

VOLVO CARS MISSISSAUGA – QUALITATIVE ANALYSIS

Dated: 03 July 2023

Name: Rakesh Nehete

Class: 409-21

Dealership: Volvo Cars Mississauga

Location: Mississauga; Canada

No. of participants: 4

Vision:

To be a dealer of choice for peoples' mobility solutions in Mississauga.

Strategies to achieve this vision:

- 📌 **Customers for Life:** Strategy entails elements like Customer satisfaction, Personalization, Continuous engagement, Exceeding expectations and Feedback and improvement, etc.
- 📌 **Gross Profit Domination:** Strategy contains elements like Cost optimization, Pricing strategy, Value proposition, Differentiation and Market positioning etc.

SWOT Analysis

Strengths:

1. Strong brand recognition: Volvo is a well-known and respected brand in the automotive industry, which can help attract customers.
2. High-quality products: Volvo cars are known for their durability, safety, and innovative features, which can attract customers who value these qualities.
3. Experienced and knowledgeable staff: Volvo Cars Mississauga has a team of experienced and knowledgeable staff who can provide excellent customer service and technical support.
4. Volvo cars Mississauga has more than 80 years of a combined experience in addressing customer's vehicle needs.
5. Volvo of Mississauga has parts inventory of more than ½ million to ensure vehicle is back on road in least possible time.

VOLVO CARS MISSISSAUGA – QUALITATIVE ANALYSIS

Dated: 03 July 2023

6. Location: Located in Mississauga, a densely populated area in Ontario, the dealership is well-positioned to attract customers from surrounding areas.

Weaknesses:

1. Limited product line: Volvo Cars Mississauga has a limited product line compared to some other dealerships, which could limit its appeal to customers looking for a wider range of options.
2. High prices: Volvo cars are generally more expensive than some of their competitors, which could make them less accessible to price-sensitive customers.
3. Limited marketing: The dealership may need to increase its marketing efforts to raise awareness of its products and services.
4. Poor analytics resulting in improper decision making, thereby unable to establish clear goals to fuel growth.
5. Warranty receivables are aged more than 60 days. Not in alignment with Volvo's guidelines.
6. Hot tempered service manager abuses apprentices, thereby diminishing their moral.
7. Poorly trained Sales manager lacks analytical skills.

Opportunities:

1. Growing demand for electric vehicles: With the increasing focus on sustainability and the environment, there is a growing demand for electric vehicles. Volvo has a line of electric vehicles that can appeal to customers who prioritize eco-friendliness.
2. Partnerships: The dealership could partner with other businesses and organizations in the community to expand its customer base and raise its profile.
3. Online sales: With the rise of e-commerce, there is an opportunity for the dealership to offer online sales and expand its reach beyond the local area.
4. Increased AOR towards north of city to capture new business. But need to gather proper analytics to establish clear goals to capitalize opportunity.
5. City of Mississauga's providing tax holiday to businesses to host their head offices in the city.

Threats:

1. Intense competition: The automotive industry is highly competitive, with many established players and new entrants constantly vying for market share.
2. Economic conditions: Economic downturns or recessions could affect consumer spending on high-end products like Volvo cars.
3. Technological changes: Rapid technological changes in the automotive industry could require significant investments in research and development to stay competitive.

4. Since it's a single point store, threat of hostile takeover from corporations is looming.

Overcoming

How would you improve and solidify your strengths?

Since leveraging strengths is an ongoing process and requires assessment, adaptation and continuous improvement, it must be flowing in the veins. Some of the tactics we decided to employ are:

- Every manager is required to provide assessment of his direct reports on quarterly basis. These assessments are given to an external consulting/training agency to gauge the assessment and remark on them. This will in turn provide training will provide managers as to what to look in an employee to align with the vision of the organization. This will also make them good mentors and coaches. It will also provide direction in resource allocations like, under-resourced or over-resourced areas.
- Volvo have invested heavily in Customer feedback analytic tool like One Voice from Medallia. This tool has 2 prongs. It provides us with feedback regarding customer perception and expectations. Secondly it also provides us with text analytics, to help us adapt to the changing customer perceptions and expectations.
- Clear communication reinforces the vision. We use a tactic of story telling to form an analogy pertaining to a context to solidify the vision. And we grab every opportunity to bring employees together to celebrate hard work as well as appreciate success of an employee. This reinforces the organization's vision.

How would you address and improve upon weakness?

By systematically addressing weaknesses we can improve efficiency, enhance performance, and strengthen competitive position in market. To address weakness and improve upon we are going to:

- Since we don't have a wide range of product line-up and it being a factor beyond our circle of influence, we are going to highlight the uniqueness of every model and its trim levels to align to cater customer's needs. To better understand customer needs, we utilize some need identification tools like generic high-level questionnaire, sending sales employees Jenifer Suzuki's sales training seminars, etc. This will help us combat limited product line-up.
- Premium cars demand premium money with premium experience. Premium experience is the differentiator for today's car sales. To ensure differentiate ourselves from competitors, we focus on soft skills that hare hard to imitate, such as personalized attention and 5-star hospitality.

VOLVO CARS MISSISSAUGA – QUALITATIVE ANALYSIS

Dated: 03 July 2023

- We have invested in sophisticated CRM software to capture data to provide analytics so we can apply a personalized touch and 5-star hospitality. We promote usage of Volvo-On-Call app as we can capture trends like date and time when and what a customer is thinking about his vehicle needs. We align our processes to meet such customer needs to better serve out customers, which aligns with our vision of “Customers for Life.”
- We did plan sending our staff members to NADA trainings and seminars to develop their understanding of business.
- If there is a issue, we perform root cause analysis by using tools like 5-why. I am personally investing myself in thinking through systemic perspective and identifying levers to enhance performance.¹

How would you maximise or improve your opportunities:

Automotive sector is constantly evolving; hence the processes must be agile to adapt to the constantly changing environment.

- First and foremost, maintain good relationship with the OEM. Grab opportunities to volunteer for running pilot projects to help OEM by sharing insights of the project and its executions pitfalls.
- We leverage on customer experience as mentioned in overcoming weaknesses section to enhance customer experience.
- With a blessing of increased AOR, we should invest in marketing campaigns in added AOR such as having a FIKA lounge in city centre malls.
- We invested in computer and peripherals to increase efficiency and reduce fatigue, which in turn helps us to focus on customer needs and customer emotions, to serve them better. We are also partnering with a company to develop parts and labor matrix pricing (this aligns with our vision of “Gross Profit Domination”)

How would you overcome threats:

It is important to mitigate threats and potential challenges. We plan to mitigate potential challenges by:

- Performing competitive analysis. In used car sales areas, we analyse the used car dealers in our areas for their stock levels. We will offer to buy a Volvo from anyone

¹ Senge, Peter. n.d. *The Fifth Discipline*.

VOLVO CARS MISSISSAUGA – QUALITATIVE ANALYSIS

Dated: 03 July 2023

who has a Volvo to dominate our presence. On service side, we check on service pricing with our competitors and adjust our pricing accordingly.

- Since we are a single point store and have a vulnerability of hostile take over, we have focused on “Gross profit domination” strategy. We optimize our costs by taking advantage of achieving purchase bonus from OEM. Vigilance over forthcoming appointments, we can stock correct parts ahead of time, thus avoiding critical order premium.
- Schedule appointments of customers with special order parts. This appointment ensures that the part is installed on the car and customers’ car is is functioning as designed.
- Develop an online portal for wholesale customers as well as online selling of parts to generate additional gross profits.
- Invest in detailing bay with sophisticated equipment with competitive pricing to accommodate customer’s detailing requirements. This is expected to improve gross profits by \$10,000 per month.
- Since we perform poorly in used car segment, we will provide training in utilizing V-Auto software to procure correct cars that sell in our market.

Expected time frame to achieve results.

By performing this analysis, Volvo cars Mississauga should expect a growth of approx. \$10,000 from detailing bay addition starting from August 2023. Online parts portal will have a net NPV of approx. \$1452 considering 12-month project for the system to be functional.

We have already realised savings of \$2200 per month in critical order premiums. By setting up appointments for special order parts, our special-order parts are not on shelves, but on cars. This reduced inventory carrying costs by approx. \$120 per month and generated gross of \$4500 in parts and service combined.

VOLVO CARS MISSISSAUGA – QUALITATIVE ANALYSIS

Dated: 03 July 2023

Measurement Metrics

<u>Improvements</u>	<u>Who</u>	<u>Time frame</u>	<u>Measurement metrics</u>
Employee assessment preparation	Sales, Parts, and Service Managers	Ongoing basis	Min. 4 assessments per year
One voice alert text analytics and adjust processes	Operations Manager	Ongoing basis	Once a month starting Aug. 2023
Communication and story telling to solidify vision	Operations Manager and General Manager	Ongoing basis	Min. once a month starting Sept. 2023
Jenifer Suzuki training	New and Used car sales managers	Sept. 2023	This is a qualitative function, so the measurement will be in the form of increased sales CSI. Improve OSAT score by 5%
Implementation of XTime engage	Operations manager	July 2023	Track number of photos and videos sent to customers. Increase them by 3% on monthly basis
NADA Diploma	Sales Manager	Sept. 2023	Ensure he gets a diploma in July 2024
Root cause analysis	Operations manager	Ongoing	
Maintaining relationships with OEM	General Manager, Dealer Principle and Operations Manager	Ongoing	
Increase in sales from increased AOR	New and used car sales managers	July 2023	Sales of 45 new and 35 used units/month.
Gross per vehicle retailed	New and used car sales managers	July 2023	\$4500 PNVR \$3800 PUVR

VOLVO CARS MISSISSAUGA – QUALITATIVE ANALYSIS

Dated: 03 July 2023

Participants:

Robert McMillan	Dealer Principal
Thomas McMillan	General Manager
Rakesh Nehete	Operations Manager
Liam O'Connor	General Sales Manager



Thomas McMillan
General Manager



Rakesh Nehete
Operations Manager