

The American Suzuki Motor Corporation Relies On Actuate To Improve Inventory Management And Profitability



"Actuate empowers Suzuki's team members to be more efficient and effective at managing inventory levels, whereby improving dealership profitability through increased sales."

— Steve Chavez, Credit Manager, Suzuki Powersports Division

About Suzuki

The American Suzuki Motor Corporation (Suzuki) is one of the distributors for Suzuki Motor Corporation, a world leader in designing and manufacturing passenger cars, commercial vehicles, motorcycles, all terrain vehicles (ATVs), outboard motors and other products.

With annual sales of \$23.3 billion (FY 2006), the Suzuki Motor Corporation operates as a global organization serving 192 countries and territories. Actuate is used in the North American operations of Suzuki's Powersports (marine and motor products) division.

The Suzuki Challenge

Suzuki needed to find a way to help its Powersports dealer network, field representatives and corporate staff operate in a more profitable and efficient manner. The division's field representatives, dealers and credit analysts had no reports that consolidated dealer floor plans, inventory holdings, financial data and sales information. According to Steve Chavez, credit manager for Suzuki's Powersports division, "Our division

needed a centralized, web-based reporting solution that could empower our field to better manage their businesses. And the corporate team needed a more effective way to analyze operations on an enterprise level. Our Access database infrastructure could not meet these needs."

Regional managers needed reports that combined inventory, sales and dealership financial information to help them manage their region and drive sales. Prior to Actuate, these types of reports were not available at the regional level.

The Powersports dealer network also wanted to focus on increasing dealership profitability through a better inventory mix and by increasing sales. By creating average composite data by district, region and national groups, Suzuki could compare individual dealer performance against their peers. Understanding why some dealers are more successful than others is critical information that could be transformed into "best practices" to strengthen the dealer network.

- > **BUSINESS PROFILE**
Distributes passenger cars, commercial vehicles, motorcycles, all terrain vehicles (ATVs) and outboard motors for Suzuki Motor Corporation
- > **INDUSTRY**
Vehicle sales
- > **PARENT COMPANY SIZE**
Suzuki Motor Corporation has \$23.3 billion in sales (FY 2006)
- > **SOLUTION**
Actuate Enterprise Reporting Applications for inventory, sales and financial management
- > **BUSINESS BENEFITS**
 - Improve dealer profitability through business management practices
 - Empower team members to analyze dealer inventory levels
 - Reduce risk of over- or under-stocking products
 - Enhance competitive position in the Powersports market
- > **WEB SITE**
www.suzuki.com



The Actuate Solution

Suzuki selected Actuate for financial management reporting based on the following criteria:

- Web-based
- Open architecture
- Flexible report development
- Actuate Query capabilities

Actuate is used by Powersports field representatives from all four sales regions (east, west, south, north), regional managers, executives and credit analysts. Suzuki uses the following types of Actuate reports:

- *Inventory management - The field relies on these reports to help manage their inventory. The reports show a dealer's inventory holdings and quantities, along with product sales.*
- *Financial analysis - Actuate is used to measure profitability by combining sales with financial data. Regional managers can measure if they are meeting gross profit targets and measure profitability by dealership and product line. This data illustrates where Suzuki is successful and where improvements are needed. There may be a need to consult with the dealer on his business model, capital structure or other operational procedures. With changes, there should be a distinct improvement in dealership ROE by analyzing and understanding the relationship between sales volume and profitability, given fixed and variable dealer expenses.*
- *Dealer ranking – This report enhances the managers' ability to run their businesses. Dealers are compared on a district, regional and national level based on sales, profitability and other metrics. This enables dealers, district and regional managers to determine how a certain store compares to another store's performance on multiple levels.*

Benefits of Actuate

Improve profitability

Suzuki has laid the foundation for improvements in dealership profitability by providing district and regional managers with greater visibility into dealer performance, profitability and inventory levels. Now management can proactively help an underperforming dealership meet its 22% gross profit margin target by shifting inventory or changing product discounts and promotions.



Sales Analysis

Sales Analysis											
Year	Activity:	Atv	Cruiser	DISpt	Endur	Motox	Scooter	Sprt	Std	Utility	Total MC
2007	Retail Est \$	35,274	26,870	31,674	6,306	37,038	29,351	110,927	14,363	0	291,803
	Retail % Growth \$	-78%	-87%	-78%	-72%	-81%	-11%	-81%	-53%	0%	-79%
	Retail Actual Qty	6	4	5	2	7	4	12	2	0	42
	Retail % Growth Qty	-82%	-86%	-80%	-80%	-81%	-20%	-81%	-60%	0%	-80%
2006	Retail Est \$	163,218	207,511	142,382	22,374	190,758	32,978	569,780	30,864	0	1,359,866
	Retail % Growth \$	-26%	50%	70%	-60%	-7%	22%	29%	-55%	0%	10%
	Retail Actual Qty	33	28	25	10	36	5	63	5	0	205
	Retail % Growth Qty	-39%	22%	79%	-60%	-5%	25%	29%	-50%	0%	-6%
2005	Retail Est \$	219,234	138,234	83,554	55,895	205,196	27,060	441,395	67,906	0	1,238,674
	Retail % Growth \$	10%	-14%	-21%	37%	52%	-10%	-1%	-14%	0%	3%
	Retail Actual Qty	54	23	14	25	38	4	49	10	0	217
	Retail % Growth Qty	15%	5%	-22%	25%	27%	-20%	-11%	-17%	0%	4%
2004	Retail Est \$	199,630	160,042	106,254	40,944	134,834	30,190	447,204	79,055	0	1,198,152
	Retail Actual Qty	47	22	18	20	30	5	55	12	0	209

Financial and Market Analysis - FY - 2007							Liquidation Analysis - Rolling 12 Months (\$000 Omitted) - 2007								
Year	Dealer Sales	Retail Sales	Penetration	Gross Profit	Expenses	Net Income	Net Worth	Year	BOM Volume	New Payments	EOM Balance	High EOM	Avg Volume	Turn	
2007	\$0.00	\$291,803	0%	0%	\$0.00	\$0.00	\$0.00	2007	\$312	\$139	\$174	\$300	\$347	\$296	\$5.73
	0%	-79%			0%	0%	0%		9%	-31%	-24%	8%	11%	6%	2.29%
2006	\$0.00	\$1,359,866	0%	0%	\$0.00	\$0.00	\$0.00	2006	\$312	\$202	\$229	\$279	\$312	\$194	\$5.32
	-100%	10%			-100%	-100%	-100%		4%	13%	-24%	40%	2%	1%	7.88%
2005	\$2,050,000	\$1,238,674	60%	24%	20%	\$87,000	\$265,000	2005	\$300	\$179	\$302	\$200	\$305	\$191	\$4.86
	-44%	3%				19%	19%								
2004	\$2,059,000	\$1,198,152	58%	25%	22%	\$73,000	\$223,000								

Page 1 of 28

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Actuate allows regional managers to measure if they are meeting gross profit targets and measure profitability by dealership and product line.

Empower dealer networks

Actuate provides dealers with visibility into inventory levels within their networks. As a result, regional managers can shift specific product lines from one dealership where sales are lagging to another dealership that has been successful with selling that specific



product line. Better inventory management reduces interest costs and decreases the need for discounting products, improving profitability at the dealer and corporate levels.

Reduce risk

Suzuki credit managers can now manage dealership floor plans to ensure that they are operating within credit guidelines using Actuate analytical tools. "Suzuki's Powersports floor plan portfolio has grown significantly over the past years," says Chavez. "Managing the risk associated with a larger portfolio is even more critical to the success and profitability of the program. Actuate helps us to achieve that goal."

Enhance competitive position

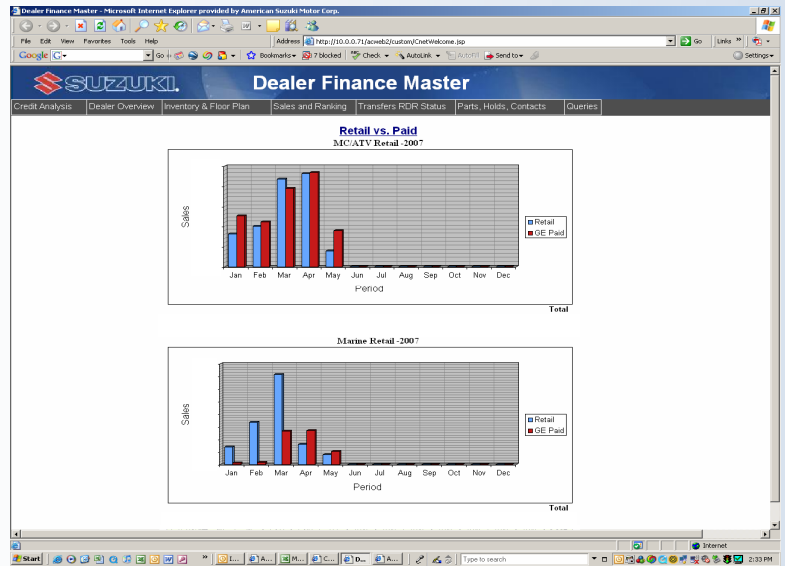
By combining multiple data sources into a suite of reports, Suzuki is able to analyze inventory, sales and financial data daily. According to Chavez, "I believe our reporting capability places Suzuki in a rather unique position, in comparison to the other import Powersports sales companies."

The Suzuki Future

"Actuate has changed the way our business operates. Suzuki's Powersports division relies on Actuate to improve inventory management and meet our profitability targets," says Chavez. "Suzuki will continue to leverage Actuate and expand its usage throughout our organization."

About Actuate

Actuate Corporation is dedicated to increasing the richness, interactivity and effectiveness of enterprise data, for everyone, everywhere. Actuate delivers the next generation RIA-ready information platform for both customer and employee-facing applications. The Actuate platform boasts unmatched scalability, high-performance, reliability and security. Its proven RIA capabilities and highly collaborative development architecture are backed by the world's largest open source information application developer community, grounded in BIRT, the Eclipse Foundation's only top level Business Intelligence and reporting project.



Actuate provides a single web portal from which users can access and interact with all relevant reports.