

# The Future of Dealership Accounting: Big Data and Beyond

Presented by



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# Diving Into Your DMS

- ▶ Programs that Explore data within your DMS Systems
  - ▶ Export data directly to **Excel** and **Adobe PDF**
  - ▶ Dashboard Systems – various providers – cannot really customize, your own data mining and customized reports are better value
    - ▶ **Acessa**
    - ▶ **DocVision**
    - ▶ **Executive Eye**
  - ▶ Products to customize and explore your exported Excel/PDF data
    - ▶ **IDEA**
    - ▶ **Tableau** – graphic interpretation of data extracted



# Manage Your Dealership With Big Data

- ▶ Investigate by exception
  - ▶ Run exception reports such as parts not matching op code
  - ▶ Parts purchases outside of franchise
  - ▶ Review repair orders with adjustments
  - ▶ Review Journal entries and schedules with non system generated control numbers
  - ▶ Review journal entries to balance sheet accounts
  - ▶ Reverse sales tax audits
  - ▶ Scan deals for high or low down payments or gross
  - ▶ Gross profits by beacon score
  - ▶ How does weather impact showroom traffic?
  - ▶ Frozen Capital Computation



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# Some Security Measures

- ▶ Odd hours of entering the DMS – weekends, late hours
- ▶ Vendor reports matching to customers and employees
- ▶ Wholesale loss by appraiser, purchaser, auction, or other
- ▶ Repair order under scrutiny threshold
- ▶ Customer accommodations by service advisor
- ▶ Specialized Technician reports –turned down service, analyze efficiencies
- ▶ Parts Counter Pad to Journal Reconciliations
- ▶ Automated Reconciliations
  - ▶ Bank - Matching cash schedules to actual reports from your bank
  - ▶ Floorplan – can automate matching floorplan statement to journals
  - ▶ Parts Statement – can create exception report looking for special order parts, and other reconciling items



# Big Data Analysis, A Deeper Dive

- ▶ Use of Benford's law
  - ▶ Benford's law, also called the Newcomb–Benford law, the law of anomalous numbers, or the first-digit law, is an observation about the frequency distribution of leading digits in many real-life sets of numerical data.
    - ▶ The law states that in many naturally occurring collections of numbers, the leading significant digit is likely to be small.
    - ▶ For example, in sets that obey the law, the number 1 appears as the leading significant digit about 30% of the time, while 9 appears as the leading significant digit less than 5% of the time. If the digits were distributed uniformly, they would each occur about 11.1% of the time.
    - ▶ Benford's law also makes predictions about the distribution of second digits, third digits, digit combinations, and so on.
  - ▶ Scanning invoices, checks, repair orders and other items for certain traits

[https://en.wikipedia.org/wiki/Benford%27s\\_law#:~:text=Benford%20law%20also%20makes%20predictions,digit%20combinations%2C%20and%20so%20on.&text=The%20law%20is%20named%20after,by%20Simon%20Newcomb%20in%201881.](https://en.wikipedia.org/wiki/Benford%27s_law#:~:text=Benford%20law%20also%20makes%20predictions,digit%20combinations%2C%20and%20so%20on.&text=The%20law%20is%20named%20after,by%20Simon%20Newcomb%20in%201881.)



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# Marketing Tools With Big Data

- ▶ Target your ideal consumers
  - ▶ Review customer history by:
    - ▶ gross profit
    - ▶ Loss
    - ▶ beacon score
    - ▶ geographic preference
  - ▶ Data mine vehicles sold in your market v. gross profit in your dealership
  - ▶ Merge data from your dealership with outside data
    - ▶ Polk data
    - ▶ Bank data
    - ▶ Economic data
  - ▶ Sales Mix Analysis
  - ▶ ROI analysis of CRM and other marketing items
  - ▶ ROI on Indirect Finance Companies



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# Questions?



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# Thank you!

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