Auto Group Improves Sales, Reduces Cost to Open New Dealership

Subscribing to managed services from EMBARQ enabled Grindstaff Automotive Group to centralize business support functions for its dealerships and reduce annual long-distance voice charges by $72,000.

EXECUTIVE SUMMARY
GRINDSTAFF AUTOMOTIVE GROUP
▪ Automotive Sales
▪ Elizabethton, Tennessee
▪ 250 employees
BUSINESS CHALLENGES
▪ Enable information sharing among dealerships
▪ Reduce voice costs
▪ Increase sales
NETWORK SOLUTIONS
▪ Subscribed to managed Ethernet and managed LAN services
▪ Centralized applications and support functions
▪ Adopted voice over IP
BUSINESS RESULTS
▪ Streamlined operations by centralizing business functions
▪ Reduced annual long-distance costs by $72,000
▪ Increased sales and enhanced customer service

Business Challenge

Grindstaff Automotive Group of Elizabethton, Tennessee, stocks the largest inventory of new and used vehicles in Eastern Tennessee and also boasts the region's largest new-car sales volume. The company has had up to eight franchises in Elizabethton and Johnson City, Tennessee, which is 20 miles away.

As Grindstaff prepared to add two new franchises in 2002, the company wanted to improve its voice and data services to reduce costs, streamline business processes, and enhance customer service. Previously, the company leased a T1 line that connected the two locations, but only one office in each location had direct connectivity. Each franchise needed its own server and dealership software, used for parts management, inventory, payroll, service, accounting, title, and insurance quotes. Deploying the software in the two new franchises would cost $250,000 to $500,000 over the next five years. "By centralizing the software and providing network-based access from all locations, we could eliminate a significant cost for new and existing dealerships," says Todd Murray, IT manager. Centralization would require a high-performance network that connected all franchises.

Grindstaff also wanted to make it easier and less expensive for employees to call each other. The company maintained three voice private branch exchange (PBX) systems that were not integrated. Employees had to dial the full phone number of employees in other locations and could not transfer customer calls to other locations, which impeded customer service. Toll charges between dealerships averaged $2000 monthly, and each PBX system required a separate maintenance contract.

Network Solution

Grindstaff asked its service provider about a service that would support centralized data services as well as voice over IP (VoIP). "We recommended our managed Ethernet service and managed LAN service and tailored them to meet Grindstaff's business objectives," says Gordon Weeden, EMBARQ™ sales executive. Grindstaff leased the required Cisco® routers and Cisco Catalyst® switches from EMBARQ to avoid upfront capital expense.

Business Applications

The managed Ethernet service provides Internet access and also connects Grindstaff's two major locations over 20 miles of fiber. With 10 Mbps of bandwidth, the connection provides excellent performance even when employees use applications hosted in another city. The managed LAN service connects the dealerships at each location over gigabit Ethernet, which is fast enough to support multiple voice and data connections as well as real-time streaming video. Rather than filing paper documents, employees now scan them and send them over the network for storage and convenient access from any location.

To protect confidential information, Grindstaff and EMBARQ set up separate virtual LANs for each department, specifying which information is available from each. An auto repair technician, for example, cannot view customer credit reports.

Voice over IP

The same IP network carries voice traffic, as well, eliminating long-distance charges for calls between Elizabethton and Johnson City. Grindstaff deployed centralized Cisco Unified CallManager servers and Cisco Unity® Voicemail servers that provide telephony services to all eight dealerships over the network. Employees can view a companywide directory on the built-in screens of their Cisco Unified IP Phones and can conveniently call other locations and transfer calls by dialing a four-digit extension. Employees can also page any employee by dialing the paging number for that location. This makes it faster to get answers from service personnel, for example, who do not have their own phones. Grindstaff provides its salespeople with wireless IP phones that they use to place and receive customer calls from anywhere on the dealership grounds, which is covered by a Cisco wireless network.

Surveillance Video

Grindstaff uses the same network to transmit video—with no incremental costs other than for the video cameras. The company uses wired and wireless video surveillance cameras to monitor automobile inventory from a centralized security network operations center, reducing the number of security guards that it needs. The company also uses video to record interactions between salespeople and customers on the lot to make sure that each customer receives follow-up, and to record finance and insurance transactions for reference in the event of disputes.

"Grindstaff is on the forefront of network-based technology," says Weeden. "This is somewhat unusual for a car dealership, and the company is reaping the rewards in terms of cost savings and competitive differentiation."

"Customers can more easily reach salespeople, who can answer calls on their wireless IP phones no matter where they are in the dealership."

Todd Murray, IT Manager
Grindstaff Automotive Group

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Network Monitoring and Support

As part of the managed services, EMBARQ provides 24-hour network monitoring and support—an important benefit for Grindstaff, whose one IT professional oversees all locations. If any customer premises equipment is not performing optimally, EMBARQ can troubleshoot remotely, over a VPN connection. If the problem cannot be resolved over the network, EMBARQ dispatches a technician. "Compared to other service providers that I have worked with, EMBARQ gives me unprecedented access to technical support," says Murray.

Business Results

Rapid Return on Investment

Immediately after adopting the managed service from EMBARQ, Grindstaff's monthly long-distance phone bill decreased by $5500 to $6200. Calls and faxes between the two locations now travel over the IP network, at no cost.

Cost Savings Through Centralization

Centralizing the car dealership software program saved Grindstaff $250,000 in capital expense by eliminating the need to buy separate software and hardware packages for the two new dealerships. Labor costs are lower, as well. "Previously, we had to staff each location with employees who had specialized skills, even if they were only needed for a few hours each day," says Murray. "Our high-performance network enabled us to centralize our operations and dedicate one highly qualified person to each function."

Increased Sales

By enabling all dealerships to share inventory information and customer information, Grindstaff has gained an advantage in the fiercely competitive auto industry. "We can offer customers a vehicle from any of our dealerships, no matter which dealership the customer actually visits," says Murray. "This prevents loss of customers to the dealership next door." If another dealership has a suitable car in stock, the salesperson can sell it and split the commission, helping Grindstaff attract and retain excellent salespeople.

PRODUCT LIST
Routing and Switching
▪ Cisco 3860, 2800, and 2600 Series Routers
▪ Cisco Catalyst 3550 Switches
Voice and IP Communications
▪ Cisco Unified CallManager Express
▪ Cisco Unity Server
▪ Cisco Unified IP Phones
Wireless
▪ Cisco Aironet® 1200 Wireless Access Points
▪ Cisco Aironet 350 Wireless Bridges

Improved Customer Service and Satisfaction

Customer service has improved because employees can easily transfer customers to any employee, in any dealership, rather than asking customers to call back. "Customers can more easily reach salespeople, who can answer calls on their wireless IP phones no matter where they are in the dealership," says Murray. In addition, if a customer has provided contact information to any dealership within the group, any other dealership can access that information, sparing the customer the bother of providing the information over again.

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Support for Contact Center Teleworkers

Grindstaff has expanded the pool of qualified applications for its 800-number and e-mail contact center by enabling agents to work from home, an appealing option for parents with young children. Teleworkers are provided with a Cisco Unified IP Phone, PC, broadband Internet connection, and VPN device.

Support for Growth

The managed services from EMBARQ make it easier and less costly for Grindstaff to add new dealerships. The company can lease network equipment from Grindstaff and work with the EMBARQ™ team of experts rather than hiring new IT staff.

Next Steps

Grindstaff and EMBARQ are planning new ways to take advantage of the network to gain business advantages. One idea is to provide salespeople with dual-mode phones that connect over the wireless LAN if the employee is within range and over the cellular network if the employee is outside of range. This will enable salespeople to answer customer calls even when away from the dealership. In addition, the company is in the process of using Cisco Unified CallManager to create agent groups for its service and parts department. If a customer calls an employee who is not in, the call will be intelligently routed to someone else with similar skills.

"It would be impossible for me to operate our network without a trusted partner like EMBARQ," says Murray. "Much of what I know came from knowledge that EMBARQ shared or transferred during the installation process. The relationship is a true partnership."

Do More With EMBARQ

Built on a rich heritage that spans more than 100 years, EMBARQ is one of the largest and most financially secure local communications companies in the United States. EMBARQ offers your business exceptional value by providing comprehensive and reliable communications services that combine innovation and common sense. This practical ingenuity has guided us in developing an exceptional suite of integrated business communications offerings—including local and long-distance voice, data, Internet, wireless, and entertainment. Whether in the office or on the go, you can access innovative solutions that can help enhance the productivity and effectiveness of your business. And it's all backed by our responsive service, robust network security, and reliability. Join us on our journey as we reshape the future of integrated communications.

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