



Peppers & Rogers Group Helps BMW Drive to Growth

Optimizing dealer sales and operations using a customer-focused approach

■ THE CHALLENGE Growth goals required an improvement in dealer operations

In order to drive sales and lock in loyalty, BMW of North America (BMW NA) sought to improve its customer experiences both with the brand and at the dealerships. As a result, the automotive leader engaged Peppers & Rogers Group to develop a 1to1[®] Customer Touchmap—a depiction of BMW NA's organizational interactions with customers, and the current processes for customer data collection and storage at various touchpoints, including retail. From these findings, BMW NA identified and designed opportunities to create the premium customer experience.

To gain additional insight on customer interactions from dealers themselves, BMW NA presented the 1to1[®] Customer Touchmap to BMW NA's central region. From the presentation,

the central region team recognized the value of an initiative that could assess dealer operations and processes to make them more customer-focused, efficient and ultimately, drive sales.

BMW NA established a corporate-wide performance initiative known as Sales Performance Management (SPM). SPM's objective is to double the number of sales at each dealer center in five years by optimizing people, processes and technology. BMW NA engaged Peppers & Rogers Group to collaboratively create the strategy, tools, resources and support that comprise SPM. "SPM is a high value, high return activity. It will change the way a center does business to sell more cars," says Peter Moore, General Manager, Automotive Sales at BMW NA.

■ THE WORK Generate results through a "softer side of sales"

To support SPM's goal of sustainable and profitable growth, BMW NA and Peppers & Rogers Group designed a modular evaluation tool and action planning approach. Using the tool, dealers are evaluated in six areas or "modules" that reflect key aspects of the customer lifecycle: lead management, showroom traffic control, lease end, new vehicle delivery and initial ownership. Another module, people and environment, was developed to address management issues and the need to have a dealer staff that was supported and inspired to provide more to customers.

The evaluation consists of interviews with dealer center personnel to better understand current processes. A series of questions reveals each process area's degree of customer-centricity and classifies each dealer's strengths, gaps and opportunities for improvement in each of the six modules. "CRM is about treating customers in a relevant, proactive and premium way so they return and refer others. SPM enables that ultimate customer experience at retail," says Michael Sachs, Customer Experience Development Manager, BMW NA.

For example, the BMW NA and Peppers & Rogers Group

team conducted the lead management module with one dealer. From the interviews and evaluation, it became clear that the dealer lacked defined processes and resources in several key areas. The dealer's action plan and detailed set of recommendations included the development of a follow-up communications schedule and increased management oversight of the lead tracking process. The dealer followed nearly all of the recommendations and within three months, now manages leads more effectively than ever.

Following the interviews, the BMW NA and Peppers & Rogers Group team draft an action plan for each dealer center that includes actionable recommendations and next steps based on interview findings. Each recommendation is designed using SMART objectives: specific, measurable, achievable, realistic and trackable. Recommendations are prioritized according to feasibility, impact and speed to implementation. Peppers & Rogers Group also helped train BMW NA's market teams with additional skills required to become internal "consultants" to dealers.

Finally, a meeting is conducted with dealer management to

CASE STUDY: BMW

develop an action plan that the dealer can follow. The action plan draft is used as a starting point as the BMW field team and the dealer team agree on the most appropriate and feasible recommendations, ownership of the recommendations and

the timeline for completion. The modular approach plays a major role in this final phase as it allows the dealer to focus on a set of key issues without the overwhelming task of transforming the entire operation immediately.

■ THE RESULTS **Optimizing retail: Customer impact where it matters most**

At last measure, 46 pilot evaluations, or 14% of the total BMW NA dealer network, have been conducted with great success. Glenn Ersly, a BMW NA market manager in the southern region says, "The modules were comprehensive and grounded in real-world retail. We were able to get a real feel for the opportunities for improvement in the process at the center (dealer). Furthermore, the management at the

centers felt it was a great help to their operations going forward." SPM is now one of the leading growth strategy initiatives for BMW NA. "Peppers & Rogers Group listened to our objectives and worked with the field sales organization to implement and affect change at retail." says Sachs. "They have been invaluable in taking us from concept to implementation and ultimately success."

BMW Snapshot

BMW is an independent German automobile manufacturer founded in 1916. It's a worldwide manufacturer of high-performance automobiles and motorcycles, and is the current parent company of both the MINI and Rolls-Royce car brands. BMW began as an aircraft engine producer nearly a century ago. In the 1920s, the company began manufacturing motorcycles, and in 1952, the first BMW cars were built in Munich, including the BMW Isetta and the BMW 1500. BMW automobiles debuted in the US in the late 1960s. Today, the company prides itself on the leading-edge concepts of its designers and engineers. The stated goal is to build "ultimate driving machines."

About the Project

- Customer Experience Management
- Channel Management
- Customer-Focused Workshops
- Customer-Centric Roadmap
- Change Management