

Kearys Motor Group

Major efficiency gains in sales and servicing

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Kearys Motor Group is one of the largest dealership groups in Ireland. It sells new and approved used BMW, MINI and Motorrad motorcycles out of Eastgate, Little Island as well as Renault, Hyundai, Dacia and Nissan vehicles out of dedicated franchise showrooms clustered together on the Kinsale Road on the northern edge of Cork City, Ireland. Kearys also runs two car supermarkets under its own CarStore brand, one in Cork and a second recently opened in Dublin.

The Society of Irish Motor Industry (SIMI) reported on 24th April that Q1 2018 new car sales were down 5.5% to 71,805 units. Forecast 2018 new car sales right across Ireland is 120,000, representing a decline on 2017's numbers of 8.6% which is comparable with the UK market predictions.

However, the imported used car registrations, mainly from the UK, has been experiencing something of a boom in the last two years. Imported Used Car Sales registrations in Q1 2018 were up 9.44% at 26,114 on Q1 2017 numbers and the SIMI predicts 15% growth in this segment reaching 107,470 for the whole of 2018.

This boom is being fuelled by a combination of the Brexit-inspired weak Sterling exchange rates with the Euro, the beginnings of an over-supply in high quality used stock in the UK suppressing prices, and the fact that UK-run cars have generally better servicing and maintenance histories when compared with equivalent Irish used stock.

Diesel registration market share has fallen from 66.7% to 56.3% in the last year as Q1 2018 numbers reveal as compared with Q1 2017, while petrol cars accounted for 37.5% of Q1 2018 sales, up from 29.6% in Q1 2017.

Top selling new cars selling from Kearys Motor Group franchise dealerships are currently the Hyundai Tucson, Renault Clio, Nissan Qashqai, BMW 5 Series and Renault Captur in that order. Kearys Renault sells the largest numbers of vehicles of any Kearys franchise today with close to 150 new and approved used cars sold per month. Some weeks see more 40 car sales from this site. Kearys Renault sold 345 Renault Clios and 265 Renault Capturs in 2017.

Installing Traka system through 6 key sites at Kearys Motor Group in Cork

After investigation of Traka Automotive's key management system in late 2015, the Chairman of Kearys Motor Group Bill Keary, signed off the largest Traka Automotive system implementation in Ireland

to date. A total of six key cabinets were installed in early March 2016 covering Kearys BMW and MINI Eastgate, Kearys CarStore Cork, Kearys Hyundai Sales and Service Centre and Renault Sales and Service Centre. Total capacity across all six cabinets is 1,720 slots/sets of car keys: the largest being at Kearys BMW and MINI Eastgate site with 540 slots and the second largest being at Kearys Renault Sales - catering for 490 sets of car keys.

Just over two years on, all cabinets are now operating at nearly 100% capacity. At the Renault Sales site all 12 sales people have PC-based access to the system, while a further seven administrators, accounts staff and senior management have access via PC and, in some cases via the Traka mobile app from their smart phones. All 18 Renault technicians in the service centre have access to a dedicated key cabinet located in the centre. A further five people from trusted external body shop and valeting business are also able to access the Traka system. All cabinets are accessed via biometric fingerprint readers. There are a total of 19 unique users of the Traka system in Kearys Renault Sales and 23 in the Renault Service Centre.

Kearys Renault Cork Sales & Servicing

Kearys Renault Cork is a thriving new and used car dealership. Behind the showroom there is an eight-bay service centre handling mechanical preparation of new cars, as well as servicing and repair of up to 15 Renaults per day and 4,000 vehicles per year when operating at full capacity.





Kearys Renault Sales Centre is processing up to 40 cars per week, creating the potential for more than 130 newly assigned sets of car keys to go through its Traka system. Between 60% and 90% of all vehicles sold from Kearys Renault are currently approved used or 'pre-reg' Renault Selection cars.

The Kinsale Road site also has an eight-car showroom and 50 spaces in the basement car park directly under the showroom. A further 25 spaces display Renaults in front of the showroom and there are spaces for 30 more to the rear and outside Renault's Service Centre. The multi-brand Kearys-owned offsite compound offers space for over 400 more approved used cars with at least 70 ear-marked for Renault usage.

Kearys stores brand new cars at externally-run compounds in Rosslare in County Wexford and Ringaskiddy in County Cork. These sites are owned and managed by National Vehicle Distribution. National Vehicle Distribution also handles new Preparation Delivery & Inspection (PDI) before delivering new vehicles on low loaders straight to Kearys Renault.

Trusting third parties with access increases transparency & efficiencies

Kearys Renault also provides access to their key cabinets to a total of five contacts from an external body shop and car valeting business that the dealership has ongoing relationships with.

In most cases, when Kearys Renault managers run stock checks, the cars whose keys are out of the Traka key cabinet for more than a couple of hours are generally in the offsite body shop.

Derek Daly, Territory Manager, Kearys Renault, explained:

"What we found was, as people discovered how robust the reporting was on the Traka Automotive system, our staff and outside contractors took much more responsibility for correctly assigning and un-assigning keys from the Traka system. It changed attitudes as staff began to take a much greater degree of ownership over the location of keys. We've seen fewer people asking others to put keys back in the cabinet because they want to be able to prove that they put those keys back into a Traka cabinet just in case they go missing later."

Traka system aids stock audit checks for Renault Bank

The ability to offer full transparency in this way across the entire stock is particularly valuable for stock audit checks which are periodically carried out by Renault Bank which provides the rolling loan facility on all stock at Kearys Renault, charging in line with the exact number of units being financed by the bank.

Derek Daly, Territory Manager, Kearys Renault, explained:

"We can show Renault Bank the five specific external supplier contacts on the Traka system and how many Renaults they currently have in for body shop work or valeting, giving them the location of their premises for viewing stock in person if necessary. We can show exactly when they took the keys for specific vehicles out and provide indications of when each of those vehicles is due back on site."

Traka system access going fully mobile

Currently, it is only possible to access the system via mobile phone if connected to Kearys Renault's Wi-Fi network which means that if you are in an external compound or even in the yard outside, you cannot check the Traka system. Later this year, Kearys plans to extend cellular access to the Traka system for even more widespread use of the system.



Using Traka to eliminate expensive 'lost key' incidents

Investigation of the cost of the Traka system and predicted return on investment led Derek Daly to conclude that rapid return on investment (ROI) is possible for sites with 250 or more cars with lots of key movements and lots of sales. Kearys Renault, with a capacity now over 500 at any one time, was perfect for showing rapid savings in terms of efficiencies and productivity.

At Renault the cost associated with losing a full set of keys for a new car is roughly €350. Other brands' keys are even more expensive than that.

Derek Daly again:

"If you have to reorder just one set of keys per month that is a cost to the business which adds up to thousands of Euros per year. But it's not just the cost of the lost keys themselves, but the lost productivity while several sales people or managers hunt for keys. That's time that should be spent making sales or servicing a car that is being diverted away from what needs to be done. And if you cannot offer that car for a test drive or even move it if it's blocking in another car, suddenly you have a big loss event while you wait for the replacement keys."

Traka eliminates inefficiencies inherent in PIPO usage

The Peg In Peg Out (PIPO) system which Kearys Renault had before was not protecting the dealership from this constant drag on productivity, sales and the bottom-line.

By moving to the Traka System, Kearys Renault also eliminated the problem of emergency keys being separated from the Renault keyless entry cards which come as standard in all Renaults today. The keyless entry cards were being left on the PIPO board, while the emergency keys (which can be separated easily from the card) were all too often going missing, or worse, were being put back in the wrong entry cards.

Derek Daly added:

"Because of the ease of assigning and un-assigning keys in the Traka system, there is no longer any incentive to separate the emergency key from the entry card, solving one major key management headache overnight

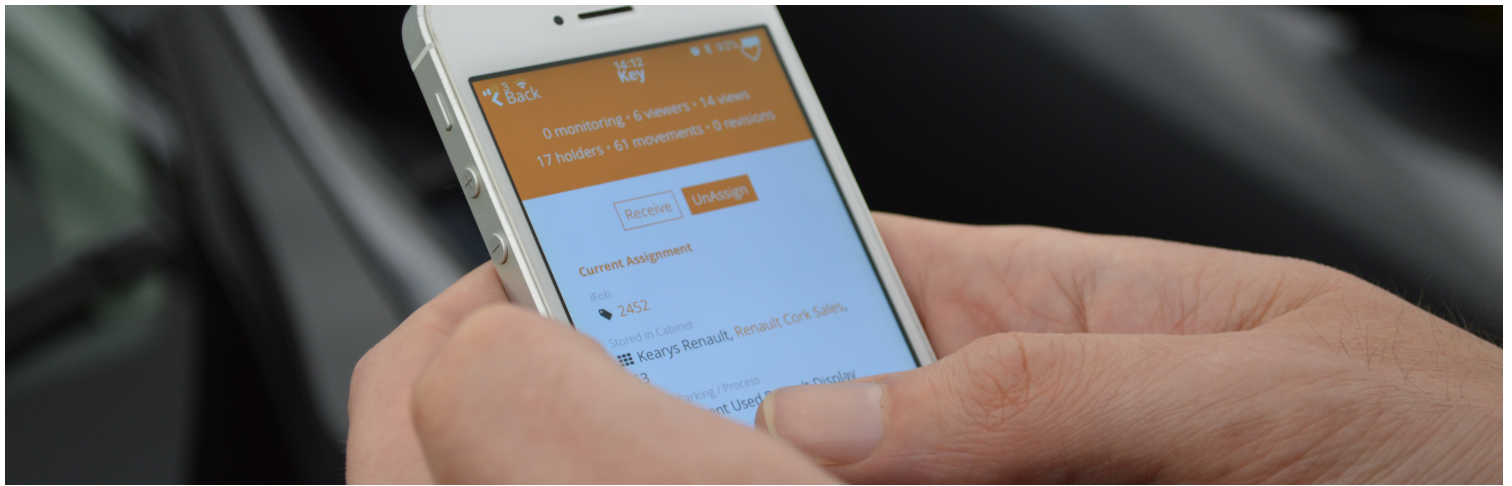
PIPO works fine for smaller dealerships where everyone knows what everyone else is up to. As soon as you get more than 10 sales people with associated sales activity and key movements you are wasting your time with PIPO systems – they start to become counterproductive."

Dan Cronin, Business & Sales Manager, Kearys Renault, says:

"The Traka system is brilliant. Before this system went in during March 2016 tracking keys was almost impossible. It's saved us money in lost keys. I also like the car park zoning in the cabinet as it not only means we know the status of the car but also where it is parked right now – all by looking at the Traka key assignment log on my phone or PC."

Derek Daly explained the value of the system in terms of transparency and certainty on key location and who last had those keys:

"It's now so easy to track down a key via the Traka system. If someone wants to test drive a car you are no longer looking for a hanger on a car's rear-view mirror that might not be there or have the wrong slot number on it.



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You just put the vehicle registration number into your mobile or PC-based Traka vehicle finder and it tells you which iFob slot in which cabinet that key is attached to. You don't have to search through the whole board of keys looking for the one you need.

The other advantage is that the key does not have to have a label on it as long as it is on the iFob. It's also helpful if, given limited parking spaces available here, that you can query the Traka system, find out very quickly who has the key for the car that is blocking the one that you need to get out and then asking them to move it.

And when keys are lost, it is impossible to displace blame as the system tells everyone straightaway who had those keys last and how long they've had them for. There is literally nowhere to hide anymore as long as everyone is using the system properly."

Traka helped double number of cars it photographs each day

Efficiency have also been found in the increasingly important area of photographing stock to get car listings online more rapidly.

Derek Daly again:

"The Traka system has helped us double the number of Renaults we can photograph in a day using our onsite 360-degree spin turntables here at Renault. We now cover close to 20 per day. We use the Skupe Net car pages classifieds service to get all our listing up online very quickly and presentably."

Traka system gives sales people more time with visitors

A busy day at Kearys Renault sees over 20 visitors, while a quiet one might bring just three or four visitors.

Dan Cronin explains the importance of keeping visitors engaged:

"What's changed, now that so much of customers' pre-sales research is completed online before they head into our dealership, is that nearly all visitors are in the market to buy a car fairly imminently. Nearly every other visitor buys. The conversion rate is much higher per visitor than it used to be. But by the same token, it's important to keep the customer engaged every moment they are in the dealership to avoid them drifting back online to compare prices being offered by other dealers via their mobile. Avoiding lost time spent hunting for keys definitely translates into increased visitor-to-sales conversion rates."

In summary

Derek Daly summarises:

"Putting in the key management system was quite simply life-changing for the people working here. Most sales people were spending between two and three hours per week searching for keys. They have got all that productive time back now, making it both less stressful and time-consuming to find cars and keys and keep sales moving through."

Kearys Renault has used the Traka networked key management system to unlock the following benefits:

1. Delivering productivity increases in both the sales and service centre
2. Eliminating expensive and time-consuming lost key events
3. Helping double the number of vehicles being photographed each day
4. Increasing sense of accountability and ownership (of key whereabouts) amongst staff and preferred contractors alike
5. Speeding up vehicle movements between compound, sales and servicing.
6. Improving accuracy of stock audits
7. Providing valuable Management Information to prevent any cars 'slipping between the cracks' and generally providing a great

deal more stock transparency.

Traka Automotive Solution in more detail

Traka Automotive's networked key management systems and cabinets were installed at Kearys BMW and MINI Eastgate, Kearys CarStore Cork, Kearys Hyundai Sales and Service Centre and Renault Sales and Service Centre in March 2016. Total capacity across all six Traka key cabinets is 1,720 slots/sets of car keys; the largest being at Kearys BMW Eastgate site with 540 slots and the second largest at Kearys Renault Sales - catering for 490 sets of car keys.

Traka Automotive's system enables all new vehicle details to be transferred automatically from Kearys' CDK Global's Dealer Management System (DMS) straight up into the new electronic key management system as soon as they arrive on site. It now takes less than a minute for all new vehicle information (make, model, VIN, status, registration and customer details) to be moved into the Traka system.

New sets of keys are then attached to the iFob which holds all vehicle information linked to those keys. This is then slotted into a secure Traka key cabinet. As soon as this is done, an electronic record of the key's location, together with the identity of the key's last handler, is made available to authorised users of Traka's software.

In the two years since the new Traka Automotive electronic key management system went live at the six Kearys sites in Cork City, they have logged over 303,794 key movements across all six cabinets. All cabinets generated over 720 newly assigned keys in April 2018 alone. A total of 11,407 successful key searches were run that month across all cabinets.

Kearys Renault Sales key cabinet saw 2,307 iFob movements in April 2018, from 1,456 Door Opening events. Kearys Renault Service Centre cabinet saw 1,740 iFob movements in April 2018, from 1,383 Door Opening events.

Paul Smith, Director, Traka Automotive, interprets these numbers as follows:

"By any measure, the Kearys key management system is already in heavy use across all six networked sites in Cork. Adoption has been rapid and sustained. It's pleasing to hear that the system has delivered strong benefits for both sales staff and service centre technicians. Both Derek and Dan at Kearys Renault are strong advocates for the productivity benefits of our system."



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global leader in access solutions.
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