

Performance Improvement - PI/LS/G

● As Good as New

Introduction:

- One of the world's most recognised luxury car brands needed to help its dealer network sustain revenue growth and efficiency over an extended period without new product launches.
- ASE Automotive Solutions analysed its dealer network performance and created a new key performance indicator (KPI) to help drive profitability.
- It piloted performance improvement programme for dealers in one key mature market before a global roll-out that led to significant revenue growth for the dealerships participating.

The Challenge:

- The brand's dealer network was used to selling new cars, but during an extended period where no new models would be released, dealers needed to adjust strategies to improve efficiencies and find new ways to drive revenue.
- ASE Automotive Solutions needed to build trust to convince the dealership senior leadership teams to change their approaches, as well as prove to the brand that its performance improvement programme would work.

ASE Approach:

- **Phase One:**
Analysed the composite financial data for the client's global dealer network and created a proprietary KPI benchmark to benchmark the dealer business model across new and used car sales, servicing, parts and expenses.
- **Phase Two:**
Conducted in-depth briefings with senior leaders and investors in the dealer network in the target market to help them understand how the fluctuations in the automotive market might affect future profitability.
- **Phase Three:**
ASE Automotive Solutions built the business case for used car sales to make up any shortfall in covering shortfalls in sales absorption to enable the dealerships to maintain their profitability targets.
- **Phase Four:**
ASE Automotive Solutions built the business case for used car sales to make up any shortfall in covering shortfalls in sales absorption to enable the dealerships to maintain their profitability targets.

Outcomes:

- The brand increased the profitability of its global dealer network by 1.3%.
- Dealers involved in the pilot programme increased average gross revenue by \$300,000 per dealer per annum.
- Brand rolled out the programme globally and extended the contract with ASE Automotive Solutions for five years.

Next Steps:

- Some of the dealers in the programme have reached out to ASE Automotive Solutions independently to ask for consultancy services on other aspects of their businesses.