

**“An Effective Training of Automobile Dealers Personnel
as a Key Factor for Success”**

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The 4th of April 2008

There is a tendency recently that an automobile market has been growing all over the world – due to the latest data for February 2008 even in “calm” Europe the market has increased to 8,7% in comparison with the same period in 2007. The growth in Ukraine is 97%! On the one hand it means that there is a great demand, on the other hand there is a supply which can partially meet that demand. This means also that companies are looking for a new staff. The staff which need to be well-educated and which requires a continuous development.

Nowadays many of the official distributors and importers of the outstanding brands in Ukraine can observe the same customers who bought their first vehicles in their dealer network 3-4 years ago. The customer name in the database is the same, it is just a car that has been changed. What does it mean? Very simple – they managed to **retain** their customer. From the business development point of view it means creation of a “data base” of the customers who give a great support to the companies business.

The same customers not only buy themselves but also recommend the cars (and definitely the brand) to their colleagues, relatives and friends. On the other hand that means costs reduction for marketing in future, or in other words, the companies will spend more money (for the marketing budgets) to attract new customers rather than to convince the existing ones that their goods and services are worth buying them again.

What is the basic factor for the customers’ retention? To our opinion and to the opinion of the majority of the world-known brands the basic factor is people (personnel), well-educated personnel. Products are exchangeable. For this reason people make the difference – the difference to a brand, the difference to a car line, the difference to an entire organization.

What are the key factors in managing the personnel working for automotive companies? The answer should be divided between the responsibilities of a distributor and a dealer:

Distributor

Dealer standards definition, including the standards in managing the personnel
Recommendations on personnel selection provided to a dealer

Organization of the process and dealer personnel development.
A regular CSI researches to identify a dealer status referring to other dealers within the network.
A regular Mystery Shopping for Dealership network

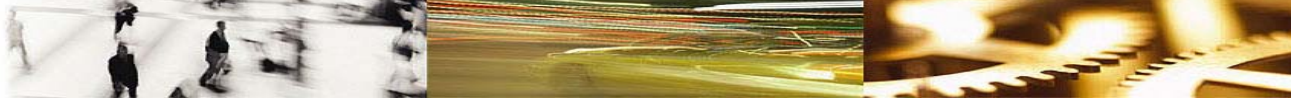
The further training of the personnel taking into account CSI results and Mystery Shopping

Dealer

Concluding dealers contracts and the correspondence to dealer standards
A proper personnel selection.
What you haven’t got right in the first place could cost you the fortune afterwards.
The participation in the obligatory trainings
The training within the dealer
Personnel assessment using CSI results to enhance their behavior and their processes.

A regular Mystery Shopping with the purpose of assessing individual staff members and business processes

The further training of the personnel taking into account CSI results and Mystery Shopping



From the point of view of the effective training of the dealership personnel the following types of trainings can be identified:

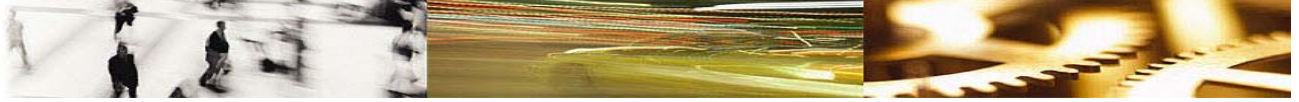
No	Training Subject	Target Audience
1	Training for a new dealership, e.g. brand awareness	The whole personnel of a new dealer
2	Technical trainings	Mechanics, electricians, diagnostic specialists, technical consultants, service advisors
3	Product training	Sales consultants (service consultants)
4	Basic (or process) trainings	Sales-consultants, service advisors, P &A specialists
5	Communication skills improvement and sales skills trainings	Sales consultants, service advisors, P&A specialists
6	Customer Care	Managers who deal with customers
7	Management trainings	Sales departments heads Service departments heads P&A departments heads Finance departments heads
8	General business trainings e.g. Dealer Network Development	Depends on the subject (either all the staff or the management)

From the point of view of gaining maximum profit for minimum costs there appeared a question: In what way should the training be provided? Who should be the trainer: an inner one or an outsourcing company? We recommend technical training to be provided by the inner trainers.

As for non technical trainings the experience of inner trainers is often limited by the knowledge of the processes only within the company and the system of subordination which doesn't allow to effectively discuss the important moments during the trainings. The advantages of involvement a trainer outside a company – he can share the knowledge and experience of working with a great variety of brands and participants of an automobile market.

Our great experience of training projects implementation shows that the necessary conditions for effective training in a dealership network are the following:

- A clear understanding of the dealership development strategy as well as its strengths and weaknesses at the time being.
- An understanding by the Distributor of the necessity of trainings for dealers as an obligatory requirement for their personnel to correspond the standards of dealership network
- A clear understanding what is required by the personnel and the company.
- An agreement in the elements of dealer standards, which must be used in the training provided by an outsourcing training company.
- Preparation and confirmation of the training schedule for a year
- Preparation and confirmation of the training budgets for a year. Depending on the strategy and distributor procedures there are 3 methods of costs allocation:
 1. A distributor fully covers the costs on training for dealers (dealers pay the travel and accommodation costs for their employees)
 2. A distributor partially compensates the training costs.
 3. A distributor assigns all the training cost to a dealer, in other words a dealer pays for that number of participants who attended the training after it is invoiced.



One of the most effective methods of personnel capability improvement – coaching, the training at the job place after a participant finished a number of trainings. On the one hand coaching allows consolidating the gained skills, on the other hand it is a powerful motivation “push” – “ I can do this really!”

Our experience with the leading operators of the automotive market in Ukraine and Russia shows that the times of non-systematic personnel training come to the end. It is the systematic training approach that allows reaching the loyalty and retention of the existing customers and gaining the new ones. That results in the increase of the market segment, income, profits and business profitability.

“Think about it: what is the cost for training comparable with the cost without training?”

How to influence and measure training success?

a) Before a training starts:

- Managers need to undertake a clear research what is required by which employee?
- Find the right training and understand how the objectives match with your requirements.
- Conduct a trial out with new Training Companies.
- Inform and Explain the employee about your expectations
- Make sure that the employee understands your expectations

b) During the training

- Participants should be open for new ideas
- Willing to learn
- Formulate an individual activity list out of the training

c) After the training

- Managers to discuss the content of the training with the employee
- Managers to revisit an activity list formulated during the training
- Managers to assess the employee on his achievements
- Plan the next training or coaching activities.