

Departmental Action Plan Template

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Academy Week (Var II): Week 5 - Variable Operations 2 New Vehicles

Current situation or challenge you want to address based on the Jennifer Suzuki Outline:

Our current challenge and long-lasting challenge is our BDC or business development center. We currently have five stores in our group and each store employs a BDC manager who manages about four to five people per store. 5 BDC managers and about 22-25 staffers total. Currently, we are not doing an excellent job at any store at setting appointments based on volume of leads and calls we get incoming.

Furthermore, we are consistently losing internet department staff, which has become very costly to the store when we are having to interview, hire, train, and retrain new employees on product knowledge, price, and how to handle overall situations. Our internet department is our first point of contact with our customers, which is why it is so important we should be world class at this if we want to be competitive and proactive in our future. We need a better process in place.

Overall Objective and Specific Desired Results:

The overall objective will be to create a more solid process for setting appointments and increase that number set and sold. Desired results are leads to be over 35% for appts set, and phone ups to be 60% for appointments set. Of those appointments set we want to have a benchmark that 70% of those appts show to the store, and of those 70% that do show, 50% of them should buy a car.

Describe your action plan in detail

There were many steps we took to ensure success in our new process. First, we started to track each Internet or BDC consultant's specific closing ratio for leads and phone ups at every store. To do this we started by making an all store policy that all incoming phone calls/leads go directly to the BDC. Our sales people no

longer answer incoming phone calls to our stores. We tracked this for about 5 -6 months.

Next, we took that data which was populated through our new crm called crmsuite to determine who our top producers were at each store. This software allows our management staff to create data population fields based on whatever we want to track. We started to track specifically leads and phone up percentages per person, those closing ratio for appts set for both, as well as each BDC persons closing ratio with respect to all overall opportunities.

We hired a consulting firm like Jennifer Suzuki's, and a trainer came to each store about every 6 weeks to train the Internet managers and reps on how to properly engage a customer. She presented all staff with scripts for about every situation.

The consultant's focus was changing the way we think about customer experience and setting ourselves apart, not simply giving away a best price. We did mock customer phone calls and email practice constantly and continuously trained. The focus was about having the training and knowledge to show our customers value and deliver on that value.

One big focus was we started giving away the first 5 oil changes and 5 tire rotations free for any new car customer. We also have very nice customer lounges where we serve free food, breakfast, lunch and dinner every day while your in for service. We offer loaner cars and shuttle services to work or even the airport. These were easy value adders to our ever-evolving process.

Other things we did were things like train internet staff to tell the customer that they are setting them an appointment with a senior manager and to ask for that senior manager when they come in. We also trained on putting excellent notes in our crm, so when said customer did come in to the store and ask for a senior manager, we would have their car pulled up, and the management knows exactly who that person is and what they are coming in to do, ex. lease, "just looking", interested in cr-v and hr-v, has trade, has pricing, told 20,599 plus 199 from average joes Honda etc.

After many months we finally had enough data to evaluate that our best internet staff, our top 30%, set around 70% of our appointments. The numbers were so shocking ! We quickly got to work figuring out a solution, because we cannot let our first point of contact ruin a sale.

We came to the decision after reviewing all data to eliminate the BDC from each store and consolidate them into one. We did this in phases. Our company has two Toyota stores, a Honda, and two Acura stores. We started by holding a gm

meeting and informing all GMs about the report study and data. Numbers don't lie and surprisingly enough, all the GM's were very on board and had all experienced frustration with turnover.

We took our top 30% of internet employees from each store and centralized the BDC to one place in our corporate office. We took a decade plus seasoned sales manager who had ran a BDC before and put him in as the new Manager for all stores. We built a new internet department more appealing for millennials to work.

We started with the Acura stores first, and then a month later we cross trained them in Honda product knowledge, then removed Hondas store BDC, a month after that we cross trained for Toyota stores and brought them into the central BDC.

We continued to use the process from our consultant firms as well as adding our own. We had a manager running the department who was one of our sales managers for ten years at one of our top stores because he knows the frustrations and disconnect between the internet dept. and the sales desk. We set appointments with senior managers and explained to our customers that this was a time saver for them because we understand their time is the most valuable thing and it makes it time value for the customer because they deal directly with a manager, who already knows exactly what's going on, why they are here, before they come in the door, no more back and forth with a salesperson before they "get the manager involved" .Early management introduction was key to success.

By having our best people and producers answer leads and calls we increased our closing ratios dramatically. Before the switch we were closing leads at around 19% and phone ups were horrible at around 31%.

We also have the BDC do what we dubbed "Hot Transfers" . This is whenever we have a customer call in over the phone about price. We installed cameras behind all sales towers in each dealership, as well as 6 giant tvs in the BDC center where each rep can see what manager is sitting at his desk not busy and not on the phone. They then transfer those calls directly to a sales manager. By installing the camera and tv monitors, we don't transfer these people to an answering machine, they go directly to a live body. This gives them an early management introduction which adds further value to customers because they feel like they are getting the royal treatment so to speak. No back and forth. No one else does anything like this process in our area, or the free maintenance, and the customer lounges with free food, etc.

We have been up and running for less than 5 months, but our leads closing ratio is floating around 40% every month, with phone ups rising to over 55%. By putting our best people from all the stores in the centralized BDC , and getting rid our low producers, as well as the 5 managers , we saved over half a million dollars a year. Half a million dollars is straight savings from eliminating the BDC /managers for all five stores and combining into one. This does not take into account the money made from increase in closing ratios and appointments set /shown!

Timeline:

Describe specific short term and long term checkpoints to monitor progress

The timeline is as explained above. The timeline took place over around a year, with the first 5 months data collecting and training with the Internet consultants. A lot of thought went into this by CEO, CFO, controllers, tech dept, sales managers, GMs.

The next four months were spent slowing consolidating our BDC to one, one month at a time, each month adding another store, and cross training product knowledge as we started this process.

Meeting with Stakeholders (dealership personnel)

Describe what behavior change is needed to support desired goal. Address required coaching, training and/or consequences (PINO, Gain, Pain).

Include timelines / Accountability / Monitoring process

- a. Who: Met with GM,s to explain to them what's going to happen, and to allow them time to tie up loose ends. Some GMs made some of the people we were losing salespeople, as they were already trained and that turned out to be a winner. GMs met with store BDCs and determined who they would keep as salespeople and get rid of unnecessary managers and underperforming people.

- b. What: Consolidate the BDC from five into one. Cross train Reps for all brand knowledge. Hot transfers and senior management introduction, 5/5 value building.
 - c. By When: now and over the past year
 - d. How: Our tech dept. send reports to our owners who get reports through the month weekly. The BDC manager and Our main Tech guy are held accountable for its success each month.
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