



# CEOCFO

## Interviews & News!

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### Developing Software Specifically For The Automotive Aftermarket, Aftersoft Group Is Focused On Providing The Most Modern Enterprise Solutions Available For Both Parts And The Tire Suppliers



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**Jim French**  
**Managing Director**

#### **BIO:**

As managing director for Aftersoft Network N.A., Jim French manages the company's day-to-day operations and sales and business development. He is based at Aftersoft's U.S. headquarters in Dana Point, California and also oversees

its facilities in Allentown, Pennsylvania and Wintersville, OH.

Since assuming his position in January 2006, Mr. French has positioned the company as a dominant player in automotive aftermarket technology. Under his direction, Aftersoft Network has become a leading provider of business automation and eCommerce solutions for every level of the automotive aftermarket – including parts, tires and service – which serve as the building blocks for aftermarket businesses to create virtual supply chains. Aftersoft Network now serves over 450 customers with more than 3,000 locations across the U.S., including a number of iconic brands such as Goodyear, Michelin, Midas, Monro Muffler Brake, Parts Alliance and Parts Plus.

Prior to his current position, Mr. French spent four years as vice president of services and support for CarParts Technologies, the predecessor of Aftersoft Network NA, where he integrated both the professional services and support departments under one standardized methodology to improve delivery times.

Before entering the automotive aftermarket industry, he served as chief operating officer and board member for EPC International, Inc., a software applications development company for the food and beverage manufacturing and distribution industry. Mr. French has also held positions with Deloitte & Touche LLP and Hughes Space and Communications. He earned a bachelor's degree in accounting from Loyola Marymount University in California.

#### **Company Profile:**

Aftersoft Network N.A. is a leading provider of business automation and eCommerce solutions that are helping its customers create “virtual supply chains” linking every level of the automotive aftermarket, including both parts and tires through its numerous building block technologies. With products ranging from point-of-sale and inventory control to accounting solutions, the company enables customers to build seamless digital management systems, with real-time communications driving increased sales, productivity and customer satisfaction. The company serves over 450 customers with more than 3,000 locations across the North America, including auto parts distributors and retailers, auto service providers and tire dealers, and warehouse distributors. Based in Dana Point, California, Aftersoft Network N.A. is a subsidiary of Aftersoft Group, Inc.

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**  
**CEOCFOinterviews.com**

**CEOCFO CEOCFO:** Mr. French, what is the vision for Aftersoft and how do you get there?

**Mr. French:** “We develop software specifically for the automotive aftermarket, so our goal is to provide the most modern enterprise solutions available for both parts and tire supply chains, which make up the aftermarket. In the automotive market, you have the OEMs, which are the manufacturers like GM, and Chrysler, and then you have the aftermarket, which is made up of the tire and aftermarket parts. This includes aftermarket break pads as well as all the customizations that

you see out there with rims and those types of things. Our focus is to provide a complete solution or a complete portfolio for what we refer to as building blocks that build up the supply chain. The key around our building blocks is that they are designed to work interchangeably with our own product as well as other competitors' products and that is really key. Because of the fact that the automotive aftermarket supply chain is fragmented into various levels, it is extremely important to create a connective supply chain that you have to be universal. We have designed what we believe are the best enterprise products for the backend as well as the best eCommerce solution out there that allows these guys to communicate amongst themselves and to drive their own business relationship how they want to drive those relationships. They can do it with the tools without the huge cost of integration and those types of things that tend to come when you try to connect one to one or build a relationship."

**CEO CFO:** Are most of your potential customers looking to upgrade or replace current software or is this a new management tool for them?

**Mr. French:** "The market is going through an evolution at this point; it has gone through a couple different phases. The first phase was what was referred to as EDI or Transmit, so it was a one-way communication with no response back. The next phase, which the market started moving into a few years ago as the internet continued growing, was the business-to-business or website communication. That started those relationships. Where you are actually seeing the automotive aftermarket dwelling now is where we would like to refer to as application-to-application connectivity. What I mean by that is that you have bi-directional communication from one enterprise system to another enterprise system seamlessly between the two. Therefore, they can drive the business relationship for things like inquiry to find availability and pricing or what I call eOrdering or the electronic transmission of an order as well as the response that that order has been fulfilled right within the application and that is really the key

of where the market is going. We have the solutions for yesterday and there are people using that. There is replacement that goes on out there, but where we are driving to is really this connected supply chain at the enterprise level using still the internet, but without a browser that is in the middle of the entire integration. Our solutions allow us to connect up the various different backend systems and then we are able to control what goes on in-between using our eCommerce solutions. We are really actually on the cutting-edge of this connectivity from the application-to-application. It isn't necessarily a replacement, it is really the next phase and you do not necessarily need to replace your browser functionality you've currently got to drive our initiative, but if you are not happy with your browser we do offer that as one of our building block solutions."

**CEO CFO:** You just launched your new VAST enterprise wholesale module; would you tell us a bit more about that?

**"There is no one in the automotive aftermarket that can handle both parts and tires, on the enterprise side as well as the eCommerce side. Therefore, our business is growing and our message is ringing out with a lot of the national players." - Jim French**

**Mr. French:** "What this really does is we actually had two products at the time, one was our tire wholesale and tire commercial dealer application that was built on all the modern architecture as long as we had our VAST application which was the best in retail. We have combined those two products to provide one complete supply chain product all working off of one centralized system. What is key about that especially on the tire side, which is a bit different than the parts side from the fact that on the tire side you tend get people that will have retail location as well as also will wholesale tires to other retail locations. On the part side of the world you don't tend to have that, you are either a service station or you are a parts store. On the tire side of the world, you may be a combination of both of those. In that type of environment, it is extremely important for you to be able to manage your inventory for the entire enterprise solution without having to jump into multiple

systems. That is the key to what we have done here. We brought those two worlds together into one modern enterprise solution that allows you to pick and choose the type of functionality you need. However, regardless of what you are doing you will be able to run it all onto one solution and everybody can see everybody's inventory and electronic transfers as if they are one, and that is the key to what we have done."

**CEO CFO:** When you are working with a Midas or Mienneke is it store-by-store, franchise-by-franchise, or through the main office; how do you reach your potential customer?

**Mr. French:** "It is a little different on each one. It is a matter of understanding each one of these chains. We have been very successful in our ability to penetrate the large chains; with our VAST product and we are the only company that has been able to penetrate every one of the major franchise channels. For example in Midas we actually target individual fran-

chisees, the reason being is in that particular channel the franchisor being Midas actually owns his own software that they want people to buy. When you are in that type of situation the only way you are able to pick up customers is if your solution is substantially better

than the franchisor's own solution. With that, we have been able to stay ahead of all of our competitors and bring that in. Some other channels like the Monros on the east coast is a company-owned group of stores, so Monroe has six hundred locations and in that particular situation we are dealing with a head office. What is really interesting and what we can do is using Midas as an example because our solutions are so diverse we can compete against Midas franchisor at the point of sale level with our VAST product, but we also can complement what their Midas corporate initiatives are using our eCommerce solutions. In some situations in a franchise channel, we will work with the franchisees but we will also work with the franchisors. Therefore, it is a combination and that is a pure example of how our building blocks work is that while we don't own every proprietary product, nor do we control it, we can work with Midas

corporate or choose another franchisor out there and accomplish their overall goal regardless of the products that are there. However, we have solutions that help us drive that and I think that is the key to what we do.

Everybody out there in the automotive aftermarket, whether you are a franchisor or you are a parts distributor or a tire wholesaler, you deal with your own little universe of your suppliers and your customers. Therefore, our solutions can integrate to each one of these universes to give them the benefit that they want whether it is driven by the perspective of what Midas wants or driven by the perspective of what a tire wholesaler wants. These two relationships can work interchangeably with our technology but the same tool being implemented a different way. I guess an answer to your question is in some situations we work directly with the franchisee, and we also can work with the franchisors, it is really based off of the product. We are in the Midas channel, in the Tuffy channel, in the Car-X channel, the Goodyear Channel, the Michelin channel, and the Bridgestone channel and for example, in a single channel we might compete against the franchisor at the point of sale, yet we partner with them at the ecommerce level.”

**CEO CFO:** How is business?

**Mr. French:** “We see a lot of our opportunities growing substantially. The key around why we are growing is we have spent the last five years developing these building block solutions and making sure that we have a complete solution that nobody else has. There is no one in the automotive aftermarket that can handle both parts and tires, on the enterprise side as well as the eCommerce side. Therefore, our business is growing and our message is ringing out with a lot of the national players. For example, NAPA builds a lot of their own solutions yet they own our eCommerce solution. In the automotive aftermarket there is a lot of content needed to drive that market, so the key to that differentiates us from our competitors is that we are not content specific. We are a technology company that has incorporated all the various content that is necessary, where our main

competitors out there, which would be an Activant or a Wrenchhead on the part side, but they are not even on the tire side. On the part side is that they own their own catalog so what their focus is on is protecting their content by using technology. Therefore, now with large amounts of information available electronically, you find that with people like NAPA, their focus is not paying somebody for that content, because they can manage their own content. They want a technology solution that will enable them to take that content and get it down into the Midas channel, etc., so that they can have that advantage by offering a free catalog to their customers. With what we have done in our building blocks, we are able to offer that solution to a national [channel] and it is rung a bell. Now what we are finding is that because our products are so diverse, we are able to cross over and build other opportunities off of it. So we take advantage of our eCommerce solution at NAPA, which has driven sales ops down stream of NAPA, into the Goodyear channel. It really becomes a nice way of building ops off of partnerships because they see the benefit of working with one company that provides the latest modern solutions. We wouldn’t be able to do this if our solutions weren’t able to stand on their own and be the most advanced solutions on the market all by themselves. That is the key we have, our solutions are the most advanced on the market today.”

**CEO CFO:** Why should potential investors be interested in Aftersoft?

**Mr. French:** “They should be interested because there is a lot going on in the automotive aftermarket. The automotive market will always be the automotive market. You are always going to be driving cars; your tires are always going to go out at 35 or 40 thousand miles. Therefore, that market is not as susceptible to recession or downs in the economy. People may not do as much maintenance on their vehicle, but the bottom line is that vehicles will continue to be serviced and they will continue to be updated. If somebody delays the purchase of a vehicle then all that means is now they are going to spend more money on maintenance, which focuses right on the automotive aftermarket. Hence, what is going on in the automotive aftermarket is with a lot of

the consolidation on the parts side and a lot of drive for efficiency there is a huge demand around connecting up this broken supply chain into one seamless integrated solution. What makes us special is that we can do that for these guys without re-piping the entire supply chain. That is why people are looking for us. An example of how this would work is with US Tire & Exhaust, their goal was to build a strong relationship with their dealers and help their dealers make more money. What they have done using our B2C solution is their dealers downstream have what I call an applet installed on their website that allows their customers to look up tires by tire size or by their vehicle so that they can do tires on line like a Tire Rack. If you are a tire dealer you don’t have the inventory to compete with a Tire Rack, but your supplier US Tire & Exhaust does have that inventory to compete with a Tire Rack. What is happening a consumer is looking at this local dealers inventory when in essence it is really looking at US Tire’s inventory and when they decide they want to buy that tire that order flows electronically into that dealers point of sale system and that dealer then can make that electronic order from US Tire.

What you get in that solution is you get the entire supply chain wins because of the fact that you are connecting into one seamless virtual supply chain. Therefore, when that dealer wins more business, US Tire wins more business and the relationship gets stronger so really that is why an investor should pay attention to us, because that is what the after markets want to do. They want to drive the entire efficiency of that supply chain, reducing costs, and improving profitability and the best way to do that is to work together. They have to reach out to that one consumer who is potentially only focused at the service dealer level, because when I make changes on my car, I don’t do it myself, I go to a service dealer. Therefore, my relationship is with that service dealer who doesn’t have all of the capabilities that this upstream supplier has. The way we are seeing it is that upstream supplier wants to build a tighter partnership with his service dealer or tire dealer to help him make more money, which ultimately makes more money for the

supply chain. That is why somebody wants to pay attention to us, because we enable this to happen in an extremely efficient way. We also get the crossover

opportunities that come out of these solutions, because our portfolio of building blocks is so, and not to use a bad pun, but VAST. Our capabilities are so strong that

we are able to build more momentum by helping these nationals who are willing to deal with us because we are an source for them.”

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**For more information, visit [www.aftersoftna.com](http://www.aftersoftna.com).**



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