

## Customer Profitability

PFW'S PRODUCTS HELP DETERMINE YOUR MONEYMAKERS

BY NADINE NESLING

Having a system in place that provides Business Intelligence is a key element of improving customer profitability. The data is there, readily available, and it now needs to be organized and analyzed in order to make better, more informed business decisions. So now dealers may be wondering: What information do I need? Where do I find it? How do I use it?

A good place to start is with existing customers. Many dealers are aware of the importance of putting customers at the center of their business—strong customer relationships are a major focus in today's business management climate. But understanding and knowing customers can go beyond developing a good rapport in order to maintain customer loyalty. Truly understanding customers means knowing which customers are making the dealership the most money—and which customers are costing money.

### Financial Reporting

A good customizable financial reporting system is an important element of a revenue-increasing plan. It is not enough to look just at the big picture—how much money was made last year. To develop

Chase Tractor Ltd. - Guelph Ont.  
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Home Financial Management Customer Care Product Support Management Central Configuration  
Accounts Receivable Accounts Payable General Ledger

<< Back A/R Options

Sort by:  Name  Current  31-60  61-90  
 91-120  Over 120  Total

Select Invoice 1st Digit:  A  B  C  D  E  F  P  R  T  W  X  User Defined

Select Receivable Account:

Select Location:

Go >>

Accounts Receivable - Outstanding Details - Over 120						Results to display: 10
Name	Current	31-60	61-90	91-120	Over 120	Total
① Edward Jones	200.00	0.00	0.00	14,320.77	59,255.12	73,775.89
① Donald Miller	47.50	284.02	-84.00	0.00	51,026.76	51,274.28
① Will Wheeler	17,600.23	2,549.07	0.00	677.58	46,577.58	67,404.46
① Riverview Campground	4,659.80	11,581.08	942.64	4,521.94	34,521.94	56,227.40
① Jeff Gates	64,249.36	0.00	180.97	12,850.06	32,850.06	110,130.45
① Mammoth Equipment	0.00	-640.58	18,044.29	500.00	21,531.09	39,434.80
① Bruce Shipley	850.46	22,486.94	52.77	0.00	20,597.51	43,987.68
① Mrs. Kelly Ryan	0.00	1,804.63	12,549.88	0.00	18,673.74	33,028.25
① Ronald J. Smith	6,872.05	0.00	0.00	0.00	13,910.07	20,782.12
① James Adams	147.56	2,564.98	460.26	36,008.60	10,008.60	49,190.00
( 1 - 10 Of 28 )						Next >
					<b>Over 120</b>	<b>352,847.15</b>
					<b>Total</b>	<b>1,276,098.99</b>
					<b>Future</b>	<b>0.00</b>

PFW IntelliDealer's Financial Management allows users to determine where revenue loss may be occurring.

a plan for increasing profitability, the dealership should be analyzing specific customer information to see what areas can be improved upon.

PFW IntelliDealer Financial Management contains reporting capabilities that allow the user to analyze customer information. The dealership has the freedom to create financial reports based on its individual needs:

- Columns and rows can be customized
- The date range can be taken from the current or previous fiscal or calendar year
- Reports can be saved and copied for other system users
- Results are returned the way the user chooses to see them, and are presented in the browser as a spreadsheet-styled report

IntelliDealer's reporting makes information more usable by giving the user the power to choose what and how financial information is

### Understanding customers means knowing which customers are making money—and which ones are costing money.

displayed. Often businesses find themselves drowning in data, but by allowing the user to look at specific data, displayed in a specific manner, Financial Reporting transforms large amounts of data into information. The organization of data into information is a key to Business Intelligence.

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## Reduce Revenue Loss

Making and losing money doesn't just occur at the time of sale. One of the many areas that dealerships can use to gauge customer profitability is with a customer's payment history. Lost money doesn't just occur with a lost sale—late-paying customers will cost money. According

## A key starting point to determining how to increase revenue is understanding where the current revenue is coming from.

to industry analyst Bruce Merrifield, it shouldn't be assumed that slow-paying customers are paying off late charges—most of the time these charges get written off and dealerships end up absorbing the administrative costs associated with tracking down money owed.

With this in mind, it may be a good idea to keep track of the month-end total receivables and days outstanding for each account. This information should be stored and an Aged Trial Balance report should be

## Understanding Departmental Sales

A key starting point to determining how to increase revenue is understanding where the current revenue is coming from. A dealership needs easy access to logically organized data. Area Sales in IntelliDealer's General Ledger Account History provides the user with a detailed picture of month-to-date and year-to-date sales.

The user can initially look at a general, color-coded pie chart of revenue based on the parameters entered, then drill down to see a distribution breakdown by the types of sales that contributed to that figure. The user can even optionally view the actual invoices, sorted by date, that were entered. The ability to easily drill down from general to specific data and have sales data clearly displayed provides dealerships with a starting point for a discussion regarding missed opportunities with respect to increasing revenue. A dealership may know what their objectives are, but how can goals be reached without specific revenue information? Area Sales will help answer that question.

## Gauging External Sales

IntelliDealer's Geographic and Business Analysis can provide knowledge of where revenue is coming from. With this functionality, users can analyze parts, equipment and total purchasers, service sales, and rental revenue. As well, see by geographical area, salesperson, business class, size, type, owner, equipment, or Dun & Bradstreet rating the customers that are producing the top revenues—which makes customer segmentation easier to achieve.

With Geographic and Business Analysis, users can see customer details, and drill down to outstanding details, specifically the "average payment days". This helps a collection clerk determine what kind of customer they are dealing with, and which customers with outstanding accounts need to be contacted.

## Reporting Choices

In order to complement the reporting capability of IntelliDealer, the Members Only Extended Service Site at [www.pfw.com/members](http://www.pfw.com/members)

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## FROM THE EDITOR

### Customer Profitability

Since 1981, PFW has produced products and services designed "for dealers, by dealers", intended to help equipment distributors manage their businesses more effectively. As a result, dealers are able to provide their customers with a superior customer experience.

But when you improve customer service, loyalty and retention, and increase your efficiencies and profit, how do you measure these gains? Do you really know exactly where the margins are coming from, where they're not coming from, and how having this information may affect your day-to-day operation?

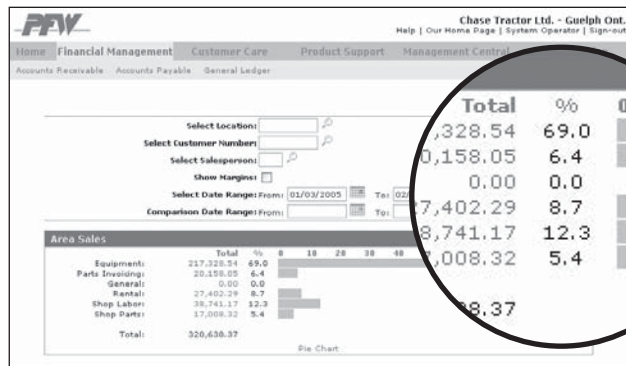
Most dealers know who their top customers are, right? Of course, it's not that difficult to create a list of accounts that generate the most revenue. But what about performing a deeper analysis, one that factors in the cost of maintaining that account or, in other words, a look that uncovers which customers are indeed the most lucrative, with regard to margin and profitability.

This issue of the PFW Password can assist in this quest for increased customer awareness. We'll look at how PFW's integrated products can help you capture the statistics you need to create a meaningful customer ranking, and then we'll talk to the keynote speaker from the 2005 PFW Management Conference in San Diego, California, for advice on how to leverage this information.



*Andrew Jones*

Andrew Jones, Editor



Business Intelligence is attainable through PFW IntelliDealer's data sorting power. Users can know, for example, where revenues are being realized.

periodically run, ranking the accounts from the greatest number of outstanding days on average to the fewest.

In IntelliDealer, viewing A/R aging information is easy. Simply go to the Outstanding feature of Accounts Receivable to access clearly-presented information. The user has the ability to drill down by aging period and see a customer listing from highest to lowest dollars outstanding. Once a clear picture is achieved, the dealership is in a better position to evaluate the extent of the problem that may exist with regard to slow-paying customers.

## PASSWORD

PFW Password is produced by PFW Systems Corporation and is distributed free of charge. Any comments or submissions are welcome, and should be addressed to the editor.

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contains a library of Crystal Reports® queries created by PFW and its customers. Users can search for reports by group or look up reports by file name, description, or author. Each report entry contains a description of the report, the report itself, a PDF version of the output and a PDF file that describes the structure of the report. The reports are provided “as is”, and for reports created by PFW customers, their e-mail address is provided.

For those dealerships interested in measuring profit margin, the following reports are currently available:

The “Aged Accounts Payable Outstanding” report is a listing of Aged A/P outstanding vouchers, broken down by week. With the “Top 100 Customers Listing” report, see the sales, Cost of Sales Margin and Margin % for Total Sales, Equipment, Parts, Service and Rental—the full rental costing information will be available in R6V03. The user is prompted for a date range, branch number, and which area they would like to base their top 100 calculation. Want to create a listing of customer purchases broken down by equipment, parts, service or rental? Then use the “Customer Segmentation” report, where a margin is calculated, based on a fixed percentage for each purchase type. A calculation for customer ranking is also included.

Alternatively, PFW offers Crystal Reports consulting services that provide companies of all sizes with powerful, customized data gathering. Crystal Reports development is a PFW speciality, and our experienced report writers are familiar with dealers’ reporting needs.

Virtually any major, current database product can be accessed from any mainframe, server, or local location. PFW’s data integration capabilities allow for the creation of reports from multiple data sources—wherever the data is stored. To start the process, submit a report outline to PFW and receive a description of the report framework, the delivery time, and a price quote.

Armed with this critical mass of Business Intelligence, dealers can consequently revisit their marketing initiatives in order to target the appropriate niches. To assist with this effort, PFW IntelliDealer contains a comprehensive CRM tool, designed to help improve a customer contact program, market segmentation and coverage. [PFW](#)

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For more information about how PFW IntelliDealer can help increase your Business Intelligence, contact PFW Sales at (519) 474-3300, ext. 230 or [sales@pfiw.com](mailto:sales@pfiw.com).

# Perform Key Measures and Increase Margins

AN INTERVIEW WITH BRUCE MERRIFIELD, JR.

*D. Bruce Merrifield, Jr. has run his strategic consulting and business speaking practice—Merrifield Consulting Group—since 1980. Merrifield specializes in how to maximize the effectiveness of independent distribution channels, high-performance service management and the impact of electronic commerce on distribution channels.*

*In light of this PFW Password’s focus on customer profitability, we thought it would be valuable to receive a specialist’s view. We spoke with Merrifield in search of answers as to how dealerships can obtain key numbers and initiate processes designed to improve margins.*

What kinds of information measures—metrics is the technical term—does a dealership need to retrieve from its database, and in what forms should this data be expressed?

You need to find an appropriately complex formula for computing and ranking customer profitability (See “The Formula for Customer Profitability” on page 5). I prefer a crude method—like peeling away the layers of an onion. Do a quick-and-dirty first cut, then, with more insight, do another layer of analysis. If you format results in an exception ranking report, you can address the extreme, high-leverage opportunities. *Note: Exception ranking reports for slow-pay accounts are another extra-cost dimension way to look for those accounts that are losing money for the dealership.*

A good, experienced credit manager can tell you off the top of their head which accounts are the chronic, abusive players to further investigate. A more exact and automated approach would be for the computer to calculate the month-end total receivables and days outstanding for each account and store this information in the customer master file for twelve months or more. Then every six months you can run a ranking report for the accounts with the longest outstanding-days average

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D. Bruce Merrifield, Jr.

“An experienced credit manager can tell you which accounts are the chronic, abusive players to further investigate.”

to the fewest, investigate further, and take appropriate action. Don't pretend that the deadbeats are paying all of their late charges. Most firms write most of these off.

We need to rank customers, where the variables will be number of transactions versus margin. If you have a customer profitability ranking, then you can determine a niche market. Of course, there is overlap for these customers. There is

**You should visit the customers that are costing you money and discuss the fact that the relationship is not good for both parties.**

only one way to be at the bottom of such a report: little margin activity and lots of transactional expense, which always causes a loss. Run this profit ranking report for each profit center, each service division, and each sales territory. Identify who is the most profitable by subgroup, and by kind of business, and delineate them into small (cash and carry), medium, and large. Who are they and what are their complaints? The answers to these questions should help to determine what their niche is. In general, we are too busy reacting—we need to be more proactive.

Additionally, Merrifield points to the following as key considerations:

- The gross margin dollars, per employee, on an annual basis—the value added per employee is what supports premium compensation for jobs done.
- We should determine if outside sales is making too many sales calls relative to the cost.
- The markup on the product you are pushing. Because out of sight is often out of mind, channel partners will often take these shock absorption services for granted and free, if distributors don't measure true, extra costs and values and market them to earn special fees to ensure making a profit. Distributors assume they will cover these costs and then some with their markup on their regular product sales to the customers,

but according to a customer analysis they usually don't. Eighty percent of the typical distributor's customers are currently at break-even or less than break-even.

- Complex models result each time you factor in an activity-based costing (Bill of Material plus a Bill of Activity—labor plus overhead). Prepare a monthly “5-5-5 report”—an activity-based-costed profit and loss analysis of the top five most profitable, the top five least-profitable and the top five most promising customers—coupled with a list of questions, for example, What should be done to make sure we don't lose this customer? Most [distributors] would do well to segment customers and look at them through the profitability lens. Absorb costs for the few customers who are outrageously profitable and, with the others, use it to negotiate.
- In order to achieve service process excellence, you'll need a manager to track the raw occurrences—which can then be translated into graphs and spreadsheets “on the wall”. For example, Dell Computers has reduced their labor to eight minutes per PC, uses the “just-in-time” production model, and receives quick payments by credit card. The number one measure which shows that you need to employ great people for long periods of time is Gross Margin Dollars per Employee. Without a high number here, you can't absorb labor costs. *Note: Gross Margin Dollars per Employee is calculated by taking the net sales-cost of goods sold, divided by number of employees.*
- “Tax Reinvested in Employee” is the profit-after-tax per employee reinvested

### Did you know that...

- 80% of the typical distributor's customers are currently at break-even or are below break-even
- On average, 20% of a distributor's customers will generate 150% of their profit before interest and tax (PBIT)
- Roughly 80% of U.S. consumers want “best value,” 5% to 10% are pure price buyers who will trade bigger, hidden costs for smaller, measurable price savings, and 5% to 15% are psychological or top-level buyers, to whom value is less of a factor

to grow the company—and the employees'—future.

- Know or share basic service metrics that are tuned to target customer niches so that employees can know how well they are taking care of the customers that in turn take care of them by staying loyal and buying more. Tell the employees who the top five most profitable customers are, along with the top five most important target accounts, so that anyone can step up to give an extra service effort for these customers if given the chance.

So, now that we have the information, how do we apply the results? We want to know what “hard decisions” may need to be made, in light of our statistical analysis...

Once the customer profitability ranking is determined, then you can see that some accounts—maybe 50% or more—are killing the margin, so you should then visit the customer—despite the fact that no one likes confrontation—and discuss the fact that the relationship is not good for both parties. The bottom 20%, starting with the last-place accounts, need to be individually analyzed and most likely acted upon in some corrective way. Suggest that each area investigate and shape-up, ship-out, or fully explain their worst accounts. If as a result, these accounts will need to order twice as much, half as often, pay up-charges for their small orders, or leave to paralyze your competition with their losing mix of business, resources are freed. You will be able to take on new, presumably profitable business without adding extra people.

In order to solve the problem, the process may need to be re-engineered in order to limit transactional costs and keep price increases to a minimum, and if certain limits are applied, customers—and salespeople—may leave. Salespeople like their own personal magic acts, but if team selling is implemented, the account relationship changes, and management needs to become involved. Essentially, metrics need to measure the right things, like finding those who aren't carrying the load, so the upsizing—or downsizing—of people has to be done. Some won't want to change, so they won't be part of the solution. You've got to know when to hold them, and when to fold them.

Can we use this type of analysis in a “preventative” context? In other words, can we predict inefficiencies, and head them off before they happen?

## The Formula for Customer Profitability

$$\text{Gross Profit} - \left( \frac{\text{Number of Invoices}}{\text{Average Cost Per Invoice}} \right) = \text{Estimated Operating Profit Contribution}$$

**1. Using the formula above, rank customers, where the variables will be the number of transactions versus margin:**

Take the gross profit for an account for a time period; for example, 12 months. Subtract the number of invoices for the set period multiplied by the average cost per invoice. The cost per invoice is calculated by taking the entire annual operating cost and dividing it by the total of invoices for the same period.

**2. Rank all of the accounts from high to low by their estimated profit contribution while also putting in cumulative percentage columns for customers and profit.**

**3. Note what percentage of the customers account for the percentage of the profits.**

e.g., top 10% customers = 95% of the profits  
top 20% customers = 145% of the profits  
top 40% customers = 155% of the profits  
bottom 60% customers = (55%) of the profit

This crude analysis suggests that the top 40% of the accounts generated 155% of the profits to offset the losses of 55% caused by the other 60%. Assume now that we will never know exactly which account should have been number one on the list, but that the top 20% of the accounts are most probably profitable: they should be further protected and secured as most precious assets. We could also assume that the 60% in the middle of the ranking report are not of immediate importance; most are about break-even and carry their fair share of overhead allocation.

**4. Address the extreme, high-leverage opportunities: lock up the most profitable 50-85% of the niche\* with distinctive services on top of unsurpassed inventory fill-rates.**

\* A niche could be, for example, a situation where a number of the 10 most profitable customers ranked were quite similar. These, along with about 20 of our other profitable customers, could be re-classified into one niche that buys a common basket of items.

**5. Analyze the bottom 20%, starting with the last place accounts that are to be individually analyzed and most likely acted upon in some corrective way: reverse the current situation of little margin activity and high transactional expense.**

**6. Run the profit ranking report for each profit center, each service division, and each sales territory.**

**7. Have each area justify the worst-performing accounts.**

**8. Free resources by endeavoring to get these accounts to order twice as much, half as often, pay up-charges for their small orders, or leave to paralyze the competition with their losing mix of business.**

**9. Take on new, presumably profitable business without adding extra people.**

SOURCE: D. BRUCE MERRIFIELD, JR. – MERRIFIELD CONSULTING GROUP, INC.

Customer retention is dependent on basic service brilliance—dealerships need to be 2-8% better than their competitors on all of the most important metrics—so, from a preventative perspective, the occasional snafu will be forgiven by the customer. If we ask customers why they switched significant volume to some other supplier months after the fact, then we are being reactive again.

Being significantly and consistently better than the competition on service excellence isn't too hard if all of our employees know how and why to super-focus on the 5% of the most profitable customers and the 5% or less of the potential customers that have significant long-term profit growth potential. The questions then become: How do we identify the 10% or less of all customers in our market to super-focus on? How do we re-think our service systems and

service training to be consistently brilliant and proactively flexible for those accounts? And, how do we identify all of the losing and "growing nowhere" accounts for whom we must free up activity costs that aren't covered by the incoming or future potential margin dollars?

**What common mistakes do distributors make, with respect to underachieving on margins?**

Many distributorships have reactive service technicians only, where preventative and proactive service-quality efforts are not made, so the question becomes how do we sell through them to increase the bottom line? So, the daily service business needs to reflect brilliantly in one or two metrics. We need to have strategic insight in order to unweave, and reweave, the business.

**How significant is it that distributors create a perception of service value for their customers?**

The "little deals" have to be made. Like the old Marriott hotels, where the fine, colored sand in the cigarette holders, monogrammed towels, crested soap, and mints on the pillows convinced people that the hotel's prices are worth it. You have to "live the promise" with customer service, through things like automated reminders. One call, when there are no hassles or break-downs, may produce a big payoff. [PFW](#)

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# PFW and John Deere C&CE

## PFW SOFTWARE AND SERVICES PROVIDED TO JOHN DEERE DEALERSHIPS

BY ANDREW JONES

In the late 1970s, the PFW Dealer Management System grew out of a John Deere Dealership in Exeter, Ontario. Today, over twenty-five years later, PFW continues to offer its customers the unique and specific product functionalities and features they need to effectively manage their businesses and remain competitive.

In December, 2004, John Deere's C&CE—Commercial and Consumer Equipment—division issued an announcement saying that, "In response to feedback from dealers requesting information about business systems that would meet the current and future needs of John Deere C&CE dealers...a review process was launched and recently completed." As a result, PFW was listed by John Deere as one of a small group of "vendors...committed to work with C&CE to develop additional

their parts prices current with **PFW Parts Price Updates**. This is a specific service for updating vendor Master Price files and Warranty Flat Rates. The job code rate files are received by PFW and converted for compatibility with the PFW dealer business system. The following file types are available:

- *Job Code Files*, where new job codes for warranty work for John Deere are received and loaded directly into the business system. This enables a quick reference of the rates, and reflects the number of hours and dollar amounts that a vendor will pay for each repair job under warranty. This eliminates the use of warranty reference books in order to find job codes.
- *Master Price Files*, which PFW sends to authorized dealers via the John Deere DTF—Data Transfer Facility—in order to

update parts prices for the John Deere line. Price updates include new list and net prices for parts. After dealers receive DTF verification, PFW sends customers the price update within 24 hours.

**PMPro** is one of the variety of Electronic Parts Catalog software interfaces offered by PFW. This interface assists John Deere parts departments in locating parts, checking availability, and uploading the part numbers to an invoice. As well, users can electronically transfer parts orders to suppliers via the Internet, or vendor communications.

PFW offers John Deere dealers **John Deere Special Terms**, where special terms parts data

is available through the DTF interface. This eliminates the need to download the data from the John Deere website, and the information is automatically loaded into the PFW special terms files, which saves dealers time.

With the **JDWIN** interface, PFW takes warranty workorders and allows them to be transferred as warranty claims. PFW also receives and maintains PIP and Delivery Receipts. JDWIN captures data from the Work Order screen in the business system and allows dealers to send the information directly to the JDWIN website, without the

need to rekey basic warranty data. Users must key the number of the failed part, and can also enter additional information, such as multiple part numbers, complaint, cause, correction, parts and labor information. Once the information has been sent, dealers visit the JDWIN website in order to validate the data for submission to John Deere.

The **JDPoint Pathways Parts Order** interface uploads parts orders into the JD-Point Pathways application. The interface converts parts orders to a text file and uploads it through the Internet or Intranet to John Deere through the JD Pathways website. After the parts order is processed through the interface, a PC text file is created and saved to the PC. The user then signs in to the JD Pathways website, and can import the saved file directly into the website application for immediate transmission to John Deere. [PFW](#)

Andrew Jones is a Creative/Technical Writer at PFW.

For more information about PFW's products and solutions that are designed for John Deere dealerships, please contact PFW Sales at (519) 474-3300 ext. 230 or [sales@pfw.com](mailto:sales@pfw.com).

### Interfaces available for John Deere Dealers

- John Deere Credit XML Internet Authorization
- John Deere Data Transfer Facility
- John Deere ERS
- JDPoint Pathways Parts Order Download
- John Deere Parts Locator
- John Deere Parts Receipt
- JDParts
- John Deere Retail Notes
- JDWIN
- John Deere Customer Marketing (SFI) Download
- John Deere Special Terms Purchase Order Upload
- John Deere Web PartsEXPERT
- John Deere Ag Best Buy/Good Deals
- John Deere Marketing Service Times
- PMPro EPC

interfaces and functionality to support the work of C&CE independent dealers". In the announcement, John Deere went on to tell its dealers that "If your dealership is in the market for a new business system, we encourage you to review these vendors."

In light of PFW's historical connection with John Deere, and the following sample of the John Deere-specific advantages PFW offers its customers, this recommendation should not come as a surprise.

As price updates can have a great effect on profitability, John Deere dealers keep

## Interfaces

Below are some of the recent interfaces PFW has developed:

- Komatsu Parts Order Download
- ADP PayeXpert Upload
- vShepherd/FleetReach
- J-CON G/L Upload
- Machinery Trader Download
- Komatsu Inventory Lookup System Upload
- John Deere Ag Best Buy/Good Deals
- CNH UEL
- Tom Rowe Equipment Locator Services
- PFW Signature Pad Solution

To see a full list, visit the **Manufacturer Interfaces page on our website:** [www.pfw.com/solutions/interfaces](http://www.pfw.com/solutions/interfaces)

### Need an interface?

Dealerships can save time and money by identifying areas where data input is duplicated. Contact your PFW Client Service Representative today to start the interface development process.

# PFW and Komatsu

## EFFICIENCY THROUGH PFW'S MANUFACTURER INTERFACES

BY ANDREW JONES

PFW has enjoyed a productive relationship with Komatsu, with many innovations resulting from this dialogue. Prime among these is the development of various Komatsu-specific interfaces.

Time is saved through the use of interfaces, which allow data to flow between the two solutions and eliminate the need to rekey data. These data "bridges" also reduce the time spent switching back and forth between applications, which improves workflow. PFW offers a number of interfaces designed specifically for Komatsu dealers, making the transfer of data fast and easy. The following provides just a glimpse of the interfaces that are available to Komatsu dealers:

The **Komatsu Parts Order Download** allows dealers to download parts orders using File Transfer Protocol (FTP) so that they can then be sent to Komatsu America and Komatsu Canada Limited. The dealer can send all types of Komatsu parts orders, and also has the facility to enter in order class, order type and/or marketing programs, and will receive an e-mail confirmation from Komatsu, once the order has been received.

PFW offers a variety of Electronic Parts Catalog software interfaces to help the parts department easily pick and choose a parts list for a customer and upload the part numbers to an invoice, as well as electronically transfer parts orders to suppliers via the Internet or vendor communications.

**Komatsu ePartsCentral** allows Komatsu dealers' customers to use the Komatsu ePartsCentral website to check availability, place parts orders, and take those parts and load them into the PFW Sales Order system where a sales order is created—eliminating the need for the dealer to manually load the parts.

The **LinkOne Electronic Parts Catalog** interface displays business system details on the interface (bin, on hand, customer price) and allows for the transfer of the picklist to the PFW Sales Order system, removing the need for the user to rekey parts data. Transferring critical data to suppliers can be done with little effort with the LinkOne Electronic Parts Catalog.

Additionally, PFW offers interfaces which facilitate direct deposits, parts surplus returns, credit card interactions, parts and equipment location reporting, and payroll reporting.

The PFW business system will accept a service flat-rate file called the **Komatsu Accurate Job Code File**. The interface reads the file that is exported from a Microsoft® Access® database and loads the flat rate to the dealer's IBM® eServer™.

With the **Komatsu Inventory Lookup System**, dealers can extract equipment information from the PFW system and export it into a file for transfer to the Komatsu Inventory Lookup System website.

### Interfaces available for Komatsu Dealers

- Komatsu Accurate Job Code File
- LinkOne EPC Interface
- Komatsu ePartsCentral
- Komatsu Parts Inventory and Retail File
- Komatsu Inventory Lookup System Upload
- Komatsu Parts Order Download
- Komatsu Communications
- Komatsu/HSBC Credit Card (Available April 2005)

As duplication of work costs companies significant amounts of money every year, PFW provides a wide range of software interfaces that provide seamless integration between manufacturer-provided tools and the business system. These highly-integrated interfaces reduce the need for duplicate entry and save valuable time and effort.

PFW looks forward to continuing its interface partnership with Komatsu, and to assist in automating the flow of data between dealers and Komatsu.

Of course, as well as the Komatsu relationship outlined here, PFW has the capacity to develop interfaces that interconnect the PFW business system with virtually any manufacturer-based system. [PFW](#)

Andrew Jones is a Creative/Technical Writer at PFW. For more information about PFW's Komatsu-specific interfaces, please contact PFW Sales at (519) 474-3300 ext. 230 or [sales@pfw.com](mailto:sales@pfw.com).

## PFW's Customer List Continues to Grow

PFW IS PLEASED TO WELCOME THE FOLLOWING DEALERSHIPS

### RDO Equipment Co.

RDO Equipment Co. started in 1968 in Casleton, North Dakota, and has 58 locations in 11 states. RDO is primarily a John Deere and Hitachi construction equipment and John Deere agricultural equipment dealer. In addition, RDO is a large Vermeer equipment dealer and has Volvo, Mack and GMC truck dealerships and Hyster lift trucks dealerships. RDO has become a leader in the restructuring

and consolidation of the equipment and truck retail industries and is "committed to providing customers with equipment solutions that meet or exceed their expectations."

### Winchester Equipment Company

Winchester Equipment Company of Winchester, Virginia, provides sales and service of agricultural, industrial, materials handling, and lawn and garden equipment. Winchester has been in business since 1957, and feels that it is important to "understand that what takes place after the sale is just as important as what takes place before it." Winchester is an authorized service center for New Holland, Toyota Industrial Trucks, Bobcat, Kubota, Exmark, White, and Stihl.

### IBM eServer i5

#### RECENT UPGRADES

Deems Farm Equipment  
Butler, Missouri

Emery Equipment Sales & Rental, Inc.  
Baton Rouge, Louisiana

Northwest Outdoor Equipment, Inc.  
Clackamas, Oregon

Renner Equipment Company  
Yerington, Nevada

Sunshine Equipment Co., Inc.  
Donaldsonville, Louisiana

# PFW News

## Crystal Reports & New Release Workshops Proposal

When: April 25-26 & April 27-29, 2005

Where: Spencer Hall, London, Ontario

The Crystal Reports Workshop will be a hands-on session designed for new and existing Crystal Reports users. Topics include: connecting to the iSeries, creating a basic report, creating address labels, using parameters, creating a form letter, and advanced formulas. For each step along the way there will be activities geared towards basic, intermediate and advanced users.

The New Release Workshop will give PFW customers a chance to see the R6V03 release. The workshop will cover what's new in R6V03, as well as a review of the additions to the R6V02 release that were made throughout the year.

Check [www.pfw.com/support](http://www.pfw.com/support) for more details and updates.

## Coming Soon: PFW Release R6V03

### Highlights

- A new field for minimum surplus/return dollar amount has been added to the vendor master maintenance screen for parts/warranty information, and the surplus return report has been changed to use this.
- Complete Goods Order records will be sent to John Deere dealers on a daily basis via the John Deere DTF and saved to a file
- Rental costing details will show in the Sales Analysis Allocation Register and the system will automatically update the original rental sale account record with the Average Cost calculated. The rental sales cost and margin will then be seen in IntelliDealer.
- A new function key has been added to employee maintenance to allow access to certifications for that employee being maintained, and a new option has been added to the payroll menu to ac-

cess certifications for all employees in the assigned company/division.

### Highlights: PFW IntelliDealer

- The customer, equipment, parts, and vendor profiles have all been updated to include customized tabbing order and customized screen design. Now, authorized users can configure new IntelliDealer screens to their specification.
- New, advanced security in IntelliDealer's WebAdmin program allows, for example, user activity logging, access to file uploads, a maximized screen header, and access to Equipment History.
- Allow access to Invoice History G/L details, allow Customer Quick Add, allow Equipment Quick Add
- Restrict Invoice type selection, and show Equipment Reference Amount
- Ten new Executive Summary views: MTD/YTD Equipment Sales, 5 Year Monthly Equipment Sales (in 1000s), Last 10 Units Sold, Inventory Summary, Used Inventory by Hours, Top Inventory \$ by Group, Inventory Aging, Top Unit Sales Territories, Top Buyers Last Year, and Top Unit Salespeople LYR
- Add financial reports to and run them from Management Central's Executive Summary screen
- The G/L Preliminary, Rerun G/L Month End Report and the Summarized Financial reports will become available.
- Later this year, look for IntelliDealer Customer Profitability Analysis, which allows users to analyze customers based on profit dollars or margin, and Rental Counter.
- IntelliDealer will also include the legacy applications Customer Discounts and Consignment

## Now Online: IntelliDealer.com

Now up and running, *IntelliDealer.com* is a one-stop resource for PFW IntelliDealer help. At *IntelliDealer.com*, learn how PFW IntelliDealer can help dealers instantly take the pulse of their business in order to

answer the question "How is my business doing today?" *IntelliDealer.com* features product information, demos and training, and news and updates designed to enhance the PFW IntelliDealer experience.

## Industry Developments

*Of note are some recent developments in the DBS software development sector:*

Dealer Information Systems Corporation (DIS) has acquired "the key assets, products and technologies" of NDS Solutions. Also, Management Technology America (MTA) has "decided to exit the software development business effective January 14, 2005...based on the highly competitive nature of the software industry, and the availability of competing, high quality products..."

PFW was incorporated in 1981 and has, throughout its history, continued to develop software for dealers, by dealers. PFW believes in a measured, consultative, and cumulative approach to system development.

## New Komatsu Interface: Komatsu Parts Inventory and Retail File

PFW is pleased to announce a new interface that is the result of a collaboration with Komatsu America. The Komatsu Parts Inventory and Retail File interface performs two separate functions: The first is the Inventory Position file, which is sent to Komatsu America once each month, where the parts master file—with ordering and sales information, in order to keep track of the parts inventory movement—is transmitted from the dealer. The second is the Retail file, which sends all the sales information, including quantity requested and available—as well as parts lost sales—to Komatsu at the end of each day, in order to determine how much of each Komatsu-manufactured part is being requested, sold, back-ordered, and whether or not the stock is sufficient to meet demand.



The PFW Dealership Management System is "designed for dealers by dealers." Incorporated in 1981, PFW offers years of experience developing software for equipment dealerships of all types and sizes. It's ideal for single or multi-store equipment dealers. The PFW System has been developed from the dealership's perspective. Ongoing enhancements grow with today's customer and market needs.

Not only will we provide on-site installation and training, we also have friendly, experienced customer phone support to accommodate after-hours emergency services. Regional training seminars ensure the exchange of ideas and information among PFW users. With hundreds of installed sites across North America, the PFW Dealership Management System is proven to be a reliable, stable, cost-efficient system. There's no need to look any further for your management system—it's the ultimate dealership management system...period.

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