

# Little-known dealer systems firm gets GM's nod as preferred supplier

Ralph Kiesel

Automotive News / January 23, 2006 - 6:00 am

Tiny Canadian computer vendor Quorum Information Technologies Inc. has emerged from nowhere to become one of only two General Motors preferred providers of dealership management systems.

Advertisement

GM is encouraging its 7,300 dealerships in the United States and Canada to get their dealership management systems -- computers, software and services necessary to run daily operations -- from either Quorum or Reynolds and Reynolds Co.

Reynolds, of Dayton, Ohio, is a major player with a market share of about 40 percent, so its selection by GM was no surprise. But the selection of Quorum, with only 155 dealership customers in Canada and the United States, has technology vendors buzzing.

Quorum, of Calgary, Alberta, has 135 mostly GM dealership customers throughout Canada but only 20 dealerships in the United States. Quorum's XSellerator dealership management system is based on Microsoft's Windows operating system, which sets it apart from the leading vendors and their older but reliable UNIX-based systems.

## Negotiated price

GM has negotiated with Quorum and Reynolds what GM thinks is an attractive price for a dealership management system for its dealers.

So how does a small technology vendor capture the attention of the world's largest automaker over larger and more-established vendors such as ADP Dealer Services and Universal Computer Systems?

Since its inception, Quorum decided to focus its marketing and development efforts on GM dealerships in Canada. That's because Maury Marks, Quorum's CEO and a founder of the company, grew up working in his parents' dealership -- Bob Marks Pontiac-Buick in Hanna, Alberta.

Quorum has been integrating its XSellerator dealership management system with GM of Canada's computer systems. Integration in this case means that GM of Canada can send data to and receive data from its dealerships electronically and that the data will be accepted by XSellerator.

For example, GM of Canada electronically transmits sales leads and vehicle invoices directly into the dealership's XSellerator system.

Because of this advanced level of integration, Marks said, Quorum was optimistic about its chances to land the preferred vendor status with GM.

"I thought all the way along that we would win this or win something out of it," Marks said in an interview with *Automotive News*. "We had an incredible relationship that we fostered over the years with General Motors, and we had a strategic approach better than anybody else's out there."

## Reduced cost, better data

That tight integration was a key reason in the automaker's decision to name Quorum a preferred provider, says Tom McNown, general manager of retail customer relationship management at GM of Canada.

"The efficient exchange of data leads to reduced cost and increased quality of data passed back and forth," McNown says. "It also makes it easier for the user -- whether it's the manager, warranty clerk or salesperson -- to get their job done."

In addition to integration, GM also liked that Quorum has a complete system with no missing parts and it can

be tailored to small or large dealerships. Quorum also has agreed to a competitive, negotiated price, McNown says.

Ryan Finch, dealer principal at Brian Finch Pontiac-Buick-GMC Ltd. in London, Ontario, had been using a Reynolds system but wanted a Windows-based system. So the dealership switched to Quorum.

"We were a little bit frustrated with Reynolds," Finch said in an interview. "Their fees were very high, and there wasn't a lot of support. Quorum had really interesting integration points with their system and GM. That's really what pushed us over the edge and got us to make the decision."

### **Fewer manual tasks**

The integration points between the Quorum and GM computer systems eliminate many manual tasks that were performed by dealership employees, Finch said. For example, when a vehicle arrived at the dealership, employees had to type into the dealership's computer system all the invoice information, such as vehicle identification number, description and features.

"That probably takes 15 minutes a car, and mistakes occur," Finch said. "With Quorum, the invoice is electronic via GM. It automatically populates our system the minute we accept it. So somebody spent four to five to six hours a week just entering vehicles in the system, and that's gone. We don't have to do it."

Finch says Quorum upgrades dealership software on a quarterly basis without charging dealers.

*You may e-mail Ralph Kisiel at [rkisiel@crain.com](mailto:rkisiel@crain.com)*

### **Quorum data**

Quorum Information Technologies Inc.

- Markets the XSellerator dealership management system
- Has 155 dealership customers in Canada and the U.S.
- Headquarters in Calgary, Alberta
- Trades shares on the TSX Venture Exchange