

# DON'T TAKE OUR WORD FOR IT. TAKE THE FTC'S.



## Insights into the DMS landscape.

In May 2017, CDK Global approached Auto/Mate Dealership Systems and offered to acquire the company. Deals of this nature often need to be reviewed by the Federal Trade Commission, and so the process began. After an extensive 11-month investigation, the FTC concluded that it needed to block the investigation.

## From this research, the FTC has come to a few conclusions:

### / WHAT THE FTC SAID

Auto/Mate is an innovative, disruptive challenger to the two market leaders. It offers franchise dealerships a distinct value proposition, including strong functionality, low pricing, an agnostic platform for third-party applications, extensive OEM certifications, short contracts, free software upgrades and training, and a reputation for high-quality customer service.

Compared to Auto/Mate, each remaining DMS provider, including Dealertrack and Autosoft, lacks important software functionalities, important OEM certifications, month-to-month contracts, or a strong reputation.

Many of these DMS providers have failed to show significant growth or have stagnated or contracted in the last several years. Many of the remaining DMS providers have significant limitations on their capacity to add and support new customers.

Today, no other DMS offers Auto/Mate's combination of low prices, high functionality, and strong customer service. These attributes position Auto/Mate well to effectively challenge the market leadership of CDK and Reynolds.

### / OUR TAKE

Auto/Mate is a tier-one DMS, capable of competing with the big boys.

The tier-two or -three DMS providers, Dealertrack and Autosoft, can't compete.

Auto/Mate keeps getting better and better. The competitors? Not so much.

Solid software, low prices and great service is what sets Auto/Mate apart.

Auto/Mate's presence in this market means lower prices, greater innovation, more flexible contract terms, and better service.

CDK was aware that it would face less competition after acquiring Auto/Mate, internally touting: "We are so serious about acquiring new customers that we bought the DMS [Auto/Mate] that has been kicking our butts."

In explaining his decision to leave CDK, [a] franchise dealer cited the price difference as "significant" and added that the decision to leave "wasn't a very hard call."

Auto/Mate recently introduced several important functionality upgrades, including centralized accounting, which is a feature that dealerships with multiple rooftops value, and often strongly prefer. By adding centralized accounting to an already solid feature set at aggressive prices, Auto/Mate has attracted the attention of multi-rooftop dealers with very sophisticated DMS needs.

Dealers don't have to use CDK or Reynolds to get what they value.

CDK couldn't beat us, so they tried to buy us.

Auto/Mate saves Dealers a lot of money.

Auto/Mate helps dealership groups large and small.

## **/ The FTC did some homework for you**

These findings were the result of an extensive 11-month investigation by the FTC. They dug deeply into Auto/Mate and CDK documents including internal strategy documents and emails. The FTC investigators also spoke one-on-one with representatives from groups directly or indirectly impacted by this deal, including:

**Auto/Mate and CDK senior management**  
**Hundreds of auto dealers**  
**Third-party software vendors that integrate with both systems**

**Open/Mate partners**  
**Consultants**  
**Even our competitors**

## **Want to learn more?**

Head to [www.automate.com/ftc](http://www.automate.com/ftc) for documents related to the whole affair. In the meantime, give us a call at **877-340-2677** to arrange a quick overview demo and see what all the fuss is about. You can also use our contact form at [www.automate.com](http://www.automate.com), and we'll have your regional rep reach out to you. **Get the DMS designed By Car People, For Car People™.**