



Leader in
Automotive Retail
Performance Management

White Paper

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SOP Implementation at Dealerships: Chasing the Mirage

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Synopsis

Having high SOP compliance at the dealerships is one of the main retail challenges for automotive OEMs. This paper discusses some fundamental rules for successful implementation of SOPs at the dealerships.

Introduction

Standard Operating Procedures for retail are considered to be a key driver in determining the quality of customer experience and business performance. Most of the automotive OEMs in India have realized this and have taken the initiatives to design and implement SOPs for their dealerships. They have been making efforts to implement the same along with Dealer Management Systems (DMS). The success levels of various OEMs and dealerships vary widely in these implementations.

A deeper analysis of SOP implementation case studies brings forth a definite pattern in terms of challenges and success factors. This paper presents a synopsis of these challenges and success factors in SOP implementation.

Challenges in SOP Implementation

- Natural resistance and inertia among people at the dealerships.
- Not enough will power/authority at the channel manager level to ensure compliance.
- No definitive, time bound plan for implementation with objective audit criteria.
- High attrition at the dealerships.
- Lack of understanding and involvement at dealer top management level.
- Lack of involvement at OEM top management level.

	Senior Management	Frontline
read	Involvement Gap	Ownership Gap
OEM	Understanding /Involvement Gap	Understanding Gap

Success Factors

Definitive Implementation Strategy

Success in SOP implementation is driven by a time bound plan, implementation measurement criteria and continuous tracking of implementation levels in terms of percentage compliance.

Top Management Will

SOP implementation requires backing of top management that sends a clear message about the seriousness. It helps in overcoming inertia at various levels at the dealerships.

Compliance Based Approach

A strict, no nonsense approach with focus on 100% compliance helps. In cases where OEMs tried to incorporate local feedbacks and relax the norms, the system tends to fail. There should be very objective incentives/disincentives based on compliance/non compliance.

Ownership of Channel Managers

Channel Managers have to play the key role as the owner of SOP implementation initiative. Based in the authority responsibility relationships, they are the most suited personnel to drive the change across all levels at the dealerships. Implementation programs should be designed with channel managers at the centre of activities.

Training, Hand Holding, Audits

SOP implementation need to be supported by continuous training, hand holding and audits in that order and in a cycle.

Effective Program Management

Effective program management with regular MIS and management actions based on the same is a big facilitator of the SOP implementation. Most of the initiatives get diffused just for want of information.

Conclusion

With above success factors and concerted efforts we have implemented SOPs with leading OEMs to achieve above 80% compliance levels. It is a slow and painful process that involves an insightful role to be played by the implementation partner. OEMs must choose their implementation partners carefully and assess their program

management capabilities and track record as a must.

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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