DB2® Information Management Software

MarineMax integrates dealership network with IBM UniVerse solution.

Overview

- **Application**
  Marine dealer management system integrating 66 retail stores with consistent business processes
- **Business Benefits**
  110% growth in sales over 6-year period; 20% to 30% lower inventory costs than competing marine dealerships; low TCO solution with minimal maintenance costs
- **Software**
  IBM UniVerse®, Version 10
- **Business Partner**
  Integrated Dealer Systems; Cognos; Ascential Software

A dealer management system based on IBM and IDS technologies helps MarineMax better capitalize on growth opportunities in the $30 billion U.S. retail marine marketplace.

Compared to planes, trains and automobiles, boats may not be the fastest mode of transportation, but they certainly offer an unmatched level of luxury and enjoyment. Accordingly, boat owners appreciate a little extra care and attention—and no one knows this better than marine retailer MarineMax.

Over the years, the $608 million boat dealer has acquired many independent marine retailers from New Jersey to California to comprise its network of stores and service centers. With 66 retail stores in 15 states and 1,200 employees,

"Our ability to retain customers and up-sell them additional products and services depends on our ability to access information quickly — which we can do with our IDS system and UniVerse database."

−Brett McGill, Chief Information Officer, MarineMax, Inc.

MarineMax employees can now immediately access up-to-date inventory, parts, sales, warranty, accounting and customer account information.

Clearwater, Florida-based MarineMax has grown into one of the largest marine dealers in the U.S. and is listed on the New York Stock Exchange (symbol: HZO). The company has reached this level of success by remembering that boat owners cover wide distances in their vessels, and require a consistently outstanding customer service experience wherever they pull into port.

To unify the disparate systems of the numerous dealerships it acquired, MarineMax realized it needed one computing system to support its overall business processes and geographical expansion. Not only was such a system necessary to provide all the stores with consistent accounting practices and sales tools for continued business growth, it was also essential for providing the superior customer service expected by an upscale clientele. For example, to service a yacht in Clearwater which

had been purchased in New Jersey, the Clearwater dealer would need immediate access to that customer's purchasing history, including details from color preferences to requirements for handicapped-equipped facilities.

At MarineMax, all of these capabilities became possible when the retailer discovered solutions developer and IBM Business Partner Integrated Dealer Systems, Inc. (IDS), the largest U.S. provider of business management solutions for boat and recreational vehicle dealers. MarineMax chose the Raleigh, North Carolina-based consultant to create a dealer management system using IBM UniVerse, Version 10 as the data repository. As a result of its choice, the marine dealer has doubled its sales in five years, saved substantially on inventory and IT costs and performed above the industry average in retaining customers.

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– Brett McGill

"We could not easily function using the native systems of our 66 stores. We had to be responsive to our customers' need for information throughout the lifecycle of the product," says MarineMax CIO Brett McGill. "Our ability to retain customers and up-sell them additional products and services depends on our ability to access information quickly — which we can do with our IDS system and UniVerse database."

Easy application development for fast time-to-market

All the functions that a dealership needs are provided by the IDS dealer management system, including inventory management, parts management, sales force automation, financing and insurance processing, warranties and claims management, accounting, and payroll. But the most important feature, according to McGill, is the customer relationship management (CRM) system. "CRM is essential for staying in touch with our 450,000 prospects, helping them through the lengthy buying process and encouraging them to return and buy more boats, which they do in some markets every couple of years. The UniVerse database underlying by the IDS system facilitates this kind of service by handling complex queries instantaneously, even with as much as 60 gigabytes of data and 575 concurrent users."

By leveraging IBM and IDS technologies, MarineMax has grown into the nation`s largest recreational boating retailer.

According to Don Tillotson, director of new business development at IDS, "We have been building our solutions with UniVerse since 1998, principally because of its autonomic, self-optimizing features which result in ease of management, low TCO and an outstanding development environment. Because it's so easy to develop new applications with UniVerse, our customers have been able to respond quickly to changing marketplace demands and keep their businesses running at top efficiency."

A direct recipient of the benefits, MarineMax is just as pleased with the database platform. "If we need more fields, IDS is able to rapidly develop them for us," says McGill.

"We have also been able to reduce our infrastructure and maintenance costs. With IBM UniVerse, we don't even require a full-time database administrator, and we can run our entire IDS application for all 66 stores on one Intel multiprocessor-based server. We could never enjoy such efficiencies with another database platform."

The scalability of the UniVerse system has also been stellar, according to McGill. "Our customer histories go back 10 years in some instances and all that history is on the server, readily available to all our locations. They can drill down and find the information they need in a split-second. With any other database, we would need a tremendous amount of storage to provide that kind of capability."

Centralized system facilitates business intelligence

With one data center in Clearwater, MarineMax serves all its stores over a wide-area network. The IDS applications and the UniVerse database reside on a third-party server running Microsoft® Windows®. IDS implemented business intelligence tools from IBM Business Partners Cognos and Ascential Software for daily analysis of extracts from the database to provide reports on sales activity.

"The integration with the business intelligence tools is almost native," says Tillotson. "We don't even need online database connectivity drivers to talk to our database."

Profiting from long-standing customer relationships

Because MarineMax has been able to leverage its IDS solution and UniVerse database to respond to so many of its business needs, it has been able to focus on increasing sales and reducing costs. According to McGill, "Our growth from a $291 million company in 1998 to a $608 million company today is due in large part to our ability to leverage our IDS technology, which is based on IBM UniVerse."

For instance, the inventory management component of the IDS system has kept associated costs 20 to 30 percent lower than those of competing marine dealers. That translates into millions in inventory savings over time.

In addition, because of the ability of MarineMax stores to retain and upsell customers with its CRM system, same store sales have grown several points above the national average, even through rough economic periods. Maintenance costs have been minimal, contributing to the company's healthy bottom line.

"Another major factor in the success of this solution is IBM's migration path for the UniVerse database, as well as the availability of its other software solutions," says McGill. "We know that IBM is going to continue to support the code, and that makes us comfortable with our investment. We also know that IDS is working on new enhancements using WebSphere® software from IBM to create company-to-company communications with our vendors. What all this means to us is, by working with IDS and IBM, we will be able to easily enhance our infrastructure and keep our business growing, while satisfying our customers."
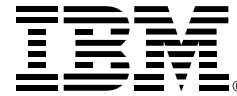
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