Analyze and Improve Dealership Profit Margins with SAP DBM and BusinessObjects

Applies to:
SAP for Automotive. For more information, visit the Automotive BPX Community Pages.

Summary
As the new vehicle sales profit margins are shrinking, dealers are increasingly looking for ways to enhance their profit margins and new ways to grow their business. They are constantly evaluating tools that will help them measure and analyze their activities across all of their dealership departments. In this article, learn how SAP solutions that dealers use to run their day-to-day operations will also help in gathering and analyzing data to provide actionable intelligence. SAP DBM and BusinessObjects together deliver powerful yet very user-friendly and easy-to-use tools to capture and analyze the various aspects of dealership operations.

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Understanding Dealership Performance and Improving Profit Margins

Regardless of the size of the dealership during this time of a challenging economy, profitability, utilization and inventory are the primary concerns for today’s automotive retailers. When revenue drops dealers look for new and innovative ways to increase their profit margins, SAP Dealer Business Management (DBM) supports the needs of today’s dealerships in the areas of Vehicle, Parts and Service sales. By supporting these processes, SAP DBM collects the transactional data of the day-to-day operations of the dealership.

Analytics shed the light into the questions that dealers are asking. Analytics are only possible if there are a set of extractors which ensures access to transactional data from a BI landscape. For example Vehicle Sales Orders, Parts Orders, Vehicle Service Technician repair time entries are all included in the covered data sources.

Analytics using SAP DBM and BusinessObjects

Ranging from a simple report to a complex dashboard, SAP DBM uses the rich tool set of SAP BusinessObjects to fulfill the needs of any dealership or dealer group. Whether it’s the daily statistical reports that can be generated using Crystal Reports or the dashboards that can be delivered using Xcelsius, DBM can meet the needs of dealerships of all sizes. Along with the Crystal Reports and Xcelsius, BusinessObjects Explorer can also be used to generate ad-hoc reporting on an intuitive unified interface.

Figure 1: Sample Dashboard of Vehicle Inventory
As depicted in the sample dashboard in **Figure 1** above, one can get a snapshot of vehicles in stock by vehicle model and their valuation -- all of which are displayed in a pinwheel graph while the display of the Vehicle aging data is in a Bar graph. One can also drill down into more detail from the graphs by placing the cursor on the appropriate pie in the graphs. In our example it would then highlight the share of the vehicles data as well as the Unit of Measure, either quantity or stock value. Also, one can further drill down into the data by individual dealer location for a dealer group or display the data for all dealer groups.

**Sample Dashboards and Reports**

The flexibility in selectively displaying the data in the dashboards make the graphs more personalized based on the needs of the user. The next picture illustrates the sample dashboards related to Vehicle Sales, Vehicle Service and Parts Management.

**Figure 2: Overview of DBM Dashboards**

For daily reporting, Crystal Reports generates statistical output. The output data can be formatted to meet individual reporting needs. **Figure 3** represents a view of the Crystal report that can be generated on the data extracts from DBM.
Tools for DBM Analytics

SAP delivers extractors which are part of the Logistics Information System (LIS). Combining their usage with the existing extractors from Vehicle Management System (VMS), one can meet the needs of the Vehicle Object-based reporting.

During the implementation time one can further enhance and support the needs of the customer by using the following:

- SAP ETL Layer based on DBM7.0 and standard extractors
- Enterprise Data Warehouse (InfoCubes)
- BEX Queries
- Crystal Reports
- Xcelsius Dashboards.

Profitability for Vehicle Sales, Vehicle Service and Part Sales process can be analyzed using CO-PA. Figure 4 is a sample CO-PA based profitability report. Further CO-PA based drill down reports can be generated using transaction KE30.
Figure 4: Sample CO-PA based Profitability report

For more information on the DBM7.0 based extractors or profitability reporting please refer to the help guides for DBM7.0 or use the following link:

Sample Architecture for Analytics using SAP DBM

Robust data presentations can be generated in the form of reporting or dashboards. Figure 5 presents an example architecture depicting how reports or dashboards can be generated from DBM.

Figure 5: Architecture Overview of DBM using Business Objects

For more information on the SAP BusinessObjects in greater details, please refer to the SAP BusinessObjects Community website.
Related Content

BPX communities:
- Automotive BPX community, visit: Automotive BPX Community
- BusinessObjects BPX community, visit: BusinessObjects BPX community

Blogs related to DBM 7.0: