RESEARCH · AUTOMOTIVE

The $893 line item

What auto retail pays to reach its own data, what three weeks without it cost, and the four conditions any fix has to meet.

DEALER LOCATIONS OFFLINE	DIRECT COST, 3 WEEKS	SALES THAT NEVER HAPPENED	INTEGRATION FEE
~15,000	$1.02B	~56,200	$893 / mo

In June 2024 a ransomware group took CDK Global offline, and with it the dealer management systems of roughly 15,000 US dealership locations. For about two weeks, stores that write repair orders, run payroll and close deals through one vendor's software did those things on paper or not at all. Anderson Economic Group put the direct cost to dealers at $1.02 billion over three weeks, including roughly 56,200 new-vehicle sales that never happened.

The outage read as a cybersecurity story. The durable lesson is about custody. A dealership is a data-rich business: every vehicle, customer, repair order and financing decision passes through its systems. Almost none of that data sits anywhere the dealer controls. It lives with the DMS vendor, and access to it is metered.

The meter is documented. In litigation over data access, sworn testimony recorded Reynolds and Reynolds raising its certified integration charge from $247 to $893 per dealer per month, and CDK raising an identical service for one vendor from $160 to $735, against independents charging $25 to $50 for the same function. The market eventually priced the conduct: CDK settled a vendor data-access class action for $630 million and a dealership class action for $100 million; Reynolds settled related claims for $29.5 million. The fees, meanwhile, remain a line item.

Now set that against what the store itself knows and never records. The average franchised dealership ran $73.3 million in total sales in 2024. The physical operation behind that number, the lot, the service lane, the showroom, is the least instrumented part of the business. Cameras cover all of it for security and inform nothing. Whether a fresh trade sat untouched for nine days, whether the lane backed up at 7:40 or 8:15, whether Saturday's ups outran Saturday's staffing: the store knows, and nothing writes it down.

WHAT A FIX HAS TO LOOK LIKE

Not another custodian	It cannot route the store's data through a third party, or the $893 problem returns wearing a different logo.
Not a DMS replacement	Nobody rips out the system that runs payroll and deals.

Measures the physical store	That is where the unrecorded losses live, and where nothing currently writes anything down.
Storage the dealer controls	So the next outage, or the next fee schedule, finds nothing to hold.

WHERE SIGNALS FITS

Signals was built against those four bars. The cameras already mounted are read as they are; an appliance on the dealer's own network reads what they see together with DMS and service data; processing happens on site rather than in a vendor cloud. The dealer gets lot aging seen physically, lane throughput measured in real time, showroom traffic against staffing, and storage that belongs to the store. If the vendor disappeared tomorrow, the data would still be sitting in the building that produced it. That is the test any vendor in this market should be asked to pass.

SOURCES

Anderson Economic Group, CDK outage cost estimate, 2024.

Authenticom v. CDK Global and Reynolds & Reynolds, 7th Circuit record, integration fee testimony.

CDK and Reynolds class action settlement filings, 2024 to 2025.

NADA Annual Financial Profile of America's Franchised New-Car Dealerships, 2025.