

Hendrick Automotive Group



The Problem

With a decades-long legacy and the distinction as one of Automotive News' "Top 150 Dealership Groups," Hendrick Automotive Group strives daily to fulfill its mission "to be the premier quality vehicle retailer in the world." Today, the group operates 97 dealerships representing 29 nameplates, 131 franchises, 30 collision centers, and four accessories distributor installers in 14 states.

The foundation of the company's success is its commitment to following the Hendrick Advantage, a set of core values consisting of:

- Servant leadership
- Teamwork through trust and respect
- Integrity
- Commitment to customer enthusiasm
- Passion for winning
- Accountability at all levels
- Commitment to continuous improvement

A few years ago, there was one area, however, that was interfering with Hendrick's ability to fully realize these values: key control.

Robert Taylor, vice president of information technology, explained, "We would have keys stored in boxes, in lockboxes, in offices, and spread around the dealership. It was very hard to provide a quality customer experience, because we never knew where our keys were at any point in time."

Theft was a problem as well. At one dealership, a group of thieves broke in, put all the key fobs and keys in a pillowcase, and walked the lot to see which cars they were able to open. Ultimately, they drove away with six or seven cars.

"But the worst part about it really wasn't that they took six or seven cars," said Taylor. "It was that they took 200 keys. So 200 vehicles had to go on stop sale. Two hundred keys had to be remade and reprogrammed."

Taylor explained that in many cases, OEMs aren't prepared for more than 200 key orders to come in at once, so there aren't enough key fobs to replace them. Understandably, having more than 200 unsellable cars in inventory affects dealership operations as well: "The OEM doesn't have 200 new cars to replace that inventory for a dealer to sell, so it has this massive trickle-down impact."

Unfortunately, key control issues weren't confined to Hendrick's sales departments. Service departments had their own set of challenges.

Hendrick Automotive Group (Cont.)

The Solution

As it turns out, the Hendrick team didn't have to look far for a solution.

CEO Ed Brown said, "We had multiple versions of KeyTrak. We had some people who weren't investing in the latest technology, they weren't using it properly, and so we stepped back from it. And we were having cars stolen because keys weren't in the slots, so we had a lot of sloppy practices. Here we had a great solution that wasn't being implemented consistently across the company."

Recognizing that KeyTrak electronic key control systems, if used correctly throughout all dealerships, could help Hendrick improve the customer experience, streamline operations, and reduce theft risk, Hendrick met with KeyTrak to discuss an enterprise partnership. The two parties hashed out a standardized process for ordering new key control systems, receiving support, deploying new features, and setting up customized training.

"The KeyTrak system is so much more than just a place where you store keys. It's the people, it's the process, it's the software, it's the hardware, and all of that comes together to form the solution that we wanted," said Taylor.

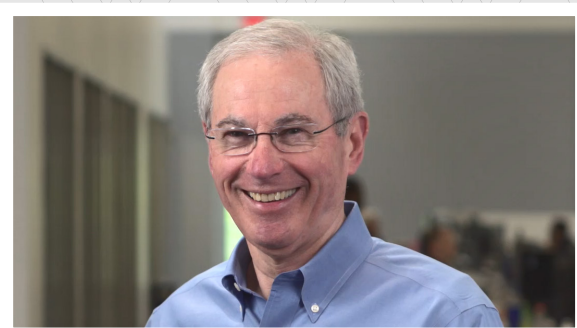
The Results

Hendrick has now rolled out over 200 systems across approximately 100 stores, and that number continues to grow as the business expands.

KeyTrak has also helped improve operations in both sales and service. On the sales side, management can focus on where keys are, who's checked them out, and where they're going with the inventory.

"Now when a customer comes in to our dealership," said Taylor, "we're able to quickly identify a vehicle that matches their needs. We're able to find the key that matches the vehicle. We're able to move them along in the process very quickly."

In addition, securing keys in KeyTrak systems helps Hendrick dealerships prevent costly thefts and business interruptions.



Ed Brown
CEO
Hendrick Automotive Group



Robert Taylor
Vice President of Information Technology
Hendrick Automotive Group

In service, Hendrick is able to better protect customer assets: "Now, when a customer visits our service drive, we're able to take their key, and we're able to protect it and lock it in the KeyTrak so that we can track where that key is prior to the work beginning, while the work is in process, and then when we deliver it back to our customer."

Because all KeyTrak systems are networked together, the executive and operations teams can use a centralized reporting tool to get a picture of all stores' key activity and performance at a glance.

"Historically, we'd have to call a hundred dealerships and pull a hundred different reports and do all of these manual processes. We can now, at a moment's notice, go in

and audit every single dealership and understand how long keys have been checked out, who was the last person that did it, and then apply policy around that to protect those keys," said Taylor.

"KeyTrak helps us prepare for the future by making today easy to deal with."



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— Robert Taylor, Vice President of Information Technology
Hendrick Automotive Group





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