



July/August 2026

THE MOTOR DEALER REPORT FROM AUSWILD & CO
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WHY YOUR DEALERSHIP DEPARTMENTS CAN'T OPERATE AS SEPARATE BUSINESSES ANYMORE

For years the automotive industry has spoken about dealership departments as “separate businesses” – new vehicle sales, used vehicle sales, F&I, service and parts. This structure has not only worked in the past but worked very well indeed. The front end focused on inventory and deals whilst the back end focused on repair orders and retention. Each department did its job well, but largely in isolation.

Now, according to a recent article written by Reynolds & Reynolds (R&R) and published on CBT News, that structure no longer works in today's world. Why?

Customers do not experience your dealership as separate departments – they experience it as a single, ongoing relationship. And as artificial intelligence becomes more embedded in dealership operations, the gap between how dealerships operate and how customers engage is becoming harder to ignore.

The fragmentation problem

The modern dealership stack is extensive – spanning CRMs, DMS platforms, service systems, inventory tools, marketing platforms, communication tools – the list goes on. The challenge is not a lack of technology – it is that these systems rarely work together in a meaningful way.

For example –

- A customer brings their vehicle in for service, but sales do not have visibility into the visit.
- A repair order reveals equity or mileage insights, but those details never inform trade-in conversations.
- Marketing campaigns trigger outreach without awareness of open repair orders or recent interactions.
- Sales teams follow up using outdated information because service and inventory data live elsewhere.

According to R&R, none of these issues stem from poor execution. They are the natural result of disconnected systems and siloed data.

AI doesn't hide silos

The rise of AI in dealerships has been rapid. From conversational tools to predictive analytics to workflow automation, AI is expected to improve efficiency, personalisation, and profitability. But AI is only as effective as the data it is using.

When sales, service, and inventory systems operate independently, AI lacks the context it needs to make intelligent decisions. Instead of delivering meaningful insights, it can amplify blind spots. Instead of improving the customer experience, it can create mistimed or irrelevant interactions.

For dealers experimenting with AI, this has led to a growing realisation – smarter tools do not fix disconnected fundamentals – they simply make the gaps more visible.

More AI doesn't mean better outcomes

As dealerships look to close these gaps, many vendors are introducing multiple AI tools or agents, each designed to optimise a specific part of the operation – one for service, one for sales, another for marketing or communications and so on. On the surface, that approach may make sense but in practice, it often reinforces the very silos dealerships are trying to eliminate.

When AI is segmented the same way departments are, each tool operates with a partial view of the customer. The result is a faster version of the same disconnect.

One continuous story

Every customer journey crosses departmental lines – a service appointment can signal future purchase intent. A repair order can directly influence appraisal accuracy. Inventory availability can align (or conflict) with a customer's ownership lifecycle. Treating these moments as separate experiences is no longer realistic.

R&R says that the dealerships beginning to stand out in 2026 are rethinking operations around the customer lifecycle, not internal silos. They are connecting data across inventory, service, sales, and communication systems to create a shared, real-time understanding of each customer's situation, history, and timing. When that data is unified, teams make better decisions.

Unified data creates continuity, not complexity

There is a common misconception that connecting systems adds operational burden. In reality, a unified data layer ensures that the data already being captured across departments tells a single, consistent story.

With unified data:

- Sales teams understand recent service activity before reaching out.
- Service teams surface insights that inform trade and replacement opportunities.
- Inventory decisions reflect real-time demand, ownership patterns, and market behaviour.
- AI operates with context, not assumptions.

According to R&R, this is where AI begins to shift from reactive to truly intelligent. A unified approach allows a single, informed system to understand the full customer picture and respond accordingly.

The path forward

As margins tighten and customer expectations rise, differentiation will not come from who has the most tools — it will come from who has the most connected ones. Dealers who unify their data gain operational clarity. Those who don't will continue relying on manual handoffs, reacting instead of anticipating, and questioning why AI has not delivered on its promise.

The future of dealership performance will not be defined by sales processes or service workflows alone but by how well the entire operation works as one. AI is accelerating that shift. Unified data makes it possible.

Inventory, service, and sales are no longer separate chapters; they're part of the same customer story. And the dealerships that act on that reality will define what modern automotive retail looks like next.

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