



DNDS

Developing New Distribution Skills



DELIVERABLE 1.2

Progress Report 3 - Month 30

English, available on the web-page



DL 1.2 Progress Report 3 – Month 3

Developing New Distribution Skills: A pan-European Project

This project is designed to help businesses and individuals within the automotive industry throughout Europe improve essential business skills. The first stage of the project involved extensive research with automotive managers in five European countries. These managers were asked to identify and prioritise areas of skill and knowledge where they felt the need for personal development, to equip them to compete and prosper in our changing business environment. Analysis of their responses identified six key areas of development need:

- Area 1** Strategic analysis of industry trends and the local market, to counteract threats and exploit opportunities
- Area 2** Meeting the full spectrum of customers' mobility needs, by offering additional products and services
- Area 3** The marketing communication process required to manage brand and dealership image, and make effective use of new media
- Area 4** Collaborating effectively with manufacturer / importer - the supply and distribution chain, and the relationships, pressures and opportunities within it
- Area 5** Effective communication with customers, to build successful relationships and create loyalty
- Area 6** Using the information in business management and other reports to monitor and control dealership performance.

In each of these areas, the project aims to help automotive business professionals identify and satisfy their individual skill development needs by providing:

Self-Assessment Questionnaire The Self-Assessment Questionnaire can be used on- or off-line, and enables participants to identify where among these six key areas they have the greatest need for further development. The Questionnaire shows which areas are priorities for them, and which topics they should focus on in each area.

Case Studies The training approach requires the development of short Case Studies, using a variety of media to present some of the key business issues facing automotive retailers. These Case Studies would serve to introduce each area, allow individuals to further qualify their specific needs within that area, and motivate them to continue with further

study. Example Case Studies for each area are available.

Training modules Each area should be sub-divided into a series of modules, in order to provide flexibility. The modules could then be used in different combinations to meet the needs of different individuals or job roles, or used within other courses or curricula.

For each area, the approach will require the development of:

- Presentation materials, including slides, interactive models, data analyses and online information sources
- Practice materials, including role-plays, decision-support tools, data sets and case studies

In the next stage, the developed and designed areas have been tested with dealer development managers of the OEMs, associations and independent training companies. The feedback will be discussed and required adaptations will be made.

1. Overview of the 6 AREAS:

Developing New Distribution Skills: AREA 1

AIM

To ensure participants are able to minimize threats and maximise opportunities for business success by effectively analysing:

- Automotive industry trends
- Their local market
- Their current and potential customer base
- Competitor activity

TARGET AUDIENCE

- Dealership owners, general managers and sales management
- Sales persons
- Other customer-facing staff

AREA MODULES

1. Methods of gathering and analysing market, customer and competitor information.
 - *Using systematic methods to ensure that analysis is effective, accurate and regularly updated.*
2. Analysing the local market place.
 - *Identifying areas of potential for incremental business within the dealership's local market*
 - *Qualifying this potential to identify growth opportunities and threats*
3. Methods of profiling and segmentation.

- *Applying these methods to create a profile for each customer type, and derive from these profiles the factors which will lead to sales success*
4. Analysing the local and regional competition.
 - *Recognising the alternative business models used by other automotive retailers – including internet-based sales operations – and the strengths and weaknesses of these*
 - *Identifying the direct and indirect competitors for new and used vehicle sales, service operations and wear parts replacement*
 - *Developing manoeuvres and countermeasures to compete effectively against these competitors*
 5. Automotive trends.
 - *Examining the trends within the automotive industry and identifying the impact of these upon the local dealership business*
 6. Market Key Indicators (MKIs) in automotive retailing.
 - *Interpreting changes in MKIs to predict the impact on the local dealership business and to identify the actions necessary to maximise profit, exploit market opportunities, counteract negative market sentiment etc.*

Developing New Distribution Skills: AREA 2

AIM

To ensure participants are able to compete effectively and maximise sales volumes and profitability by offering additional products and services to meet the full spectrum of customers' mobility needs.

TARGET AUDIENCE

- Dealership owners, general managers and sales managers
- Sales personnel, if they perform any general management functions

AREA MODULES

1. Used car sales.
 - *Recognising the benefits of used car operations, identifying the key success factors and how to meet the practical challenges*
2. Extended warranty.
 - *Exploiting opportunities to cross-sell extended warranties to customers*
3. Rental and mobility.
 - *Identifying the mobility needs of customers whose vehicles are out of operation (for regular maintenance, repairs and other) and gaining competitive edge by satisfying their needs*
 - *Offering alternative products and services to customers to meet their mobility needs without vehicle purchase (rental, operative lease, other) and making incremental profits on these sales*
4. Maintenance and service.
 - *Recognising how a successful service operation can build profitability, provide financial stability and increase customer loyalty*
 - *Identifying the key success factors for service operations*
 - *Convincing customers of the benefits of quality maintenance beyond the warranty period*
5. Consumer finance and insurance.
 - *Recognising the business benefits of selling consumer finance and insurance*
 - *Exploiting opportunities to cross-sell these products*
6. Accessories.
 - *Recognising the potential for achieving incremental profits through accessory sales*
 - *Increasing accessory sales volumes while maximising the benefits for the whole business*

NOTES:

Training for Area 1 recommended prior to undertaking this course.
Training for Area 6 is recommended as a follow-up to this course

Developing New Distribution Skills: AREA 3

AIM

To ensure participants are able to use marketing communications in a planned and structured way to manage brand and dealership image, and make effective use of all communication methods, including new media.

TARGET AUDIENCE

- Dealership owners and general managers
- Marketing managers
- Marketing communication specialists

AREA MODULES

1. Marketing communication process
 - *Analysing the market and defining audiences for communication*
 - *Formulating communication strategies*
 - *Reviewing available media and selecting appropriate marketing communication tools*
 - *Planning marketing communication activity and selecting metrics to monitor progress of campaigns*
 - *Outsourcing market communications and working with and preparing briefs for agencies and other professionals*
2. Image and Brand management
 - *Recognising the key factors for effective management of brand components*
 - *Analysing brand / company image and interpreting the metrics used to monitor image and brand awareness*
 - *Managing corporate identity in cross-media communication channels*
 - *Building effective co-operation between the OEM and dealers*
3. New media in marketing communication
 - *Reviewing the available range of new media*
 - *Interpreting the metrics used to monitor effectiveness*
 - *Formulating strategies for the use of new media and planning effective campaigns*

NOTES:

Training for Area 1 recommended prior to undertaking this course.

Developing New Distribution Skills: AREA 4

AIM

To ensure participants are able to build and maintain effective collaboration with the manufacturer/importer, by ensuring they recognise how the supply / distribution chain operates and the relationships, pressures and opportunities within it.

TARGET AUDIENCE

- Dealership owners, general managers and other management staff
- Salespersons and other customer-facing staff

AREA MODULES

1. The Supply Chain.
 - *Recognising how the supply chain operates, and the nature of the 3 flows within it (Materials, Information, Finance)*
 - *Identifying the roles and inter-relationships of manufacturers, dealers and other marketing and sales and channel partners within the supply chain and how these parties co-operate*
2. The Push – Pull Principle.
 - *Identifying how the Push-system operates, e.g. sales promotions*
 - *Identifying how the Pull-system operates, e.g. dealer provision of sales data*
 - *Relating the Bullwhip Effect to automotive distribution*
3. Developing dealership products and services.
 - *Improving performance by providing feedback to manufacturer*
 - *Meeting customer expectations effectively by using CRM*
 - *Recognising the impact of the Internet and e-business on the supply chain*
4. Logistics management.
 - *Recognising the effect of an Order Tracking system on supply chain logistics, and how this can improve dealership competitiveness*
5. Channel relationships.
 - *Managing manufacturer relationships*
 - *Measuring channel performance*
 - *Managing manufacturer conflicts*
6. OEM production processes.
 - *Recognising how these processes affect the dealership business*
7. OEM support to dealers.
 - *Recognising how relationships with single- and multi-brand dealers differ, and the implications of this*

Developing New Distribution Skills: AREA 5

AIM

To ensure participants can communicate effectively with customers, in order to build successful customer relationships and create customer loyalty.

TARGET AUDIENCE

- Dealership owners, general managers and sales management staff
- Salespersons and other customer-facing staff

AREA MODULES

1. Analyzing market and customer information
 - *Identifying individual customer lifestyles and the principal needs arising from these*
 - *Recognising the key sales success factors for each customer profile*
2. The purchase process
 - *Using basic sales techniques*
 - *Maintaining an up-to-date knowledge key features / benefits of each product and service and matching these to individual customer needs*
 - *Recognising when and how to up-sell and/or cross-sell, when engaged in sales discussions with customers*
 - *Self-branding and sales closing techniques*
 - *Building customer loyalty*
3. Personal selling implementation
 - *Recognising how the task environment is changing and the implications of these changes*
4. Measuring sales and communication performance
 - *Identifying and interpreting metrics used to monitor up-selling, cross-selling, customer loyalty and conversion rates*
 - *Recognising the impact on the dealer business of changes in these metrics*

Developing New Distribution Skills: AREA 6

AIM

To ensure participants are able to use the information in business management and other reports to monitor and control dealership performance.

TARGET AUDIENCE

- Dealership owners, general managers, other management staff.
- Dealership departmental managers:
 - Sales
 - Service
 - Parts

AREA MODULES

1. BM reports
 - *Recognising why profit centre financial reporting is beneficial to an automotive retail dealership*
 - *Understanding simple management accounts which show separate departmental profit centres*
 - *Interpreting some automotive-specific key performance indicators (KPIs) which can be used to monitor the performance of the dealer business*
2. Performance Analysis: Sales
3. Performance Analysis: Service
4. Performance Analysis: Parts
 - *Identifying the KPIs which can be used to monitor the profitability and effectiveness of operations in each department*
 - *Relating the results shown by the KPIs to the operational policies and practices of the department*
 - *Using the KPIs to monitor the success of performance improvement measures*
5. Business Planning
 - *Recognising the benefits of effective budgeting at departmental levels*
 - *Applying the techniques of forward planning to their dealership / departmental business*
 - *Using any budgeting tools provided to construct and apply a budget for their areas of operational responsibility.*

NOTES:

Module 1 is an essential first stage.

Modules 2, 3 and 4 can be completed in isolation or in any combination or sequence.

Module 5 is an optional module, to examine and practise the use of any business planning tool provided by the network.

2. TESTING

1. Testing the **Qualified Dealer Training Programme:**

In the frame of a project meeting a roadmap for testing was developed jointly. For testing the dealer training curriculum, the participating enterprises have chosen dealer development managers of the OEMs, associations and independent training companies as testers. Following a questionnaire the project partners contacted the test persons and conducted an interview with them in order to get feedback to certain criteria. The feedback will be summarized and after the test run, a workshop for sharing trainers' and lecturers' experiences will be organized in May 2014 at the head office of KTM Sportmotorcycle AG in Austria. The collected feedback of test participants is used for further developing the training materials and curricula, most of all, for preparing so called "teaching notes" for all tested materials. It is of utmost importance, that the collected experience and feedback of all participating students, dealers, trainers and lecturers is discussed in a meeting and improvements and adaptations are worked out.

2. Testing **case studies at the Higher Education Institutions**

Also for the Higher Education sector, the developed modules, cases and teaching materials have been tested during two semesters at a selection of courses at the project partners' universities. A case study evaluation form has been used at all universities and the results and feedback will lead to recommendations for improvement (also discussed during the internal project evaluation loop meeting in May 2014 in Austria).

3. The Qualified Dealer Management Major

The developed teaching materials, based on the identified skills and areas of training required, were assigned and arranged to a major in the field of automotive distribution (i.e. dealership management) for business studies. Therefore, the major per se is targeted at Higher Education Institutions offering dealer or distribution management courses or SME management courses. Different learning materials (modules, cases etc.) have been conceptualized and compiled to a Dealer Management Major Curriculum. The curriculum contains detailed and well-structured information of all elements required for a Dealer Management Major. A manual has been developed for these investigated HEI in order to point out a path how the qualified dealer management major can be implemented.

LINK to the Dealer Management Major MANUAL at the DNDS website:

<http://www.new-distribution-skills.eu/output/training-material/>