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## 'Where's the keys?': How electronic key management has evolved in car dealerships

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Paul Smith, managing director of **iB Management** Solutions, on the latest key management solutions for car dealerships...

For most car dealerships, the level of sophistication in their key management processes has tracked the evolution and development of their dealership.

A key management system can range from a tub or drawer full of keys to a simple locked key box through to a fully integrated, electronic key management system.

Similar to doing your accounts on paper, 'manual' key management systems have limitations. The most basic need for any system is to provide security for a customer's car keys and the keys for the vehicles on the sales forecourt.

All customers who hand over their keys for a service trust the dealership to look after those keys; there is a fundamental requirement to provide sufficient security to ensure that the customer's car is not stolen or the keys lost whilst on the premises.

As in-car security systems have become more sophisticated, the value of stealing a key has increased as it's the only practical way to steal a vehicle nowadays.

The most basic level of key security is a locked cupboard, with a responsible individual holding the cupboard key.

In practice, a locked cupboard simply holds the keys in a safe, central place - it does not help to pinpoint who has taken a key or where a vehicle is located on site.

Moving to the next level, manual 'peg-in / peg-out' boards start to introduce some accountability - each department or user usually has their own coloured peg which they insert into the board to be able to take another peg out which holds the key they require. Anyone else can look at the peg board and see which department or user currently holds a key if it's not there.



Peg board systems don't provide any information on when a key was taken or who used the key in the past. These manual systems can't provide answers to the difficult questions you are often faced with: like 'who was responsible for a speeding ticket or parking fine', 'where is the vehicle located', 'is it blocked in by another vehicle', and 'what was the pattern of usage of a key prior to it going missing'?

Imagine if a car is stolen - you contact your insurance company to register a claim, the insurance company asks who the last person to have the keys was and you are unable to provide definitive answers; your insurer will not look at your dealership favourably. The claim may even get held up pending further investigation.

Electronic key management systems solve your security issues around managing keys. Systems such as eTag from iB feature a secure cabinet with keys located within the cabinet using intelligent fobs which contain a unique electronic ID.

To access the cabinets, staff need to type in their unique PIN, or use a swipe card or biometric fingerprint reader. Transaction activity is uploaded to the software on computers all around the business so the user can see who accessed the key cabinet, the keys they took out or returned and the time that this took place.

A fully accountable key management system addresses security concerns, and reassures customers and stakeholders such as insurers.

Providing key security is simply a given for premium car dealers and many of the UK's leading groups are going a step further with key management systems. Effective key management saves vital time, especially in after-sales.

If an average dealership has a team of ten technicians who are charged out at, say, £80 per hour, saving a vital 10 minutes every day for each technician by locating keys quickly soon mounts up to 100 minutes for the team per day, or £133 per day. This adds up to £665 per week, £34,580 per year and this is just for technicians!

These numbers are highly conservative in most cases and don't take into account the opportunity cost of lost time in the workshop, in terms of increased parts sales for more hours sold for instance.

Now think about how electronic key management can help drivers, valeters, managers, sales and admin staff. You can more readily see trends developing like 'who takes out the most keys', 'which sales person demos the most cars on a Saturday', or 'which valeter is the most productive'?

If a speeding fine or parking ticket hits is incurred, users can quickly discover who was driving the car at the time and reprimand and/or allocate to a cost centre accordingly.

Systems such as eTag can communicate to other dealer systems on the network. Users could link a network security camera to monitor your key cabinet to record video of the individuals taking and returning keys.

Interfacing the software with wider dealer management systems (DMS) delivers huge benefits too, not only in terms of reduced data entry. For a network of dealers the system will know that a car has checked out from one dealership and then is checked in to a neighbourhood dealership, minimising transfer paperwork, helping with traceability and monitoring driver activity between locations.



Locating a car using the system is simple: just type in part of the car registration or chassis number and the user is told which slot in which cabinet holds the key, if it is out, who has it and where the car is physically located, even down to the exact parking bay.

This integration with other systems provides a host of other benefits. Essex Auto Group's finance director, Mark Reilly, said: "Every five minutes that a salesman can save not hunting for keys but serving customers, creates opportunities for more sales and higher quality servicing. There are other spin-off benefits - for example we are developing a customer-facing screen showing specific vehicles we have prioritised for sale.

"By integrating this with iB's eTag key management system we will be able to show the customer exactly where the promoted vehicle is parked if they want to go and have a look. Effectively the system becomes a virtual sales assistant for us."

All dealerships need to have a secure key management system. If the users does not know where a set of keys are at any one time the system isn't working.

But electronic key management systems which can be integrated into the other dealer systems are delivering benefits way beyond simple key security, and more and more dealers, not just prestige car dealers, are now using key management as a core business system to drive up productivity, improve customer service and even lower their insurance premiums.

Electronic key management is now engrained as part of the standard operating procedures for a growing number of dealerships.



Paul Smith

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