

The **Seven Keys** to a successful ASP implementation



(and some tough questions for your IT service provider)



Table of Contents

Introduction	2
Cost and Value	3
Reliability	3
Trust	4
Technical Skills and Support	4
When the unthinkable happens	4
Security	5
Ability to customize solutions and services	6
Financial viability and reputation	6
ASP selection chart	7
Advertisement	8

Introduction

It's confusing, isn't it? Almost overnight, it seems computer firms that serve Dealers in the equipment distribution industry are transforming themselves into Application Service Providers (ASPs). The ASP approach promises to dramatically change how dealerships handle Information Technology (IT) issues. The problem is that the term ASP has been loosely defined in a variety of places and when a Dealer tries to understand all the jargon and technical lingo, the confusion about costs, performance and system security only seems to increase.

According to a trade group known as the ASP Industry Consortium, an ASP is "an entity that supplies another company with leased IT applications, infrastructure and support applications". Another name for this software application delivery model is Software as a Service (SaaS). Regardless of the terminology, Dealers who have been in the industry for any length of time understand that the concept is not new. For example, Dealership Management System providers have offered their applications through "service bureaus" in the past. Today, some Dealers run their business system on a company-owned remote server or even hire an outsourcing company to manage that server. However, a true ASP is an Internet- or network-based computing infrastructure that can share its resources among many users.

With assistance from PFW Systems Corporation, ADP Dealer Services has assembled a list of seven key considerations that need to be addressed prior to selecting an Application Service Provider. These key considerations are followed by "big picture" questions you should ask your prospective provider. And being that ADP helped to create the computer services outsourcing industry, we're confident that you'll be pleased with the answers you get from us.

It sounds simple... but all ASPs are not created equal. Dealers want an ASP that is reliable, a leader in technology and a partner that can save them money - a lot of money. Many providers make these claims but few can deliver on them. How do you sort the pretenders from the true Application Service Providers? Consider the Seven Keys that follow - and ask the tough questions.

1. Cost and value

With an ASP solution, the ownership of the servers and the delivery of the Dealership Management System becomes the responsibility of the service provider. The Dealer pays a monthly fee for this service but doesn't have to cover the substantial upfront cost of the primary and backup servers or ever worry about periodic server upgrades. The use of an ASP also dramatically reduces software-licensing fees for operating systems and applications. The ASP's IT staff, now responsible for backups and other maintenance, in effect becomes your IT staff, allowing your existing IT staff to focus on more important issues. ASP personnel costs are spread out over the entire ASP customer base thus allowing you to pay for only a fraction of the total cost to maintain and operate this environment.

Dealers are understandably skeptical about what sounds like an IT utopia. According to an EDS Dealer IT Survey, 65 per cent of respondents said that, in their opinion, the ASP computing model is likely to result in costs staying even or higher than their current in-store server-based model. This sentiment is undoubtedly based on Dealers' past experiences with oversold and overhyped computing technology. However, for some Dealers, **an ASP-delivered Dealership Management System, when properly designed and deployed, can deliver cost savings of up to 15-30 per cent (over the life of the contract) when compared with current technologies.**

- How much cost savings can I realistically expect with an ASP?
- Are there add-on costs that I'll see after the contract begins?
- What's included in the monthly ASP recurring or seat charge?
Will I pay "a la carte" for specific applications, telecomm charges, system maintenance, backup/disaster recovery, in-store hardware, etc.?

2. Reliability

With an ASP, you have a greater ability to predict IT performance. That's because a true ASP builds a reliable and robust infrastructure that can handle hundreds – if not thousands – of users simultaneously. It's not enough to cobble together a few dozen server boxes and call yourself an ASP. A real ASP, for example, backs up data instantly at a separate facility distant from the main ASP hosting center. A real ASP also monitors the system around the clock, provides layers of security and redundancy and processes the information on its users' computer screens in a fraction of a second, avoiding distracting and frustrating delays. With the ADP/PFW ASP, Dealers share the same computing platform/infrastructure that has successfully handled the 8,500 automotive retail users of General Motors' Saturn Division.

- Is my data backed up instantly? If not, how often is it backed up?
- Do you charge extra to back up my data in an ASP environment?
- How many minutes per month can I expect in unscheduled downtime?
- What happens to my business and systems in the event of a major hardware or facility outage?

Consider these statistics:

- **Frequency of Attacks:** According to the FBI, 9-out-of-10 organizations experienced computer security incidents in a year's time; 20% of them indicated they had experienced 20 or more attacks
- **Types of Attacks:** Viruses (83.7%) and spyware (79.5%) headed the list
- **Financial Impact:** Over 64% of those attacked incurred a loss. Viruses and worms cost the most, accounting for \$12 million of the \$32 million in total losses
- **Defenses:** 44% of organizations reported an intrusion from within their own organization

* Source: CSI/FBI 2006 Computer Crime and Security Survey

3. Trust

In moving to an ASP service, the Dealer in no way relinquishes control over their customer information and other proprietary data. Your data is your data. Any potential conflict over intellectual property needs to be resolved before choosing an ASP provider. Dealers should be wary of giving their business to any provider that has little experience in either the equipment distribution or IT industries.

- Who, besides authorized Dealer personnel, has access to my data?
- Under what circumstances would the ASP allow access to my data by manufacturers, lenders and other retail partners?
- What happens to my data if the ASP contract is terminated at a future date?

4. Technical skills and support

Some of the biggest businesses and organizations in the world are using ASP hosting services from ADP. However, the service isn't just for large companies. It is particularly attractive to Dealers lacking the resources to adequately staff their own IT departments. The ASP allows the top management of a dealership to focus on the business of selling and servicing equipment and customers, not managing the next backup of the in-store server. With an ASP, the service provider becomes responsible for the IT administration - and assumes the risk of doing the job right.

- How much of my time can I expect to set aside to manage the ASP relationship?
- Typically, what ongoing decisions will I face as the purchaser of ASP services?

The following organizations put their trust in ADP for hosting services:

- Saturn Corporation/Saturn Retail Network
- AutoNation
- Sonic
- Lithia
- Group One
- Van Tuyl
- Ashbury
- DCH Automotive

Disaster Strikes When Most People and Businesses are Least Prepared



Most dealerships will fortunately never be faced with a true disaster that stops their business operations dead in its tracks. Unfortunately for hundreds of dealerships, on August 29, 2005, when Hurricane Katrina slammed into the Louisiana, Mississippi and Alabama shorelines, they learned exactly what it meant to be faced with a true disaster.

Hurricane Katrina was one of the costliest and deadliest hurricanes in the history of the United States. It was the sixth-strongest Atlantic hurricane ever recorded and the third-strongest hurricane on record to make landfall in the United States. At least 1,836 people lost their lives in

Hurricane Katrina and in the subsequent floods, making it the deadliest U.S. hurricane. The storm is estimated to have been responsible for \$81.2 billion in damage, making it the costliest natural disaster in U.S. history.

Following Hurricane Katrina's landfall, literally dozens of dealerships were washed from the face of the earth. Buildings were demolished, records were lost and computer systems sat beneath water for weeks on end before the hope of recovery could even be considered.

Fortunately, prior to Katrina's landfall, some Dealers had made the decision to change their data-

- What steps are taken to monitor the “health” of the system and how would I be notified of a system outage?
- Can I eliminate the job of Systems Administrator from my dealership staff?
- How often is the operating system upgraded in the ASP environment and should additional charges be expected when this happens?
- How will upgrades to the infrastructure and general system maintenance affect my business operations?

5. Security

When considering an ASP, security is obviously a primary consideration. You need to be assured of bulletproof and comprehensive security, data back-up, disaster recovery, virus protection and support services. ADP, which serves more than 4,543 dealerships and 139,856 users on its' ASP offerings , has six years of experience in delivering ASP solutions and meeting customer security requirements - often under the most unexpected and trying circumstances.

- Can a third party sabotage operations, hijack data or simply watch what I'm doing through the ASP? How does the service provider know?
- Are dealership users restricted to only their own authorized devices, applications and databases?
- What disaster recovery plans are in place?

ADP currently manages over 106 terabytes of managed storage for its customers. To give you an idea of exactly how much data that is, consider the U.S. Library of Congress, which has about 20 million books. If each of those books required 1 megabyte of storage to convert to digital format, that would amount to 20 terabytes of storage. That would mean that the data managed by ADP is 5.3 times the size of the Library of Congress.

*Terabyte = 1,000 gigabytes
Gigabyte = 1,000 megabytes*

processing model from an in-store server-based solution to an ASP solution. For those dealerships using an ADP ASP-delivered Dealership Management System, the devastation of the hurricane was immense but at least they had the peace of mind that all of their critical business data and information was safe and secure at not just one, but two hardened data centers. When ready, their business operations could resume with no breach of their critical business information.

One Saturn store (a franchise that had chosen many years ago to put all of their 455 retail locations on an ADP-provided ASP solution) reported running payroll just days following the complete destruction of their physical building. From a hotel room, through a laptop computer, a VPN connection and a desktop printer, the dealership was able to issue checks to all of its employees, providing a great sense of relief.

ASP-based Dealership Management Systems offer many benefits over traditional in-store server-based solutions. The most critical benefit, however, is most likely the one that most people hope they are never required to use.



Computer Security: Managing the Risk

You would never think of opening a business without having liability insurance or installing fire alarms and sprinklers. Neither should you operate a complex and demanding equipment distribution operation without protection against a computer security breach. ADP employs thousands of professionals dedicated to providing security and privacy services to hundreds of thousands of customers. That expertise is an integral part of the ADP ASP offering, which is built to the exacting requirements of some of the largest business and government organizations in the world.

In the five minutes it's taken you to read this brochure, another security incident has occurred.

6. Ability to customize solutions and services

The ASP allows you to scale operations easily and with great flexibility, both for new growth and to adjust for downturns. Authorized users are added or deleted at the ASP center, which also manages the release of new services and applications to reduce costs and increase efficiency. The ASP solution is also an ideal infrastructure for deploying the standardized, plug-and-play technology now streaming into the retail scene.

- What is the waiting period to scale the ASP to a new Dealer configuration?
- How much time does it take to add or delete a new user or seat?
- Am I locked in long-term to the ASP contract? 60-months? 36-months? 12-months? Month-to-month?
- Am I able to add users and only pay an incremental monthly per-user fee?
- Can I add new devices without increasing fees?

7. Financial viability and reputation

PFW Systems Corporation is a leading provider of Dealership Management System solutions for equipment distribution dealerships throughout North America. For nearly 30 years, PFW has developed, marketed, installed and supported systems in dealerships of all sizes, representing every major brand in the industry.

ADP is one of the largest providers of a broad range of premier, mission-critical, cost-effective transaction processing and information-based business solutions. ADP currently serves in excess of 570,000 clients worldwide and is the world's largest provider of ASP-delivered Dealership Management System solutions. ADP's ASP offerings are managed and delivered from state-of-the-art ADP Data Centers located throughout North America.

Together, PFW and ADP represent in excess of \$7 billion in annual revenues. The strategic alliance formed between PFW and ADP capitalizes on the strengths of each company and allows Dealers the option of choosing PFW IntelliDealerASP powered by ADP.

When you subscribe to an ASP, you are placing your day-to-day operations squarely in the hands of the provider. You need to feel confident that they are in business for the long-haul.

- What is the ASP's history? Outside of the equipment distribution industry, what industries does it serve?
- How long has it operated in the equipment distribution and IT industries?
- Does the ASP provider have the financial wherewithal to support your business?

Considering an ASP service for your dealership?

(Fill in contenders names here)

Use this handy chart to score the contenders. As you progress through the process of selecting a service provider, rate each one on their ability to meet your needs. A filled-in circle indicates "Exceeds Expectations"; a half-filled circle indicates "Meets Expectations"; and an empty circle indicates "Below Expectations".

Rating Guide		
Exceeds Expectations	Meets Expectations	Below Expectations
<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>



1. Cost and value				
• How much cost savings can I realistically expect with an ASP?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• Are there add-on costs that I'll see after the contract begins?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• What's included in the monthly ASP recurring or seat charge? Will I pay "a la carte" for specific applications, telecomm charges, system maintenance, backup/disaster recovery, in-store hardware, etc.?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Reliability				
• Is my data backed up instantly? If not, how often is it backed up?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• Do you charge extra to back up my data in an ASP environment?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• How many minutes per month can I expect in unscheduled downtime?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• What happens to my business and systems in the event of a major hardware or facility outage?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Trust				
• Who, besides authorized dealer personnel, has access to my data?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• Under what circumstances would the ASP provider allow access to my data by manufacturers, lenders and other retail partners?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• What happens to my data if the ASP contract is terminated at some future date?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Technical skills and support				
• How much of my time can I expect to set aside to manage the ASP relationship?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• Typically, what ongoing decisions will I face as the purchaser of ASP services?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• What steps are taken to monitor the "health" of the system and how would I be notified of a system outage?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• Can I eliminate the job of Systems Administrator from my dealership staff?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• How often is the operating system upgraded in the ASP environment and should additional charges be expected when this happens?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• How will upgrades to the infrastructure and general system maintenance affect my business operations?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5. Security				
• Can a third party sabotage operations, hijack data or simply watch what I'm doing through the ASP? How does the service provider know?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• Are dealership users restricted to only their own authorized devices, applications and databases?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• What disaster recovery plans are in place?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Ability to customize solutions and services				
• What is the waiting period to scale the ASP to a new Dealer configuration?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• How much time does it take to add or delete a new user or seat?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• Am I locked in long-term to the ASP contract? 60-months? 36-months? 12-months? Month-to-month?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• Am I able to add users and only pay an incremental monthly per-user fee?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• Can I add new devices without increasing fees?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. Financial viability and reputation				
• What is the ASP providers' history? Outside of the equipment distribution industry, what industries does it serve?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• How long has it operated in the equipment distribution and IT industries?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
• Does the ASP provider have the financial wherewithal to support your business?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>





On-site server or remote hosting? Either way, you win.

When you choose PFW's IntelliDealer Dealership Management System to help better serve your customers and efficiently manage your business, the choices don't stop there. You can also choose between having your DMS hosted on-site on a server or remotely in an Application Service Provider (ASP) environment powered by ADP, one of the world's largest, most secure providers of business outsourcing solutions. Either way, when you choose PFW IntelliDealer, you win.

Visit www.pfw.com or call us at 519.474.3300 ext. 230 to learn more.





About PFW Systems Corporation:

PFW Systems Corporation is a leading provider of management software for equipment distribution Dealers throughout North America. PFW develops, markets, sells, installs and supports its Dealership Management System from its head office located in London, Ontario.



About ADP

ADP, with over \$7 billion in revenues and more than 570,000 clients worldwide, is one of the largest providers of a broad range of premier, mission-critical, cost-effective transaction processing and information-based business solutions.

For additional information:

1.519.474.3300 ext. 230

sales@pfw.com

www.pfw.com

ADP, Inc. - Dealer Services / 5607 New King Street / Troy, Michigan 48098

© 2007 ADP Inc. - Dealer Services Group / Printed in U.S.A. / The ADP logo is a registered trademark of ADP North America, Inc.

