



# DNDS

## Developing New Distribution Skills



## **Deliverable 4.1**

### **Learning from the best in distribution – best practices**

Report, public, EN



# Lifelong Learning

# **DL 4.1 Learning from the best in distribution: Best Practices**

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## **Best Practices Compendium**

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### **4.1.1 Austria**

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## **Title/Name of Company:**

KTM Braumandl

## **Country: Austria**

## **Project Partner handed in Case Description:**

FHOOE, P1 Matthias Buchinger /Christian Stadlmann / Barbara Ehrenstorfer

## **Detailed Description:**

Maintaining relationships to stakeholders to reach sound financial planning:

The company Braumandl sells all KTM products as a flagship store and offers authorized repair and workshop as well as tuning for KTM bikes and renting of KTM motorcycles.

Distinguishing between short, medium and long-term investments, financial investment planning is done by the managing directors. The necessary data for decision derive from the accounting department.

The particularity of the company is to maintain intensive contact to the major stakeholders providing them with loans. Thus, either the supplier KTM as well as the house banks, are involved in the decision making. Moreover, the company provides its creditors with a quarterly report concerning their financial statement and -development of the company. This is quite unique that financial reports are made by a SME. KTM Braumandl is keen to have a good relationship to the banks and wants to provide transparency to the creditors.

In their opinion, this might affect also the credit-worthiness of a company.

Above that, minimum once a year, the company organizes a personal meeting with the bank to provide this transparency again and guarantee that the financial knowledge of the stakeholders is used, too.

Moreover, the company is managed in alignment with the suppliers' strategy. The concept of the supplier KTM, "Ready to Race" fits well into the concept of the company. Hence, it offers voluntarily customized rebuildings of motorcycles and racing activities to the customer which makes them well known in the local region. In order not to lose the know how about racing the owners are still practicing this sport. KTM Braumandl wants hence, to convince the customer with high quality in service, tuning and guidance. This is also underlined by their investments done in order to have the status as flagship store.

## **Title/Name of Company:**

Walter Wieshofer, CEO of Porsche Inter Auto GmbH & Co KG (PIA)

## **Country: Austria**

## **Project Partner handed in Case Description:**

FHOOE, P1 Matthias Buchinger /Christian Stadlmann / Barbara Ehrenstorfer

## **Detailed Description:**

The company offers new cars, used cars, spare parts and an authorized garage for the brands Volkswagen, Audi and Skoda.

**Liquidity planning** is done by the managing director and supported by the group PIA. PIA Asten is provided with ratios and forecasts by the parent company, but they work as well with data based on personal experience.

Investment planning is always planned for the next two years and has to be authorized by the parent company PIA. The net present value of investments is considered, although not in the branch but by the financial department of PIA. Basically, most of the investments are done out of a necessity for the business and not considered and compared with alternative investments.

### **Corporate Identity:**

There are some long-term oriented goals which are planned by the parent company and communicated to the different branches. Nevertheless, there are some values where high emphasis is put on. At PIA Asten, customer satisfaction is one of the most important values; PIA strives for the highest customer satisfaction in automotive retail business until the year 2018.

### **Market analysis:**

The PIA branches are highly supported by the parent company; they have various tools to assess competition as well as customers. They have detailed information about the sales figures of other brands. The branch itself monitors their direct competitors in the respective area by mystery shopping, for example.

### **Goal setting:**

PIA Asten has a very profound way of goal setting, the goals and the plans for reaching it are provided by PIA and even the Volkswagen concern. For example, Volkswagen tries to increase their market share and want to reach 19% by the end of next year. This goal is broken down to every single dealer in the PIA concern and then distributed to the single branches. Within the branches, the goals are again broken down to the employees. Finally, the goal setting for the single salesperson is done together with him or her in a personal meeting for the next year. This goes as far as the salesperson has detailed sales plans for every month and even for the single models. There are also weekly and monthly reviews

with target-performance comparisons. The branch Asten itself also creates individual goals for the branch, this might be in the course of an anniversary for example, where the branch sets goals without the influence of PIA. The employees can also get a special provision for selling more than the target was.

**Product strategy:**

The branch Asten decided on their own which products they want to sell.

**Retail format strategy:**

PIA Asten is a classic multi brand retailer and plans for the future to establish sub branches or partners for this site in order to create synergies (administration, purchase, etc.).

**Selling method strategy:**

PIA Asten sells via residential principle, which means most of the selling process is done at the store. They are also in use of new media, especially the internet, to offer their products. They use the internet platforms to create attraction; the selling process itself is not often done via internet and also not wanted, because the branch wants to have a personal conversation with the customer at the store. This is also in favor of the potential buyer, because he or she normally wants to have a physical look at the car and test it. Internet platforms have the advantage, that the retailer can reach a bigger number of potential customers and still provide all the advantages a buyer has from a retailer compared to a private seller (warranty, service...).

Concerning advertisement PIA Asten works actively on the market via direct mails, radio advertisements or personal mails. As mentioned before, they have a highly sophisticated ITsupport system. The salespersons also have specifications of how many contacts they have to make in a month.

**Positioning:**

This branch is known for having special edition models which are often not available in Austria. In general the whole PIA concern, as well as some other retailers, are at a very high level concerning quality and customer orientation, so there are difficulties to establish a real USP. This is often done by the manufacturer and then transferred to the retailer by the customer.

PIA Asten convinces with high quality and service and aim to reach a high customer satisfaction. PIA Asten succeeded in all three points in comparison to the competitors. These values are in line with the attitudes of the PIA concern.

## **Title/Name of Company:**

Autohaus Waldviertel GmbH

## **Country: Austria**

## **Project Partner handed in Case Description:**

FHOOE, P1 Matthias Buchinger /Christian Stadlmann / Barbara Ehrenstorfer

## **Detailed Description:**

The company offers new cars, used cars, spare parts and an authorized garage for the brands Audi, Volkswagen, Skoda and Seat. The company Autohaus Waldviertel GmbH is an independent company and hold by six car dealerships in the area. The idea behind this company emerged from the necessity to separate the showrooms for Audi and VW which was not feasible for the owner companies, thus they established this big dealership where it is possible to separate the showrooms and where they can act as agents.

## **Corporate Identity:**

There is a vision and mission statement which was conducted while the company was established. These values and goals are communicated to the employees, are written down and can be printed if needed. The managing director and the owners assess yearly if the statement is still valid and fits to the actual situation or if it has to be changed. They also have their strategy written down and accessible for the employees.

## **Market analysis:**

Analysis of the market is done very well. Information about the general economic development in their area as well as the tendencies in the automotive sector concerning size or characteristics of sold cars is used. Competitors and their activities and campaigns as well as their general appearance on the market are analyzed in detail. A SWOT analysis is done by the manager and the owners. Goals are derived out of this analysis and work closely together with the owner dealerships.

## **Goal setting:**

The salespersons get monthly and yearly goals which are elaborated by the managing director and then discussed with the sales person. There are monthly evaluations about the progress and to get back on track if necessary. The car dealership itself gets sales targets from the manufacturer. This is also one basis for decisions about hiring staff. Success in sales is also strongly dependent from the acceptance of new models by the customer. It is not possible to calculate the disposal of new models in an experience based way. In these situations, the sales targets can be adapted. At Autohaus Waldviertel, the brands are clearly separated from each other, both locally as well as concerning sales targets.

## **Product strategy:**

The starting basis for this dealership was the necessity of an own showroom for Audi. Nevertheless, they expanded their brand range stepwise until they had all brands of

Volkswagen except the pure luxury brands like Porsche in their portfolio. This was done in order to use synergies (same spare parts, accounting department, similar structure, garage...) and to have a full range supplier in the area.

**Selling method strategy:**

The selling works after the residential principle, nevertheless Internet is used in order to attract customers, the selling process itself happens at the dealership. Personal and direct mailing as well as flyer and special events or newspapers as advertising measurements are used. The sales persons use IT programs to contact potential customers individually and inform them about new models or special offers.

**Segmenting, Targeting:**

Autohaus Waldviertel has different segments for existing customers, the creation of general segments, also for potential customers is not really possible, due to the same reasons as the other questioned retailers mentioned. There is no targeting for special segments, Autohaus Waldviertel serve all segments which come into consideration for their products (full market coverage). They classify their existing customers after income, previous models, life situation (children, new house, etc) or age.

**Positioning:**

The USP is the size and perfection of the dealership which is unique in the respective area. Due to the size of the retailer, they have more models and a higher variety than other dealers. Again, the positioning of the brands and the manufacturer plays a big role in retail business; the dealership has to align with their position on the market. Anyway, they offer rebuilding for disabled people or alternative fuels and present these cars at events which contributes to a clear positioning in this field.

# **DL 4.1 Learning from the best in distribution: Best Practices**

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## **Best Practices Compendium**

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### **4.1.2 Auto Štádler**

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**Title/Name of Company: AUTO – Štádler**

**Country: Czech Republic**

**Project Partner handed in Case Description: Jiří Jíra**

**Detailed Description:**

The company AUTO – Štádler is ranked among the category of small companies, i.e. selling up to 150 new automobiles annually (in 2011: 105 new cars). The Company has been cooperating with Škoda Auto since 1995. AUTO- Štádler is situated in western Bohemia, in the regional city of Plzeň, which is a locality with several other Škoda dealers. However, AUTO- Štádler is considered one of the best in its category for the following reasons:

1. Its strategic position in the downtown area
2. Over 16 years tradition of providing sales and after-sales services in the full extent, mainly for retail customers
3. Good Company reputation, top quality repair work, including the sale of spare parts and accessories
4. High percentage ratio of permanent customers
5. Personnel loyalty, low fluctuation
6. Provision of additional services such as garages or winter/summer tyre storage for customers who live in the downtown area and do not have a garage of their own. The Company seat is in the former public transportation garage premises, and the buildings were remodelled to serve the Company's needs.
7. Besides the above-mentioned complementary services, the very good economic results achieved by AUTO Štádler are also based on the sales of used cars. In 2011, the Company sold 282 used automobiles.

The Company has had a generation problem and the owner is thinking of selling it as there is no successor in the family.

# **DL 4.1 Learning from the best in distribution: Best Practices**

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## **Best Practices Compendium**

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### **4.1.3 Autotrend**

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**Title/Name of Company: AUTOTREND spol. s r.o.**

**Country: Czech Republic**

**Project Partner handed in Case Description: Jiří Jíra**

**Detailed Description:**

The company AUTOTREND, seated in the regional city of Liberec, has been a certified partner of the Škoda brand since 1991. It is ranked among significant dealers with an annual sale of new Škoda automobiles in the category over 600 pieces (with 690 new cars sold in 2011).

The Company is a typical family company as, in addition to the owner, a further 3 members of the family are senior managers). The Company is well-situated, in the vicinity of a large shopping centre, which contributes to the number of visitors coming to the showroom.

Another advantage is the situation within the industrial northern Bohemia Region and in the regional city.

According to the owner, the key to the success is fair communication with the customer and a stable and well- trained staff whose salary depends of the Company results. Among other important factors is the tradition of the services provided to customers, in this case over 20 years long. In terms of the Company financial stability, it is the retail/fleet ratio that matters. In this particular case, the ratio is 40:60, which means 60% in favour of the fleet sale.

To be able to even likely swings in the area of service work, the AUTOTREND service portfolio also includes services for VW automobiles.

The Company often occupies leading positions in the "Best Dealer Škoda" contest and shows excellent results in customer surveys (for example, in the CSS study).

# **DL 4.1 Learning from the best in distribution: Best Practices**

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## **Best Practices Compendium**

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### **4.1.4 Autostyl**

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**Title/Name of Company:** AUTOSTYL s r.o.

**Country:** Czech Republic

**Project Partner handed in Case Description:** Jiří Jíra

### **Detailed Description:**

The company AUTOSTYL is a certified SKODA dealer since 1994, nowadays a multibrand dealer (Toyota, Peugeot).

With regards to sales of Skoda, the dealer belongs to the middle category (yearly sales 250 – 300 new cars). Many times rewarded as the best dealer, having a long tradition and a wide range of customers in his region, providing the full range of services (mechanical repairs, car body and paint repairs, car wash etc). For the stability of the company the ratio between retail and fleet sales is a very important indicator, now being 50:50%.

One of the advantages of the company in the fleet area is a long term lease of business cars for local smaller enterprises (May 2012:100 Skoda cars). AUTOSTYL is providing full service of these cars including car wash, trade-in and subsequent sale as used cars. This kind of business is very profitable and is being financed from 80% by the bank, 20% covers the company. As for the further development and possible investments, AUTOSTYL is a serious potential customer for the banks, getting good conditions; one of the reasons is also the fact, that all profit is being reinvested.

Financial stability, good reputation, favourable ratio between retail and fleet sales, full range of services offered to customers and well trained personnel are the main assets of AUTOSTYL.

# **DL 4.1 Learning from the best in distribution: Best Practices**

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## **Best Practices Compendium**

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### **4.1.5 Di.Ba**

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**Title/Name of Company:** Di.Ba. Gruppo

**Country:** Italy (Marche, Romagna)

**Project Partner handed in Case Description:** Polytechnic University of Marche - Faculty of Economics "G. Fua" - Department of Management -

### **Detailed Description:**

#### **Main features of the dealer**

Today the Di.Ba. Group is part of the top 20 Italian dealers with higher sales. The Group, was founded as a FIAT dealer and, only in the course of time, realized the need to increase the number of its service coming to offer a total of 13 brands (Fiat, Chrysler, Nissan, Toyota, Hyundai, BMW, Mini, Mercedes, Smart) to be able to meet needs coming from the mass market but also from a niche in the marketplace as well as luxury niche.

The Group Di.Ba. bases its competitive advantage and success on the quality of cars and the quality of services, in order to establish a relationship based on trust and loyalty with the customer. To define the quality of different types of offered cars, the Group, in the last years, has realized horizontal expansion of its brand portfolio.

Essential to realize the highest sales is the management of second-hand cars selling, in respect of which were highlighted major economic risks. Following the Group's policy, the second-hand cars stocked have to be clearance within 90 days and keeping the ratio used / new value of 1 (sell a used car for every new car) just to control the costs of stock management and avoid excessive daily devaluations.

To achieve these results, the sales policy is supported by clear guidelines on the return of secondhand cars. Being the market in a phase of downsizing (phase of reduction of capacity to contain the costs of maintaining) for every second-hand car, the Group tries to sell, at least, a new car that has the same cylinder capacity, or, otherwise, the evaluation of the vehicle which comes into stock must be lower than the actual market value; all this in order to not generate excessive stocks of large-displacement vehicles which could affect the budget items of the company. Just as sales force admonishes, is to be noted that the Group's management neglects the most obvious and undoubted difficulties encountered by the sellers to trade used cars, compared with the the new cars market. This situation is critical ones in the Group's policy, better faced by European dealers who are able to develop and undertake incentive policies to stimulate, in particular, the conclusion of the sales of used cars, whose profits represent a significant revenue to support the sales of the new and additional services.

## **Sales force management**

The Di.Ba. Group's management recognizes the inestimable value of its sales force clearly: it is the main point of contact between the company and the customer considers necessary and for this a permanent training, both technical and human, to elicit the highest level of customer satisfaction possible. The seller is a guarantee of quality and reliability of the sold vehicle and the seriousness of the Group that bases its competitive edge not on price but on quality of services.

The objectives are transmitted to the sales force by responsible of the store, being the figure that works in harness with the sales manager. View of the complexity of the Group, to coordinate the activities of the various figures, it becomes necessary the presence of a manager who could be able to plan, coordinate and supervise the activities of the Group.

During the analysis of the case, the sales manager recognizes the importance of sales force, focusing the profession on the establishment of relationship with the customer. Within the Group, the training of selected candidates for the business will be "essential, timely, and daily", not strictly technical but a human level. Because the occupation of the seller is focused on creation of relationships, the success of these relation, and hence the convergence of the objectives advanced by the various parties involved in the treatment, is determined by the empathy that the seller will be able to develop towards of the customer.

It is interesting to consider the incentive plan developed by the Group in relation to the sales force. Its effectiveness lies in the subjectivity of the evaluations of perceived incentives both extrinsic that the intrinsic level. The use of intrinsic incentives showed the granting of further margins of improvement; some sellers, however, have declared more interest in economic rewards (especially the more experienced salespeople). Based on this it is easy to conclude that it is necessary a co-existence of both types of incentives to achieve a complete action.

Within the Di.Ba. Group, the problem-solving activities, is organized with an efficient and effective teamwork: the resolution of a possible problem involving the whole; so it need a two-way communication process that should be "encouraged, requested and granted" to see the continued participation of all parties involved.

From the analysis of the case "Di.Ba. Group" emerges that the competitive advantage of the dealer is strongly influenced

- a. By the production and trade policies of its Head Office. Just for this reason the Group has carried out a policy of horizontal expansion of the brand / product portfolio, just to try to meet the heterogeneous needs coming from the market.
- b. By the sale of second-hand vehicles, for which he has developed specific policies to avoid incurring deterioration in terms of budget and to support the normal activity of dealer.

c. from accessory services and post sales optional offered, in order to not neglect any aspect of the sale and to offer a solution for every eventuality.

Defining the sales activities, the Group refers to several aspects:

- The qualitative aspect of the relationship.
- The close collaboration required between sales managers and sales force to promote a continuous and constant exchange of information.
- The plan of motivation and incentive management based on intrinsic motivation.
- The main objective to be achieved is to achieve maximum customer satisfaction and the establishment of a long-term collaborative relationship that goes beyond the simple conclusion of a sale.

# **DL 4.1 Learning from the best in distribution: Best Practices**

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## **Best Practices Compendium**

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### **4.1.6 Ford Store Carpoint**

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**Title/Name of Company:** Ford Store \_ Carpoint SpA

**Country:** Italy (Roma)

**Project Partner handed in Case Description:** Polytechnic University of Marche - Faculty of Economics "G. Fua" - Department of Management -

### **Detailed Description:**

#### **Main Features of the dealer**

Between 2003 and 2005, the Group Carpoint sets challenging goals: increase sales volumes, diversify the offer of products (cars and services), to obtain the maximum customer satisfaction. In April 2005 Carpoint SpA is awarded the title of "Dealer of the Year 2005" by readers of Quattroruote. In 2011 was born in Rome the 1° Ford Store in Europe, a structure of 10,000 square meters for the latest product news and the unmissable proposals of the used. In order to analyze the good practice of Carpoint SpA below in consideration the experiment Ford Store (RM).

The team Carpoint is composed by a total of 27 vendors, including 8 work exclusively at the Ford Store. In this modern point of sale, the biggest and the most innovative of Carpoint net, 5 sellers deals in the sale of new car and 3 in the sale of second-hand cars and of those cars that belong to the so-called DOC 0-3: Ford bets on this brand to improve the Italian market share.

Ford, whit the brand DOC 0-3 wants to identify vehicles aged between 0 and 3 years, characterizes by high qualitative standard and that have 5-years warranty from date of first registration, therefore at least whit other 2-years warranty. The factors on which Carpoint bases ist success, and particularly that of Ford Store, are the experience, the relationship offered to the customer and the quality of the service. The Ford Store born as an experimental point of sale in the Italian market for sale but, above all, to create a shopping experience in the motor show: the first order of business is to effect an ameliorative and complete experience to every customers who enters in the Store.

For this reasons are developed different plans. First of all, in the Ford Store, the customer is received heartily and carrefully: he can enjoy 2 areas with 5 computers con free Internet wi-fi, useable by anyone, irrispective of the conclusion of the contract (Fig. 1). Inside the Ford Store is also available a wi-fi unlimited for all visitors, that can be used for business purposes or simply to pass time, for example, while the customer is waiting to receive his car subject to the maintenance by the machine shop personnel.

A first presentation of the product takes place through the use of first generation technological tools, for example tablets are used to show photos and videos (Fig. 2). So, the experience lived by the customer is completely digitized, through the use of digital technologies, that are replacing the brochures (also the preemption is directly sent to the customer by mail). In addition, all Ford models are available at any time for the test drive, regardless of the conclusion of the purchase and without any commercial pressure. The management founded the Blue Team, a team of new recruits, among whom will then be selected the future sellers, whose task is to left to customers to test cars and are called to avoid any question that refers to any marketing budget.

The results, which the dealer seeks to reach, reflect the objectives set by the Head Office, expressed as sales. The sales manager of Carpoint, forced to follow the strategy imposed by the Head Office, exercise his perfection with less leeway than some years ago. Now the sales manager, inside the store, lends itself to manage the relational processes: he must ensure that its sellers are able to establish good relations with its customers in order to offer them a positive experience and different than other stores. Inside the Ford Store, the sales manager is seen as a kind of motivator, able to manage psychological aspects and encourage as best as possible their sales force. It is also the mouth for the sales force towards higher hierarchical levels and he is called upon to arise personally and to take responsibility in case of troubles at each step of the customer's buying experience, to follow the client directly and not undermine the confidence.

The analysis of the Carpoint's experience shows the importance of identifying the causes that led to the direct participation of sales manager in a specific relationship: if this need grew out from the inadequacy of the sales force selected in collaboration with Human Resources manager, rather than purely technical issues (eg, logistic processes of delivery) is considered a negative aspect to the whole organization. Should stand out an inclination to communication, collaboration and problem solving, that then will be increase with training programs within and between companies.

The salesman of the Ford Store is no longer known only to collect and organize orders: no longer seen as an instrument, subject to quantitative and monetary valuation. In front of an increasingly informed customer, which requires warranties and more intensive relationship, he need a reconfiguration of the figure of the seller as a partner and consultant of the specific customer. An essential element for the creation of a lifelong relationship with the customer is to establish a relationship based on trust. The role of the sales force becomes more complicated because given the position covered in the intermediate sales process: The main objective is obviously to meet the needs of customers, always keeping in mind the results and the rules established by the Head Office.

Inside the Ford Store the staff shows an effective communication process between the operating figures, characterized by a two-way interactive exchange of information and feedback.

The analysis brings out the importance of an effective internal communication to achieve excellent resolution of problems and the implementation of ideas and projects able to satisfy every need. The work of managers also aims to identify effective systems of incentives for the sales force, based on the quantitative but also qualitative (quality of service offered) analysis of the work. Managers have pointed out that the intrinsic character of incentives allow to obtain results for a longer time. Exploiting the curiosity of the staff, the innovative environment of the Ford Store and a control of business not yet completely matured (in young individuals), managers try to motivate the sales force leveraging on the need of self-realization present in each. For this very reason, to reassure the seller, if at the end of the month are not being reach sales goals, the sales manager gives the stipulation of certain contracts at zero profits. The use of methods of extrinsic incentives (economic and monetary incentive) is important but characterized by limited effectiveness in the time and with greater effect towards the more formed sales force, with more years of experience and therefore have already fulfilled the own needs for self-realization. Obviously, interviewing the sales force of the Ford Store, there was noted some contradictions about their preference: conscious of the economic situation and the difficulties that an employee come across in supporting the normal monthly expenses, also young sellers expressed a preference for incentives such as money.

The Ford Store seems to be a case of excellence in their industry being able to combine a well-organized internal structure to the satisfaction of customer needs. The realization of a pleasant and challenging work environment is that quid extra that Carpoint is using to improve the results of its activities. The management develops strategy focusing on secondary issues respect the conclusion of the contract of sale satisfying the goals imposed by the Head Office.

On the other hand, much attention is given to the client with whom the sellers are trying to establish in primis a no-commercial relationship: they try to involve the visitors in a direct way offering them every service and assistance, but above all an experience to tell.



Figure 1.



Figure 2.

# **DL 4.1 Learning from the best in distribution: Best Practices**

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## **Best Practices Compendium**

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### **4.1.7 SIDAM**

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**Title/Name of Company: SIDAM Srl**

**Country: Trani (Roma)**

**Project Partner handed in Case Description: Polytechnic University of Marche - Faculty of Economics "G. Fua" - Department of Management -**

### **Detailed Description:**

#### **Main Features of dealer**

Sidam dealership is a functional organization, able to assist its clients at all times: before, during and after the purchase, through to the presence of a qualified team in every sector. At Sidam you can always find a friendly and cordial environment, as well as highly professional, able to set the center of attention to customer requirements.

The Fiat's service that Sidam provides represent the most comprehensive answer to all the needs of post-sale, to make driving not only enjoyable but also practical and without problems. From finance to insurance, from technical revisions, everything is designed to save time and money. Pay-Off: "The greatest satisfaction is the smile of the customer"

The team is composed of:

- General Management;
- Team Leader Administration;
- Controller;
- Commercial Manager;
- Team leader Back Office;
- Team Leader Sales;
- Service;
- Team Leader Parts;
- Team Leader Repair shop.

Sidam's network, is composed of a dealer organized, from ten repair shop located in three provinces and from three body work. Sidam dealership has a highly computerized workshop run by a team of highly skilled, are always available for any inconvenience, at any time. The service of Sidam uses only original parts. From the site, you can make a reservation for service, book a test drive, request a preventive on used car or on cars km 0. A short walk from the main office, you can see a large car park, composed by:

- new cars;
- cars km 0;
- used cars.

Over the past four years, the company has undergone a very marked decline in sales and even a drop of 50% in 2010 and the forecast for the next few years aren't the most optimistic.

All this is due, according to the Director General, addressed the lack of attractiveness of brands and high dependence on the parent Company. Practically, the parent Company, related directly with customers, deciding for example, the discount applied. Enter directly on the market, bypassing the network distribution, is used for both new cars, thus creating an "internal competition". Many big companies (rental companies, government, para-state) are addressed directly to the parent Company without the dealer. In this way, the profit margin remains very low and the dealer remains unsettled.

### **Service approach**

Among the major skills that distinguish the Director General of Sidam by competitors, have been highlighted the relational capacity and ability to listen to customers, both seen as a force to be known on the market and likely to attract more customers. During the last years Sidam enriched the produce offering with new services, in particular; one of the most successful services offered by the company and which he boasts, is the RAR (Recupero Auto Rubate - Recovery of Cars Stolen). It is a system that uses high-frequency wireless LoJack and its network coverage, able to recover stolen vehicles. It consists of six steps:

- 1) Installation: the installation of the LoJack in your car you can in as many as 20 seats in the car and is included in the RAR package;
- 2) The Early Warning Alert: In case of an unauthorized movement of the car, you will receive an SMS alert and we will call the operations center to check the status of the LoJack vehicle;
- 3) Reporting and Notification: If the actual theft of the car, leans a complaint with the Police (can be done by phone) and send details to the toll for the timely activation of the LoJack recovery service;
- 4) Activation: the Operations Centre activated the LoJack vehicle units through the network of LoJack transmitters located throughout the territory, once activated, the unit will send a radio signal to the patrols, land or air, the police unit equipped tracking LoJack;
- 5) Tracking: patrols of FFOO directly receive the radio signal in real time by following the movements of the vehicle. Unlike GPS systems that require an open space for satellite triangulation to succeed, the unique LoJack radio signal can penetrate the cover of a forest, underground garages, container and many other obstacles, facilitating the tracking of the vehicle by the police, in places where it is usually for thieves to hide stolen vehicle;
- 6) Recovery: Once the vehicle is tracked and recovered by the patrols, you will be notified by LoJack.

LoJack has a recovery rate of 90% globally with most recoveries completed within a few hours after the theft. The car is recovered, on average, within 24 hours of notification of the

theft. The strength of this innovative system, is the good price / quality ratio. It is a service that can generate a high performance.

The Director General shows that, in this very difficult economic situation, the only alternative to "survive", is diversification, since the sector is not open to new openings and the European distribution model, currently: - "It does water from all sides "-. To make up for this situation, the management is focusing on reliability, serious and on capacity to deliver services, view it as creating added value for the company and, although it is premature to project and argues that we must focus of alternative energy, as well as financial services and the service pre and after sale.

For the future, given the current competitive pressures, is expected to restructure the Company, moving in a higher trade flow, analyzing and studying a method to fit the context of the new market.



# Best Practice Cases

## Project „DNDS – Developing New Distribution Skills for SMES and HEI Students“

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### **Title/Name of Company:**

**Plichta Sp. z o.o. Limited Partnership**

Dealer of Skoda, Volkswagen and other brands.

**Country: Poland**

### **Project Partner handed in Case Description:**

University of Gdansk, P4, Joanna Pietrzak / Marcin Skurczynski

### **Detailed Description:**

#### **Company profile**

Plichta Sp. z o.o. is a small family-owned company, which started its business as a single, individual importer of used cars from Germany. Nowadays they are an authorized dealer and service partner for SkodaAuto. They offer new cars, used cars, spare parts and an authorized garage for the brands Volkswagen and Skoda. Recently they have become a multi-brand dealer, with Skoda and Volkswagen as their main business partners.

#### **Distribution policy**

One of the key success factors on the Polish auto market is the location of branches and showrooms. In the case of Plichta Sp. z o.o. this is being done after a thorough analysis of clients' segmentation and mobility patterns. Due to the image of the brand, Plichta showrooms are located in primary places with intensive traffic.

#### **Market segments**

Plichta Sp. z o.o. is operating in two segments: Business and Individual Clients. There is separate offer for individual customers and a "fleet" offer for corporations.

#### **Organization of the Sales Department**

Sales Department is divided into Corporate and Individual Client sections. B2B realtions are especially important. One of good practices of Plichta Sp z o.o. is to keep interactive relations with corporate clients, offering them service and spare parts exchange based on the number of kilometers done. Individual Client section has a practice of inviting clients for a check-up one month before the guarrantee term is due.

In Corporate Client Sales section the assessment of sales results is done on a daily basis. Overall sales results are evaluated on a monthly basis, with control tools provided by the importer. Qualitative part of the evaluation puts particular stress on branch location,



showroom organization and service standards. In addition, the company makes its own internal quality assessment in the form of “mystery shopper”.

The people in the Sales Department are recruited on the basis of their work and service attitude; the experience in auto industry is not crucial.

**Sales promotion and events:**

Plichta Sp. z o.o. has made a good practice out of the participation in selected local events. Each year they are present at 3 main events: Regional Moto Show (in association with local newspaper); Annual Kashubian Pilgrimage (August 15<sup>th</sup>); Childrens’ Day (June 1<sup>st</sup>) in Gdynia. They engage in sponsoring and organizing lotteries, competition trophies etc. Market results are verified by the number of new clients who contacted the firm following the event.

**Plichta Sp. z o.o. Best Practice in brief:**

1. Thorough location policy.
2. Different attitude to Corporate and Individual client segments.
3. Strict standards of following the importer’s instructions.
4. Cyclical and spectacular presence in local events.