IBM

Reynolds and Reynolds transforms service delivery to keep auto dealers on the leading edge.

Overview

■ **Challenge**
 Reynolds knew that its auto dealer customers required more resilient systems to ensure high levels of operational efficiency and customer satisfaction. But dealers as a whole wanted less technology to deal with—not more.

■ **Why Become an On Demand Business?**
Reynolds needed a way to upgrade the systems and processes that dealers had access to, while at the same time enabling dealers to offload the increasingly complex task of managing these systems.

■ **Solution**
Reynolds built a new retail management system delivery method called Reynolds Applications On Demand. By centralizing and automating such key processes as failure detection and notification, backups and system configuration, Reynolds is able to cost-effectively deliver world-class resiliency to its dealer customers regardless of their size.

■ **Key Benefits**
• More efficient infrastructure management processes enable Reynolds to channel resources into innovative new services
• Infrastructure monitoring capabilities improve availability and overall resiliency.

In the U.S., more than 40% of light vehicles are sold on Reynolds' dealership systems. Based in Dayton, Ohio, the company employs 4,400 worldwide. The Reynolds International division serves automotive retailers and OEMs through its Incadea dealership management system and partner network as well as a worldwide consulting practice.

Reynolds and Reynolds (www.reyrey.com) has been serving automobile dealers since 1927, providing them with products and services designed to maximize their efficiency and to build strong, lasting relationships with their customers. Today, more than 10,000 dealerships in the U.S. and Canada use Reynolds' systems to run their businesses. While the auto market as a whole has changed, the core of the auto retailing model—centered around the interaction of customers, dealers and manufacturers—has survived the industry's evolution largely intact. Displaying a similar consistency, Reynolds

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– Jeff Almoney, CTO, Reynolds and Reynolds

ON DEMAND BUSINESS™

On Demand Business Benefits

- More efficient infrastructure management processes enable Reynolds to reallocate resources toward new services and technologies, further improving its customers' profitability.
- Ability to sense and respond to infrastructure problems improves availability and overall resiliency.
- Faster deployment of new services and applications enables Reynolds to bring them to market faster, improving customer satisfaction.
- Increased density and modular growth capacity of blade server technology enables more efficient capacity utilization, further optimizing IT resource efficiency.

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– Jeff Almoney

has kept its focus on helping dealers maximize customer satisfaction by providing a continuous stream of innovative products and services. To drive this effort, the company has vigorously sought out the best available technology and put it to work for its dealer customers.

One of the most significant trends within the customer base has been a steady increase in the depth and breadth of the services that Reynolds provides to them—ranging from sales, service and warranty program management to procurement and customer relationship management (CRM). In addition to growth in scope, Reynolds' service portfolio has also become more cross-integrated, and thus able to share data. To customers, this integration is manifested in higher levels of functionality and operational efficiency, which has led them to entrust more and more of their mission critical enterprise processes to Reynolds. Less visible to customers, by design, is the complex IT infrastructure required to deliver these integrated services. Indeed, it is the ability to offload the increasingly complex management of IT—and focus on selling cars—that represents Reynolds strongest value proposition to dealers.

Doing more with less

Reynolds' strategy going forward was built around the idea of keeping its auto dealer customers off the "technology treadmill" by minimizing their day-to-day involvement in the nuts and bolts of their systems. The reasons are two-fold. First and most obvious, dealers are in the business of selling cars and satisfying customers—not managing technology. Precious time and resources spent on data backups, software patches or in monitoring the server closet do little to advance this aim.

The second point is the stakes involved. For most dealers, a system going down means business stops. Cars aren't sold, and customer satisfaction suffers. Avoiding this requires dealers to take steps to maximize the resiliency of their systems and the security and integrity of their data. Given the age and complexity of most on-site dealer systems, approaches involving new technology and processes are clearly the most viable. The challenge for dealers—and for Reynolds—was in delivering this level of performance, resiliency and security while at the same time lessening the burden for on-site dealer staff.

To meet this challenge, Reynolds embraced an innovative new service delivery model known as Applications On Demand whose defining feature was an increased focus on shared services—specifically, the remote delivery of services via a shared base of common, standardized

resources. While Reynolds had already mapped out a long-term vision that emphasized "network-based" service delivery over the deployment of technology at the dealer premises, its new, highly automated system enabled a quantum leap in this direction.

Reynolds' innovation was to build a highly resilient solution with powerful self-management capabilities by combining the inherent efficiency of IBM BladeCenter technology with the automation features of IBM Director and Tivoli infrastructure management software. For example, in the event of a failure, BladeCenter automatically detects it and issues a notification without human intervention—minimizing the impact on the auto retailer's operations. Reynolds' backup and disaster recovery processes are also more automated, increasing their reliability and efficiency. Together, these features have increased the overall resiliency of its infrastructure. With these pieces in place, says CTO Jeff Almoney, Reynolds now has the solid foundation it needs to build its next generation of services. "Our network's 'coming of age' will continue to drive our initiatives," says Almoney. "By managing our infrastructure more efficiently, we're better positioned to develop new solutions to make our customers more profitable and help them create 'Customers for Life.' "

Designed and deployed jointly by IBM and Reynolds personnel, the solution—known as Reynolds Applications On Demand—runs on a cluster of IBM xSeries Blade Servers, with storage provided by an IBM TotalStorage DS4400 Disk Storage System configured as a storage area network. For unattended customer data backups, the solution employs an IBM TotalStorage 3580 Tape Drive controlled by IBM Tivoli Storage Manager. The platform's primary infrastructure management tool is IBM Director, which Reynolds uses to monitor the network and perform remote deployment of new systems and applications. Underpinning Reynolds' ERP, CRM and document management offerings is IBM UniVerse, an extended relational database that was chosen for its high-performance, efficiency and scalability.

Closing the loop with customers

As discussed, Reynolds' movement to centralize and standardize its systems coincides with an ever-tightening degree of integration within its service offerings. A good example is seamless contact management. Consider the example of a person performing a pre-sale vehicle research at a manufacturer's Web site. The system will automatically direct that person to the appropriate local dealer's site, where the person can check inventory in realtime and denote his/her interest in a car. The system then adds the prospect's name to the centralized backend database, enabling dealer personnel to manage that prospect via the Reynolds CRM solution. With integration becoming more and more central to the business value of Reynolds' services, Bryon Propst—Director of Technical Strategy—believes that the ease of service deployment and integration afforded by the new

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infrastructure will provide a strong complement to Reynolds' business strategy. "Our business is about speed and efficiency. Providing information to the dealer faster enables that dealer to make better decisions, and to provide better service to its customers," explains Propst. "That's why the ability to roll out and integrate new applications quickly and efficiently is critical for us."

Embracing automation at the core of its infrastructure strategy has given Reynolds the efficiency, flexibility and resources it needs to meet rising customer demands and deliver solid satisfaction. Moreover, it signals Reynolds' determination to solidify its competitive leadership through bold innovation designed to increase its customers' profitability. For auto dealers and manufacturers, the ability to establish and nurture a strong relationship with their customers has emerged as a key profit driver. The Reynolds solution responds to this need by providing dealers and manufacturers access to a growing base of world-class

services designed to strengthen this relationship. More fundamentally, the increased resiliency enabled by automated backups and self-healing systems keeps Reynolds' retail customers up and running—and keeps their customers satisfied.

Summing up, Almoney believes that as a critical technology partner for auto retailers and manufacturers, it is Reynolds' basic responsibility to identify and provide the best solutions available for its customers. "Our job is to be proactive in our customers' interest—to always be looking for better technologies and better applications, and to be one step ahead in helping our customers be where they need to be. It's that same kind of dedication and focus that makes IBM an ideal technology colleague for us."

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