



Leader in
Automotive Retail
Performance Management

White Paper

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Dealership Training: The Opportunity & Challenges

Contact

idea7 Automotive
101, Building 6, Sector 3,
Millennium Business Park, Mahape
Navi Mumbai, India, 400 701
Ph: +91-22-6712 4900
Email: assist@idea7.net

Synopsis

Dealership Training has been a focus area for automotive OEMs in last couple of years. The experience however has been varied. Some OEMs are still exploring the right mix of approach for dealership training. This paper elaborates the key challenges in dealership training and presents ways to mitigate them.

Introduction

Most of the automotive OEMs and their dealers in India and other emerging markets today have understood the importance of training and are willing to make investments in the same. They however, face many challenges and have been struggling to find an optimum approach to dealership training. This is very evident in the frequent changes that we have witnessed in last few years in designated training managers, appointed training agencies, even the training approaches. There are case studies of OEMs having traveled a full circle experimenting with various approaches for dealership training. In this paper, we attempt to understand the key challenges faced by these organizations and suggest some solutions for the same. This paper is based on the industry research and our experience of working with various automotive OEMs.

Key Dealership Training Challenges

- Difference in the value perceptions (about training) of the OEM's dealer training departments, channel managers, dealerships & dealership personnel. This results some resistance at the ground level against training initiatives.
- Intangible and unpredictable nature of the outcomes of training creates a fuzzy environment and lack of desire among OEM managers for ownership of any training initiatives.

- High attrition at the dealerships makes it difficult to sustain training efforts for long term benefits.
- Quality of people that dealerships are able to attract and their motivation levels make it harder to create a learning environment.
- The ad-hoc approach to recruitment and HR policy at the dealerships contributes to inferior quality of people, low motivation and high attrition.
- The change process is long and painful and tends to get diffused over a period as a result of various factors such as management change at OEM/Dealership levels.

Tackling the Challenges

Most of the dealership training challenges and risks can be mitigated by a methodical and objective approach. Based on our experience and research following are the key tenets of having a smooth ride in dealership training from OEM perspective:

Have a Strategy in Place

Know what you want and more importantly know "why do you want so?" Most of training initiatives are discontinued as they

have a “check-box” approach and they have no clear direction. Have a clear vision in terms of what kind of people you want to be dealing with your customers at the retail level and validate it with the cost viability.

Have Measurable Objectives

Know what you want to change at the dealerships through your training. Ensure all of that can be measured. Considering the long term nature of initiatives it becomes important to measure the efforts as well. Get a bird’s eye view of what you want to do to achieve your objectives. Some 10-15 parameters that offer very tangible measurement of your efforts and transformation results should be tracked on regular basis.

Factor in all the Variables

While deciding on the schedule, frequency, methodology and effectiveness of training consider all the variables such as attrition at the dealerships. Measure the results in terms of competencies displayed and required on the whole by a dealership and not in a sporadic manner. Understand the difference between “must have” and “desirable” traits in your retail interface.

Do not Get Distracted by Feelings

Conventionally the job of training has been to create a “feel-good” in the system and the legacy still haunts. More so, because it is easier to create feel good than to transform habits and thus it suits everyone. While implementing your dealership training strategy, you should not get swayed by the subjective feedback. The measurement criteria should be objective, scientific and numerical wherever possible. Have a long term approach to people development with equal focus on sourcing and developing. Be in touch with ground realities and

understand what is actually important to your customers. Research and ask your customers, what kind of KASH (knowledge, attitude, skills, and habits) do they actually appreciate in dealership people who are interacting with them.

Do not view people and their skills as stand alone drivers at customer interface, view them in combination with process (standard operating procedures) and technology and assess what this combination can accomplish vis a vis customer expectations.

Involve Everyone

No dealership training, howsoever good can be made successful without the backing of OEM/Dealership top management and ownership of channel managers. One must of sensitive to this fact and ensure the same as a project design parameter.

Manage Training Process not Trainers or Training Sessions

The focus of OEM should be to install a process for regular training and a system for its effectiveness measurement. Rest all should be left for the training agency to implement. Most of the training managers involve themselves too much in “who the trainer is” business and miss out on the big picture. In fact, the training partner should have the wherewithal for the training process management.

Have Indices

Finally the OEM or Dealership should have the competency indices such as Product Knowledge Index, SOP Compliance Index, which they measure on regular basis and strive to improve through training and other developmental initiatives. Have index improvement goals for the competency

levels for individuals, dealerships, regions etc.

Conclusion

Above steps can bring a substantial clarity and objectivity in your dealer training initiatives and over long term, a value driven system can be put in place. This would encourage the managers to take the ownership of the projects and thus will provide tangible results and acceptable return on investment.

About idea7 Automotive

idea7 Automotive is a leading provider of auto retail solutions in India. It works with many leading automotive companies and assists them with training, consulting, technology & outsourcing services for retail business.

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