

## Peace of Mind: So Close, and Yet So Far Away

Dealer-software maker PFW partners with HR and dealer-services giant ADP to introduce a new delivery method to the CE industry – and a novel way to streamline IT throughout all the branches.

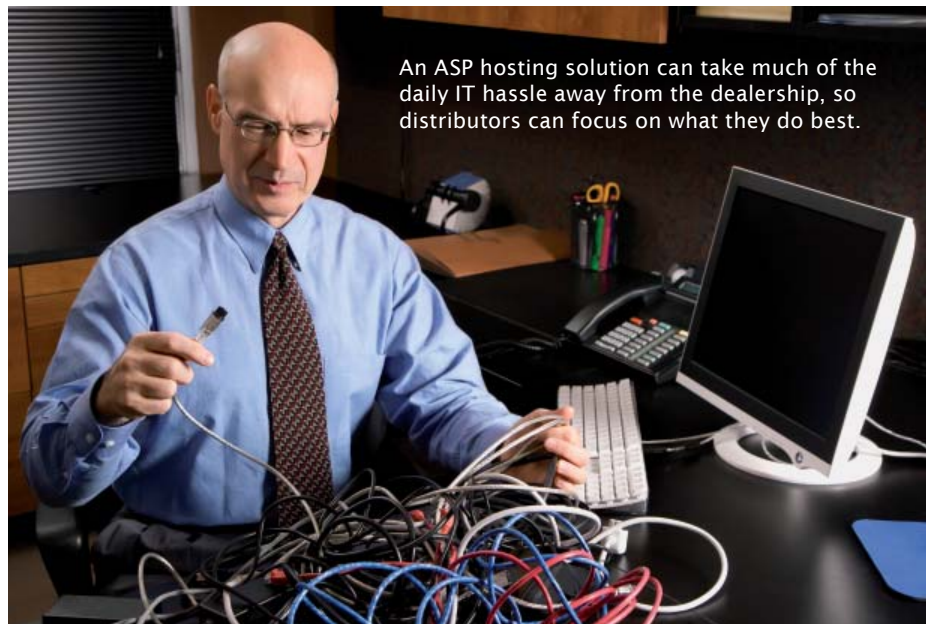
WRITTEN BY **KIM PHELAN**

**The management of IT functions** in the construction equipment dealership is about to ascend to a higher, more strategic plane, leaving the everyday tasks of software, hardware and networking maintenance in the capable hands of an offsite provider.

That's one of many projected outcomes anticipated from a newly created strategic alliance between ADP Dealer Services, Hoffman Estates, Ill., and PFW Systems Corp., London, Ontario. Their partnership has given birth to an Application Service Provider (ASP) hosting solution that now enables CE dealers of all sizes and types to run PFW's IntelliDealer Dealership Management System remotely from ADP's state-of-the-art data centers.

Dealers are now offered a choice to maintain their systems locally from their own local servers or from the ASP solution, which is housed from Data Center 1 in Georgia, and the redundant Data Center 2 in South Dakota, where all data is mirrored in real time.

*Construction Equipment Distribution* conducted an exclusive interview



An ASP hosting solution can take much of the daily IT hassle away from the dealership, so distributors can focus on what they do best.

with PFW president Robert Morton and Byron McDuffee, vice president and general manager of Alliance Group for ADP Dealer Services, to explore how the launch of their joint service will impact CE dealerships and the equipment distribution industry.

ADP, which acquired the automotive retail division of EDS in 2004, first began offering ASP to the auto and truck distribution industries at the turn of this century to address the emerging trend of consolidation that ushered in the era of gargantuan, multiple-chain dealerships. In those companies, streamlining hundreds

of systems on hundreds of individual server "boxes" via ADP's centralized data processing warehouse became a savvy and business-lean solution – it is that same multibranch trend in construction equipment distribution, the two executives say, that makes the ASP solution by ADP and PFW an important breakthrough today.

"Ultimately what we're talking about in terms of this value creation that ADP and PFW are bringing to the table is a new way to deliver technology services to the dealers, and specifically to construction equipment dealers," said McDuffee.

## Dealers can get off of the technology treadmill – the longer you’re on a hardware platform in your location, the more outdated it becomes.



Disaster recovery and business continuity in times of catastrophe – such as when Hurricane Katrina crippled New Orleans and many surrounding Southern counties – is a benefit dealers reap from the remote data management of ASP, even if they never realize it.

PFW, a leading provider of management software for North American equipment dealers, develops, markets, sells, installs and supports its IntelliDealer system from its head office in Ontario. Automatic Data Processing, Inc. (ADP), a \$7-billion company serving more than 570,000 customers worldwide, is one of the world’s largest providers of business outsourcing

### Never Too Late

The PFW-ADP alliance is big news and its ASP hosting solution packs enormous potential for both large and midsize dealerships. But what if your company has just invested deeply in a different IT package? Do you turn the page and try to forget about what could have been?

“It’s really never too late,” said ADP’s Byron McDuffee. “We’ve got options to mitigate that problem and to allow them to get onto the right course if our solution makes sense to them. It’s always worth a discussion.”

solutions. Well known in the automotive, trucking, motorcycle, marine and RV dealer markets, ADP is a provider of integrated computing solutions and offers the widest range of HR, payroll, tax and benefits administration solutions from a single source.

The ASP hosting solution, featuring the same IntelliDealer software currently available to dealers’ standalone servers, is available as an optional service and will be showcased at the PFW booth at CONDEX in Chicago this January.

Following is a Q & A dialog in which both executives addressed the scope of benefits the new alliance unleashes into yet another ASP frontier: construction equipment.

### What makes the PFW-ADP hosting solution significant to the CE dealer’s world? What are the tangible benefits they’ll realize if they select the ASP option?

**McDuffee (ADP):** The birth of ASP has allowed ADP to provide software and technology services from a centralized environment – we have the ability to serve the technology and distribute it to customers through telecom connections, thus eliminating the need for a server to be on site at every store location. This ensures a tremendous amount of benefits:

- It lowers the cost of ownership for the enterprise
- It provides strict security
- It gives peace of mind because there’s high reliability
- There is 24 x 7 availability
- It is easily scales for the enterprise’s needs

Another benefit derived is that dealers can get off of the technology treadmill – the longer you’re on a hardware platform in your location, the more outdated it becomes. As new

software enhancements and new capabilities come out that require additional processing, storage and memory, you don’t have to worry about updating when you’re on the ASP. We manage that environment for you. You can stay up with the latest enhancements PFW has to offer in the IntelliDealer product and the value-added applications surrounding it. You don’t have to worry about your infrastructure, your hardware or your server.

**Morton (PFW):** The software will continue to be developed; there will be new features and new modules; and the beauty of the hosted solution is that instead of individual dealers being required to load the new release, it will be coordinated for all dealers at the same time by ADP.

### How is the ASP hosting solution unique?

**Morton:** It’s not the first – certainly John Deere has offered services similar to this for more than a year and it has grown for John Deere dealers. The uniqueness is that this is not offered by a single OEM, and this is not for a single group of dealers. This is for dealers of any type. This is what makes the solution unique – plus the fact that ADP is an impressive organization. They have significant resources, and they’re not here for the short term.

The uniqueness is that there’s a big player supporting our software and marketing efforts, putting PFW into a unique role in the industry. Who else can do this for construction equipment dealers?

**McDuffee:** We have a solution that is unique in the industry because it is an alliance of best of breed solutions, both in terms of software and environment.

This is a Tier 4 data center, and at the end of the day, this is the real deal – it doesn't get much better than that. It's the same environment where ADP processes one out of six private-sector jobs in the country today. We're also the largest money transactor with the U.S. government in the world, and we process about one third of all Wall Street brokerage transactions – all within this same environment.

Because ADP has a global footprint in some 56 countries today, we think we line up with large enterprises – manufacturers or large dealer groups. The combination of our capacity to serve on a global basis with PFW's best in class software – it's a pretty unique combination for the marketplace.

What we bring to this equation is going to be very difficult for anyone to replicate. We have invested a significant amount of capital in this infrastructure, into the tens of millions of dollars. These systems will be managed on a proprietary basis with world-class service levels and with world-class security.

Virtually any business or software provider can create an ASP; they can run it out of their closet or take it down to a local data center, but at the end of the day, that doesn't get you all the way there. It takes infrastructure and domain expertise, as well as tremendous financial strength.

**Discuss the implications for disaster recovery and business continuity – how could the ASP solution protect the CE dealer from calamity following a catastrophic event?**

**McDuffee:** Both of ADP's data centers use multiple active power sources, multiple queuing distribution paths; they are all redundant, fault-tolerant, and they provide 99.995

percent availability.

Unfortunately it takes a disaster like Katrina to really hit home on the importance of business continuity. We saw automotive dealerships whose servers were floating down the street. And when asked where their backup tapes were, the answer typically was: "Sitting on top of the server."

And if a catastrophic event happened at Data Center 1 in Georgia, dealers still have immediate access to their systems provided out of Data Center 2 in South Dakota. There are multiple redundancies at each location.

**Morton:** PFW has been interested in this for some time. Putting this alliance together now means we can one day offer customers the ability (even if they're still working on a standalone server) to store their data offsite to an ADP data center as well. This is on the planning agenda.

**Imagine I am a CE dealer who knows very well how to sell and support equipment, but I'm not as**

**well versed in all things IT. The last thing I want is for my competitor to somehow access my data – how can I be sure it's safe at this distant data processing center?**

**Morton:** All these dealerships that currently have a standalone system are more vulnerable to being hacked or to losing data than those served from an ASP. This security umbrella that ADP provides is far superior to anything that I would suspect dealers are currently using. If you want increased security, you move to a hosted model, where all those guarantees and specialists are in place to do that job.

There are far more vulnerabilities if you're a dealer with staff people who move from one dealership to another and could carry the data with them. Already the vulnerability is high. This ASP solution makes a significant move toward more security, with better tools and people who are dedicated to the task. Security, unfortunately, is sometimes the last thing dealers are worried about.

**Get the Right Stuff**

Dealers tend to fall short on the nuts and bolts, so experts recommend thorough research before making hardware investments.

The ASP hosting solution for IntelliDealer launched in August by PFW and ADP was piloted at two construction equipment dealerships prior to being released for the CE distribution market. One in Canada and the other in California, the companies served as Proof of Concept locations to test that the IntelliDealer application would run on the ASP platform.

One of the most serious revelations of the pilot process, both company representatives concurred, was the discovery that dealers have sometimes invested unwisely in technology that is needed to support their networks.

"This was a real problem," said PFW's Robert Morton. They had made investments in equipment that might be fine in the home market but was not of a professional grade required to guarantee them the kind of service they need [in an ASP environment.] Some had just spent the money and thought it was up to their standards – the problem was their standards were not good enough; their hardware was not good enough. Routers, hubs, infrastructure – people don't always understand how important some of these elements are."

What we bring to this equation is going to be very difficult for anyone to replicate.

**The power and genius of delivering IntelliDealer from an offsite location also carries the dubious potential for eliminating the role of the dealer's IT person. What kind of pushback have you heard and addressed on the subject of possibly making IT personnel obsolete?**

**McDuffee:** We have seen the IT requirement scaled back, but more important is that dealers now can refocus the energies and attention of those resources in more strategic ways – to enable capabilities to sell more equipment, to enable processes to sell more service and more parts.

It's the redeployment of that IT resource for more strategic, value-creating opportunities for the business

that has made the big impact.

**Morton:** Dealers who do not wish to have an IT staff and do not wish to dedicate any human resource to keep the technology working on a daily basis now have a way to benefit from the functionality of the software without having to have someone on their staff who they really don't understand, who speaks a different language.

We can take those mundane [IT] tasks away, and if we take all those things that they don't really need to be spending their time on, they can focus on the strategic items within the dealership.

**McDuffee:** ASP may be a little bit of a threat to the IT person in there today, but what dealerships are recognizing is that this doesn't



Although some of the routine functions of the dealership's IT personnel disappear with the advent of ASP, these staff are not themselves made obsolete. Rather, they can now be re-deployed for more strategic objectives within the company.

necessarily displace the IT personnel. It leaves the infrastructure and software capabilities to the professionals at ADP and PFW and allows dealers to realign those staff for other objectives. ■

PFW IntelliDealer ◀ YOU CHOOSE. YOU WIN. ▶ PFW IntelliDealer<sup>ASP</sup>

## Accelerate your business with PFW IntelliDealer.

Things move fast in the equipment distribution industry and PFW's IntelliDealer Dealership Management System can help you stay ahead of the competition. Developed through an evolutionary process to ensure exceptional reliability and integration, IntelliDealer helps you better serve your customers and efficiently manage your business. Whether it is hosted on an on-site server or remotely in an Application Service Provider (ASP) environment powered by ADP, IntelliDealer delivers the information you need, when you need it.

Visit [www.pfw.com](http://www.pfw.com) or call us at 519.474.3300 ext. 230 to learn more.



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