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## **JMK COMPUTERIZED TIRE DEALER INFORMATION SYSTEMS**

**What is the true cost to automate your tire/service business?**

### **ANSWER:**

Even though JMK is on the high end of available systems, the typical dollar cost, amortized over a 5 year period, is less than that of a per location minimum wage employee on your staff, without benefits, working only the hours your store is open each week!

That includes:

- Hidden expenses - travel, freight, etc.
- Actual hardware/software system
- Software support
- Paper products
- Electricity
- Financing

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### **Consider the following logic..**

As the manager of a modern tire/service store operation, you are obligated by the bank, the government, and your own interest in servicing your customer base to:

- Maintain records of business activity
- Supply timely reports
- Allow your sales staff to function effectively by having access to:
  1. Past customer activity

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2. Industry specific data (price books, product literature, application guides, etc.)

- Offer good service, competitive prices, and inventory access.

**There are really four different operational costs to do that:**

**Soft Money** costs: it is difficult to calculate this exactly to the dollar

1. Staff expense - salaries you pay your staff
2. Opportunity cost expense

When you service a customer, you have a short time window of opportunity to present information to them to help to close the sale or generate interest in your company.

If that opportunity is lost, then that sales profit is lost and that is a true cost of operation for your company.

This cost is easy to forget about because it is vague, but is the *most significant* to consider.

**Hard Money** costs: it can be calculate to the exact dollar

1. Consultant expense - monies you pay to outside professions to do the job - CPA, bookkeeping services, etc. (can be easily calculated from past invoices).
2. Computer equipment/software expense (includes communication expense for multi-location operations and can be easily calculated from past invoices).

The secret is to recognize that if the cost is soft money or hard money, it is still an expense to the company.

To get the best company return on investment, you need to:

- Balance the costs defined above for maximum benefit
- Recognize that you **can not** run the company without some of each of those costs.

When the cost to purchase and maintain the JMK system are added together and summed over a 5-year period (typical amortization for a business computer system), the system's hourly equivalent employee operational expense (EEOE) based on the store's open hours, will typically be **less than \$5.15/hour**.

This is so, even though the computer will actually work 24 hours a day!

So the secret to calculating the true computerization cost is to review the computer system's benefits to see if you can:

- *Save that much money an hour in employee efficiency*

and/or

- *Generate additional sales profit of that much an hour in utilizing sales opportunities made available by your staff's use of the system.*

Given today's industry complexity, it is **impossible** not to be able to generate that amount of additional revenue per hour.

So cost justification is easy to achieve.

*For multiple location dealerships, the EEOC will typically be significantly lower.*

Most five or more location operations will typically have an EEOC in the \$3.00/hour per location range - including the cost of the monthly communication expenses!

**In addition to being cost effective, the JMK system is simple to use in that like the automatic transmission on your car, *the complexity is internal to the design.***

In that regard it:

- Acts as a resource of information on general industry facts, your company's specific accounting data, and your customer base's historical purchase information
- Collects new information in the most accurate and automated way possible

And then reports it back as requested in the correct format with the least amount of cost and effort.

It comes with:

- Hours of personalized tire/service operations management consultation from professionals with over 25 years of direct experience in owning and operating tire/service locations.
- Direct implementation and conversion assistance to make the transition as smooth and efficient as possible from your current system.

and is designed to help you:

- Market your products
- Run your operation efficiently with the use of uniquely individualized custom features that save time/effort

It is also very flexible to allow for a variety of report and feature formats.

At JMK, we have a proven track record of success at:

- Running multi-location tire/service operations - specifically for GOODYEAR direct and multi-brand dealers.
- Providing excellent and timely support
- Providing state-of-the-art system features to give your staff the best information tools to do their job.
- Providing system automated electronic conversion and transfer of any of your existing system's electronic data.
- Cost containment, what we quote is the price you pay - no hidden surprises.
- The ability to get you up and running in weeks, not months (or years)!
- Providing excellent, industry proven advice on the design and implementation of cost effective and sophisticated data communication networks.

**Please let us know how we can put our  
knowledge and past experience to  
work for you.**