vehicles, the company continues its focus on reliability and customer satisfaction. Headquartered near Indianapolis in Carmel, Ind., J.D. Byrider maintains 130 franchisee- and company-owned dealerships in 30 states. Visit www.JDByrider.com to learn more.

Business Situation

The company's technology solution, Discover, was designed to run locally at a franchisee's location. This put a strain on franchisees as IT management and resources were outside their core capabilities.

Solution

J.D. Byrider completely re-architected Discover as a SaaS-based solution.

Benefits

The new solution has lowered IT maintenance and development costs by 30%, improved profitability, increased the consistency of franchisee operations, while dramatically improving reporting and decision making capabilities.

"Our Discover product frees our franchisees and corporate users to focus on their business activities. By providing Discover as a SaaS offering, they can run their business anywhere they can use an internet connection. Technology issues are removed from the equation enabling the business to be more productive."

Michael Maenhout, Chief Information Officer for J.D. Byrider.

Indiana-based J.D. Byrider is the largest used car and auto finance franchise organization in the United States. The company provides franchisees with a complete technology solution, called Discover™ Software System, to run their operation. Originally, Discover was designed to run locally at the franchisee's location and franchisees were responsible for maintaining their own servers and IT environment. This put a difficult strain on franchisees as IT management and resources were outside their core capabilities. As a result, J.D. Byrider completely re-architected Discover as a cloud-based solution. In doing so, the company has lowered IT maintenance and development costs by 30%, improved profitability, increased the consistency of franchisee operations, while dramatically improving reporting and decision making capabilities.

“The systems, the data and the community of the dealers, and having access to that information, allowed us to double in size.”

Derre Buike, J.D. Byrider Franchisee Owner.

Situation

In business for more than 20 years, J.D. Byrider is the nation's leading used car and finance company franchise. The company was founded to serve customers with special auto financing needs and to ensure that they receive the same quality service in every J.D. Byrider dealership. With more than 800,000 consumers matched to quality, affordable vehicles, the company continues its focus on reliability and customer satisfaction. J.D. Byrider maintains 130 franchisee- and company-owned dealerships in 30 states.

One of the core differentiators for a franchise operator is the quality of their Information Technology and how it supports the efficient operation for the franchisee. J.D. Byrider provides their franchisees with a comprehensive solution called the Discover™ Software System. Discover supports every aspect of the business and its over 3,500 employees including accounting, sales, customer relations management, underwriting, service department management, collections management, comparative national car buying reports, and overhead cost management. The solution instills operational best practices and aggregates data to support deep analysis and performance measurement.

Discover is highly valued by the franchisee community for how it helps them run their business and continually improve. Franchisee Derre Buike, a former new car dealer from Cleveland, OH sums up the value of Discover, *“The systems, the data and the community of the dealers, and having access to that information, allowed us to double in size...”*

Originally, Discover was designed to run locally at the franchisee's location and franchisees were responsible for maintaining their own servers and IT environment. This put a difficult strain on franchisees as IT management and resources were outside

their core capabilities. In addition, J.D. Byrider was challenged with getting monthly and quarterly data from each franchise location, with many hours spent rolling the data up into a cohesive whole for reporting and analysis. This process typically took several weeks and put a lag on decision-making capabilities and a limit on the depth of business analysis that could be conducted. J.D. Byrider was also constrained by the older application architecture for making updates and adding new functionality.

To solve these issues, J.D. Byrider made a very strategic decision ten years ago to re-architect Discover as a hosted solution accessed by users over the Internet. The company developed a roadmap for making progressive changes over the next few years. In making the change the company also expected to be able to incorporate new technologies to make the solution even more powerful and useful for their franchisees.

Solution

J.D. Byrider set out to completely overhaul the Discover Software system into a Software-as-a-Service (SaaS) architecture. “We saw this as an opportunity to build a platform that could help solve business problems and not just support data input. Moving to a SaaS approach really opened up the possibilities for our company and our franchisees,” commented Michael Maenhout, Chief Information Officer for J.D. Byrider.

Before getting started, the company formed a technology committee, consisting of franchise operators and internal company individuals, to help guide feature and functionality specifications and prioritization. “The committee looked at all areas of the operation, financial and accounting needs, as well as sales and marketing. It was great to get input from many different users of Discover so we could incorporate this

“The Microsoft SPLA licensing has been absolutely essential to our success. There is no way we would be able to do what we have done without this licensing model.”

Michael Maenhout, Chief Information Officer for J.D. Byrider.

feedback into the next generation offering,” commented Maenhout. While a number of requirements emanated from the committee, there were five core requirements considered to be the highest priority:

- Deliver the solution through a browser to provide access from anywhere
- Select and install a completely new financial/accounting system
- Build a single unified database
- Integrate the solution as a cohesive whole
- Make it easy for J.D. Byrider franchisees to receive ongoing improvements

From a technology standpoint, the company analyzed several different technologies and approaches, from open source to enterprise database solutions, and decided to standardize on Microsoft technologies. “We chose to standardize our development platform and core technologies on Microsoft for several reasons. First, our users are already familiar with all of the desktop tools, from Internet Explorer to Microsoft Office. Second, the development tools are easy to use and support rapid product development. And third, using .Net, everything integrates together seamlessly,” stated Maenhout.

Building the next generation version of Discover also provided the opportunity to upgrade to a new financial and accounting system. The company selected Microsoft Dynamics™ AX as their core enterprise resource planning (ERP) solution based on its excellent match of features to J.D. Byrider business requirements, ability to support hundreds of individual business units, provide security controls around the data for each location, and the technical fit with the Discover solution.

One of the key components built into the new Discover solution is the seamless integration across modules, other technologies, and third party services. Discover integrates and

automates information gathering from all aspects of the business, including outside sources such as banks and credit bureaus. Data is collected into a centralized data warehousing facility where it is verified, sorted and retransmitted to franchisees as a set of useful management tools and reports. In addition, Discover is fully integrated into the company’s core marketing activities. The company operates the website www.goJDB.com as its core engine for generating leads. Visitors to the site can apply online for credit to purchase a vehicle from a franchisee. Each application is automatically entered into the system and shows up in the appropriate franchisee’s Discover system for immediate follow-up.

Finally, the Discover system incorporates operational best practices to provide franchisees with practical day-to-day management capabilities for a range of employees.

- **Sales Module** – Provides a powerful CRM system to keep the sales team focused on the selling process, including activity tracking, customer tracking, deal structure and sales management tools.
- **Service Module** – Enables the management of the entire Service Department – including work orders, parts, service technician proficiency, customer history – and planning of the department schedule.
- **Customer Finance Module** – Provides a franchisee with user-friendly and efficient tools to service customer accounts and payments, plus track collection activities. It captures the history of all customer interaction and can send alerts for upcoming due dates, manage call schedules for accounts, and send alerts for delinquent accounts.

Benefits

The new features and functionality of the Discover solution, and the SaaS approach for delivering the solution, provide significant benefits to both franchisees and J.D. Byrider. Franchisees are realizing operational efficiencies, cost savings, and better business results with the new approach.

Higher Revenues

Discover incorporates years of business and operational best practices and has a built-in set of tools to guide franchisees across all facets of the business from inventory management, sales and service, to collections and financial analysis. All of this results in higher revenues, profitability, and more predictable business operations.

Increased Profitability

Discover provides enhanced integration with credit bureau data, the financing approval process, and superior capabilities in the collections module. As a result, franchisees experience 23% lower charge-off rates (bad debts) than the rest of the industry. This can equate to more than \$350,000 per year per store in profits.

Zero Requirement for IT Resources

Deployment, maintenance, hosting, and product updates are all centrally handled by J.D. Byrider so franchisees do not need to involve IT resources for any facet of the product. Franchisees simply need to have a PC and can access the Discover system through their browser.

Automatic Product Updates

Since Discover is hosted and maintained by J.D. Byrider, every solution and module update is automatically available for users the next time they log into the system. Franchisees will always have the latest version of the solution and continually receive updates and improvements to the 10+ modules that comprise the solution.

Franchisees benefit greatly from the solution, but equally important are the benefits J.D. Byrider is experiencing from the improved approach, including:

Improved Reporting and Decision Making

All data is centralized into one secure datacenter instead of spread across individual PCs and servers at franchisee locations. J.D. Byrider is able to run detailed business analytics in real time on all aspects of the operation. The company is also able to share reports with franchisees and spot issues and trends immediately, instead of days and weeks of lag time in earlier versions of the system.

Greater Control over Operational Standards

With the built-in best practices for business operations and financial management, the company is able to maintain consistent standards across its franchisee base. This improves the value of the franchise for all participants. With Discover helping drive better business processes, J.D. Byrider customers reap the benefits of improved operational efficiencies and customer satisfaction results.

30% Lower Maintenance and Development Costs

The combination of Microsoft development tools and technologies in conjunction with the SaaS architecture has lowered maintenance and development costs by an estimated 30%. "Our IT budget is the same in 2010 as it was in 2002, yet we are able to provide so much more value to our customers," indicated Maenhout.

Efficiencies from Standardization on Microsoft Technologies

By standardizing on Microsoft products and technologies, J.D. Byrider has gained significant time and cost advantages over the development lifecycle of Discover. The company has been able to leverage existing

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about J.D. Byrider products and services, call (317) 249-3000, email info@jdbyrider.com, or visit: <http://www.JDByrider.com>.

in-house development experience by using Visual Studio™ and the Microsoft .Net Framework for all product development. Microsoft SQL Server® provides a highly scalable database for the application and the hosting environment that consists of Windows Server® 2008, Internet Information Services (IIS) for Windows® Server. “The combination of our enterprise architecture planning coupled with Microsoft technologies lets us accomplish some amazing things. The Microsoft platform is secure, highly reliable, and easy to manage. Standardizing on Microsoft allows us to focus our energy on high-value areas such as new development and improved price performance,” stated Maenhout.

J.D. Byrider has also benefitted from Microsoft’s flexible licensing solution for the Discover solution. Microsoft’s Services Provider License Agreement (SPLA) enables providers of hosted solutions to license Microsoft products on a monthly basis and only pay for what is used. With SPLA, J.D. Byrider has access to the most current versions of all of the Microsoft software incorporated into Discover for one simple monthly price. “The Microsoft SPLA licensing has been absolutely essential to our success. There is no way we would be able to do what we have done without this licensing model”, commented Maenhout.

About the Microsoft ISV Incubation Program

The Microsoft Incubation Center Program is designed to ease the commercial, financial, and technical challenges ISVs encounter while adding a service-based delivery application to their business offerings. Microsoft has established global facilities with a set of Gold Certified Partners in Hosting to guide ISVs through a structured series of business and architectural consulting sessions to ensure their business model and applications are ready for service-based delivery. For more information visit: www.microsoft.com/hosting/programs/incubationcenter.msp

Software + Services

Software-plus-services is an industry shift driven by the fast-growing recognition that combining Internet services with client and server software can deliver exciting new opportunities. Microsoft is dedicated to helping individuals and businesses take advantage of these opportunities. By bringing together the best of both software and services, we maximize capabilities, choice, and flexibility for our customers. The broad software-plus-services approach unites multiple industry phenomena including software as a service, service-oriented development, and the Web 2.0 user experience under a common umbrella. For more information about software-plus-services, go to: www.microsoft.com/softwareplusservices/

Microsoft Software and Services

- Microsoft Windows Server 2008
- Microsoft .NET Framework 3.5
- Microsoft SQL Server 2008
- Microsoft Dynamics AX

This case study is for informational purposes only. MICROSOFT MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN THIS SUMMARY.