



## **Reynolds and Reynolds Redefines Telematics for Automotive Retailing; Acquires Networkcar**

*The Reynolds and Reynolds Company (NYSE: REY) today announced its acquisition of Networkcar, Inc., adding the industry's most advanced telematics solution to its growing arsenal of Customer Relationship Management (CRM) tools. The acquisition builds on a minority stake Reynolds took in Networkcar in January 2001.*

([PRWEB](#)) December 4, 2002 -- DAYTON, Ohio -- The Reynolds and Reynolds Company (NYSE: REY) today announced its acquisition of Networkcar, Inc., adding the industry's most advanced telematics solution to its growing arsenal of Customer Relationship Management (CRM) tools.

The acquisition builds on a minority stake Reynolds took in Networkcar in January 2001.

Networkcar's CARReader tethers automotive retailers to their consumers in a unique and powerful manner, said Lloyd Buzz Waterhouse, Reynolds CEO, chairman and president. It redefines what consumer telematics is all about.

Networkcar offers proprietary wireless telematics technology for collecting and delivering real-time automotive diagnostic data and satellite-based global location services to automotive retailers, vehicle owners, fleets, car companies, and other users of vehicle data.

Networkcar's technology and solutions are on the road today in nearly a dozen states, including California and Ohio. With the acquisition of Networkcar, Reynolds intends to begin a North American rollout to retailers, incorporating the CARReader as a fundamental part of Reynolds integrated CRM suite of solutions.

### Benefits to Consumers

Networkcar's CARReader provides a mutually beneficial bond between automotive retailers and vehicle owners never before available. Its direct path from the vehicle to the retailer and consumer makes possible the following benefits:

**Scheduled Maintenance Notification:** When it's time for a vehicle's scheduled maintenance, consumers automatically receive an e-mail reminder from the retailer the instant the vehicle's odometer reaches 30,000 miles.

**Diagnostic Monitoring:** A vehicle's fuel pump is failing. The retailer calls to let the owner know that the dealership has the part, is ready to schedule an appointment, and that it will be covered under warranty.

**Emissions Testing:** Consumers receive e-mail notices that their vehicles have passed this year's emissions test, and there was no need to take them to a testing facility.

**Insurance Savings:** Consumers receive a check from their insurance company refunding part of the premium because their vehicles have an active anti-theft and recovery device, driven by a Global Positioning System.

Other approaches to telematics focus on in-car entertainment and concierge services with less-clear



consumer interest and value," said Dave Dutch, president of Networkcar. "Our research shows the market desires a more car- and data-centric approach, enabling both the consumer and retailer to make better decisions and be better informed.

"And best of all, once the CAReader is installed, the Networkcar service becomes invisible to the consumer," added Dutch.

At a dealership, a finance and insurance manager can arrange for CAReader to be installed for only a few additional dollars per month.

According to Dan Garretson, senior analyst with Forrester Research, Inc., "Unlike OEM service offerings that require a built-in user interface to support a broad array of telematics services, Networkcar zeroes in on monitoring services that require no driver/vehicle interaction." \*

An additional benefit resulting from the easy-to-install CAReader is the ability to perform remote emissions tests. For example, the CAReader has been approved by the California Bureau of Automotive Repair for use in the first remote smog check program in the U.S. Drivers and fleet managers enrolled in the program can test their vehicles and keep them running clean without the inconvenience or cost of visiting an inspection facility.

Even more important to many consumers, noted Dutch, is the "peace of mind" they receive as a result of the Global Positioning System that's included with the CAReader. This has already provided results for several vehicle owners.

"Once I realized my new car had been stolen, I called the police and Networkcar's call center," said Ed LeClair, a user of the CAReader in Albany, Calif. "Less than 90 minutes later, my car had been recovered. In addition to getting my car back, Networkcar was able to tell me when my car had been moved, the number of miles it had been driven . . . even where it had been.

"I don't know if my car would have ever been recovered if it hadn't been for Networkcar," added LeClair.

#### Retailer Advantages

"Over the past few years, CRM has quickly become an integral component of dealership operations, and in an effort to make business operations more profitable for our retail customers, Reynolds embraced CRM and integrated it throughout our solutions," said Waterhouse. "Remote diagnostics will become a valuable CRM solution, with Networkcar's CAReader leading the way with countless advantages to both retailers and end users of the device."

The CAReader is compatible with nearly all vehicles manufactured since 1996, encompassing more than 80 million vehicles already on the road today. With this device installed in a consumer's vehicle, the automotive retailer can provide a variety of value-added services. Consumers who use the service will have their own personalized Web page that contains performance characteristics of their vehicle including operating conditions, mileage and diagnostic trouble codes. Consumers will have a direct Internet link with their automotive retailers who can provide timely e-mail messages regarding engine performance, service opportunities, appointment scheduling and many other services.

According to Larry Maxson, Finance and Insurance Manager at Honda of El Cerrito (Calif.), "Networkcar is



a unique product that succeeds in tying our newest customers in sales to our service department. The profit generated in the finance department is just a secondary benefit. The Networkcar service benefits the entire dealership with increased revenues, productivity and customer retention.

“The service bonds our customers to our dealership creating lifetime customers in both sales and service,” said Maxson.

“It’s easy to see how valuable this service could be to retailers interested in increasing the efficiency and profitability of their service operations,” said Waterhouse. “As a retailer, installation of a CARReader into a customer’s vehicle is a boon for the service department. Reports show that over half of CARReader users return to the dealership where they purchased the car and device for service when notified of a problem. That’s up from just 23 percent who normally return for service.”

The Networkcar CARReader solution is a component of the Reynolds Generations Series, a family of solutions and services that helps automotive retailers and car companies make better use of information, strengthen their relationships with consumers and improve operational efficiencies. The Reynolds Generations Series encompasses more than 100 applications and services relating to all aspects of dealership operations, including Web services, contact management, sales management, finance and insurance, service and parts operations, document management, and business and employee management.

#### About Networkcar

Networkcar, Inc., a wholly-owned subsidiary of The Reynolds and Reynolds Company, is the leading provider of around-the-clock services for monitoring the performance, location and security of consumer and fleet vehicles. The company features advanced performance monitoring technology and satellite-location systems which enable the company to provide the most advanced solution for car maintenance and operation on the market today. The Networkcar Service includes real-time car performance updates, Smart Roadside Assistance, stolen vehicle recovery services and Car Guardian, a feature that allows a car owner to find their car by accessing a secure Web page. With the Networkcar Service, car owners increase safety and security, save time and reduce costs with advanced preventive maintenance and early problem detection. More information on Networkcar can be found at [www.networkcar.com](http://www.networkcar.com).

#### About Reynolds and Reynolds

Reynolds and Reynolds ([www.reyrey.com](http://www.reyrey.com)) is the leading provider of integrated solutions that help automotive retailers manage change and improve their profitability. With 75 years of experience serving automotive retailing, Reynolds enables car companies and retailers to work together to build the lifetime value of their customers. The company’s award-winning software, service and training solutions include a full range of retail and enterprise management systems; networking and support; e-business applications; Web services; learning and consulting services; CRM solutions, document and data management and leasing services. Reynolds serves more than 20,000 customers comprising 90 percent of the automotive retailers and all car companies in North America. It conducts CRM consulting services on five continents.

\* “Networkcar Jump-Starts Aftermarket Telematics” Forrester Research, 2001

Certain statements in this news release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements are based on current expectations, estimates, forecasts and projections of future company or industry performance based on management's judgment, beliefs, current trends and market conditions. Forward-looking statements made or to be made by or



on behalf of the company may be identified by the use of words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions. Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed, forecasted or implied in the forward-looking statements. See also the discussion of factors that may affect future results contained in the company's Current Report on Form 8-K filed with the SEC on August 7, 2001, which we incorporate herein by reference. The company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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**Contact Information**

**Bob Sadowski**

Reynolds And Reynolds

<http://www.reyrey.com>

937.485.8111

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