

STOCKMATRIX

**PROCEDURES
MANUAL**

WWW.STOCKMATRIX.COM.AU

1. Introduction:

Thank you for purchasing www.stockmatrix.com.au.

This system has been designed to provide motor dealers with a tool box of reports and calculators to help manage their used car department. The system uses the dealer's sales and stock data to create a range of stock matrix and used car management reports. The reports show what gross profit and ROI% has been achieved by price range of car, make of car, model of car, sales person etc. It also provides a suggested stock holding for each of the reporting categories.

Stock Matrix welcomes your feedback and will happily create additional reports as required.

2. User Accounts:

When your dealership subscribes to Stock Matrix, two types of user accounts will be created.

- a. **Full Access User** – this user type will have the ability to load and purge data and define certain dealership reporting parameters.
- b. **Reporting Access User** – this user will only be able to review the reports within the system.

This structure has been designed to avoid accidental loss of data. The user accounts will be created as part of the Subscription and Set Up phase and will be approved by the dealership. User accounts can be added and deleted as required.

Simply email stockmatrix@stockmatrix.com.au to advise of any changes.

- c. **System Access** – to access the system, simply enter www.stockmatrix.com.au into your URL address bar, enter your user name and password as provided at set up and click Log In.
- d. **Change Password** – once you have accessed the system, we would recommend that you change your password. Select the "Account" option in the Account Menu to do this.
- e. **Log Off** – when leaving the system, simply select the "Log Off" option in the Account menu or select the X in the top right corner of Internet Explorer.

3. Maintenance Menu:

This menu is only accessible by the Full Access Users. It contains all of the dealership defined data required to produce the various reports. It also contains the contact name and address for the dealership. Most of this will be completed by us at Set Up, but you can update it at any time.

a. Dealership Preferences –

- i. **Name** – enter the name of your dealership.
- ii. **Address** – enter the dealership street address.
- iii. **Suburb** – enter the dealership suburb.
- iv. **State** – enter the dealership state.
- v. **Postcode** – enter the dealership post code.
- vi. **Country** – enter the dealership country.
- vii. **Phone** – enter the phone number for the dealership contact person.
- viii. **Contact Name** – enter the name of the dealership contact person.
- ix. **Contact Email** – enter the email address for the dealership contact person.
- x. **Stock Supply (Days)** - this is the targeted days supply of used car stock you wish to hold at any point in time. ie if you sell 100 cars per month and you wish to hold 200 cars, this is 60 day's supply or two months. You must enter the number of days, not months in this field (ie 60).
- xi. **Used Vehicle Variable Expenses (%)** - refers to the ratio of variable expenses to gross profit achieved on used cars. Variable expenses are defined as being directly related to the sale of the vehicle and include Sales Commission and Policy expense. Simply divide these expenses by the gross profit achieved in the used car department. Your accountant will be able to calculate this percentage, otherwise, you can use 17.5% as a guide. This number should be entered as 0.175.
- xii. **Used Vehicle Selling Expenses (\$)** - refers to the expenses associated with the sale of used vehicles and includes Salaries and On-costs (payroll tax, superannuation, workcover), Advertising, Training, Vehicle Running Costs and Floorplan Interest. Your accountant will be able to calculate this amount.

- xiii. **Used vehicle Fixed Expenses (\$)** - refers to the fixed expenses associated with the sale of used vehicles. This is often an allocation of the total fixed costs of the dealership including rent, telephone, electricity etc. Your accountant will be able to calculate this amount.
- xiv. **Expense Period (Days)** - refers to the time period for which the selling and fixed expenses were calculated. If they are for a one month period, enter 30 or if they are for one year, enter 365. Your accountant will be able to tell you this number.
- xv. **Sale Mark-Up Amount (\$)** - to enable the price matrix reports to provide meaningful data, it is necessary to mark up the cost of the stock to represent it's "notional" sale value. Generally an amount of \$2000-3000 would be appropriate for this field.

b. **Define Locations –**

- i. **Define Sales Locations** - a user defined field is included in the Sales Data Template to allow the dealership to define locations. This field might be the sales journal used to process the deal or simply the name of a location.

To allow the reports to match sales and stock, it will be necessary to "map" the user defined sales location field to a standard location name. This is done within this menu option. It is possible to import a list of location mapping from excel to save time and this can be done by us as part of the set up process.

- ii. **Define Stock Locations** - a user defined field is included in the Stock Data Template to allow the dealership to define locations. This field will generally be the location name, however, it may vary from the location name used in the sales data file.

To allow the reports to match sales and stock, it will be necessary to "map" the user defined stock location field to a standard location name. This is done within this menu option. It is possible to import a list of location mapping from excel to save time and this can be done by us as part of the set up process.

- c. **Define Sales Staff –** to allow reporting by sales person it will be necessary to map the salesman number to their name. If the sales person name is already included in the sales data file, it will still be necessary to "map" their name in this menu option. It is possible to import a list of staff mapping from excel to save time and this can be done by us as part of the set up process.

This function can also be useful to combine sales staff (ie inactive staff) or to group "house" sales people together.

- d. **Define Vehicle Makes** – to allow reporting by Make of car it will be necessary to map the Make Name or Make Code to the standard Make Name (ie TO = Toyota). If the full make name (ie Toyota) is already included in the sales data file, it will still be necessary to “map” the Make Name in this menu option. This is generally done automatically on the initial import of sales and stock data but may need to be updated from time to time.
- e. **Define Vehicle Models** – to allow reporting by model of vehicle it will be necessary to map the Model Name to the standard Model Name. If the full model name is already included in the sales data file, it will be necessary to “map” the Model Name in this menu option. This is generally done automatically on the initial import of sales and stock data but may need to be updated from time to time.

This menu option is also useful to either combine models for reporting purposes or to provide more meaningful model names (ie 3 = Mazda 3)

- f. **Purge Sales Data** – this option allows the user to purge sales data from the system. This should only be done as a last resort and after consultation with Stockmatrix.com.au.

The system will be able to produce benchmarking reports as soon as enough data is present. As such, we would recommend that all data be retained in the system.

4. Data Menu:

- a. **Upload Sales Data** – sales data can be uploaded for a single month or for a date range. An excel template will be provided for this purpose. We would recommend that data be uploaded at the end of each completed month once all deals have been processed.

Once the data has been uploaded, the system will advise the date range for the sales data held within the system.

The process to upload the sales data is very simple -

- i. Populate the excel spreadsheet with the relevant sales data. This data can be obtained from your Dealer Management System.
- ii. Select the “Upload Sales Data” menu option.
- iii. Select if you require the data to over-write the existing data – the system uses the stock number to determine if a sales record should be over-written. You would only do this if there was a problem with sales data that had been previously uploaded.

- iv. Select if the sales data file contains a header row. If using the template provided, this should always be selected.
 - v. Once the data has been uploaded into the system, any new Locations, Sales People, Makes or Models will need to be mapped in the Maintenance Menu before the reports can be run. A message will be displayed to warn you to check the Maintenance Menu. This will generally only apply to new salespeople, locations or vehicle makes.
 - vi. You will also be advised if any abnormal data has been uploaded. If this happens, review the import file to identify why the data was abnormal (ie zero stock value, sale date less than the purchase date etc). The message will normally tell you the stock number which contains the abnormal data.
- b. **Upload Stock Data** - stock data is only uploaded “at a point in time”. The system will over-write the stock data each time it is imported and old stock files are not maintained within the system. An excel template will be provided for this purpose.

The process to upload the stock data is very simple -

- i. Populate the excel spreadsheet with the relevant stock data. This data can be obtained from your Dealer Management System.
- ii. Select the “Upload Stock Data” menu option.
- iii. Select if the sales data file contains a header row. If using the template provided, this should always be selected.
- iv. Once the data has been uploaded into the system, any new Locations, Makes or Models will need to be mapped in the Maintenance Menu before the reports can be run. A message will be displayed to warn you to check the Maintenance Menu. This will generally only apply to new salespeople, locations or vehicle makes.
- v. You will also be advised if any abnormal data has been uploaded. If this happens, review the import file to identify why the data was abnormal (ie zero stock value etc). The message will normally tell you the stock number which contains the abnormal data.

5. Report Menu:

- a. **Matrix Reports** – each matrix report contains three tables. Sales Aging Profile, Gross Profit Aging Profile, Stock Aging Profile.
 - i. **Matrix By Price Category** – this matrix reports sales and stock by price category (ie \$0-5K). The price categories can be defined in the

Report Parameters Menu. It is also important to define the Sales Markup Amount in the Dealership Preferences Menu in order for the Stock Aging Profile to report correctly.

- ii. **Matrix By Make** – this matrix reports sales and stock by Make of vehicle (ie Ford).
 - iii. **Matrix by Carline** – this matrix reports sales and stock by Model of vehicle (ie Falcon).
 - iv. **Matrix By Model Description** – this matrix reports sales and stock by detailed model description (ie FG XR6 Turbo Sedan 4dr SA 6sp 4.0T).
 - v. **Matrix by Salesperson** – this matrix reports sales by sales person.
- b. **Stock Rating Report** – this is a stock report which rates each car based on one of 3 criteria (Make, Carline or Price Range). The system will allocate a rating from A-E (or whatever rating scale you wish) based on the criteria selected, the sales history selected and the ROI% achieved on historic sales. The rating scale is created by you and is found in the Report Parameters menu. If there has been no sales history, the stock item will show NR for “No Rating”. The report will also show you the number of cars previously sold and the ROI% achieved. You can sort this report by clicking on the heading names.
 - c. **Model Enquiry** – this report allows the user to select a Carline (ie Falcon) and review all transactions for that model at a Model Description level (ie FG XR6 Turbo Sedan 4dr SA 6sp 4.0T).
 - d. **Break Even Point** – this report allows the user to calculate the Break even days to hold stock and the Break even units to cover departmental expenses. This report also allows the user to perform what-if analysis by changing certain key data to see what impact it has on break even days and units. When entering fixed costs in the “What-If” analysis, you will need to enter the total fixed costs including Selling and Admin costs.
 - e. **ROI Calculator** – this report allows the user to calculate the number of days to sell a vehicle and achieve a targeted Return on Investment (ROI%). Please note that if you have a Target Return on Investment of 150%, it should be entered in the format of 1.50.
 - f. **Report Parameters** – this menu allows the user to define the price buckets they wish to report on for the Matrix by Price Category, as well as the Stock Rating method for the Stock Rating Report. We will normally set this up initially and you can amend it as required.

- g. **Report Options** – generally all reports allow you to select a specific date range and a location. The date range will always default to the most recent data held in the system and for a period of 3 months.