

# 10

# things to do before you...



Choose a warranty company

**Find a purchasing consultant**

Sort out a compliance support solution

**Choose a lubricant and oils supplier**

Select a PPI provider

**Find the right people to train your staff**

Select a property consultant

**Outsource accident management**

An essential guide  
to saving money

# 10 things to do before you...

## ...Choose a warranty company

Choosing a warranty company is not just about buying another commodity, it is central to building a customer retention strategy that will drive customers to dealerships for servicing, for repairs and ultimately to buy their next vehicle. A warranty is a key driver of revenue and profitability for your business.

**1 Think about your customers – what would they want from a warranty?**

**2 Ask your service manager – which warranty companies pay claims without quibbling and without deductions?**

**3 Ask your finance director – how quickly do warranty companies pay you?**

**4 What kind of warranty financial arrangement meets the needs of your business?**

**5 Check the detail – are you willing to accept reduced labour rates, using second hand parts for repairs and 'betterment' clauses?**

**6 Work with a warranty partner that has a good industry reputation and is financially sound.**

**7 Consider the warranty branding – what branding best suits your business and what innovative point of sale material is provided?**

**8 What income are you deriving from extended warranty – does your warranty company help you to increase sales penetration levels?**

**9 Can your provider accommodate a 'one-stop-solution' for product supply, training and development and administration?**

**10 Is your warranty provider going to look after customers with a claim and provide product solutions to maximise their return?**

### Company profile

#### Warranties to boost revenue

More and more dealers are focusing on used car sales and boosting their customer retention through repairs and servicing, which provide important sales through the workshop.

Never before have warranty products been so pertinent and Car Care Plan, the UK's leading car warranty provider, offers a range of bespoke products and services to help dealerships maximize their business.

For the motorist, a car warranty product provides the reassurance that repair costs will be covered and offers peace of mind that their vehicle is in good condition. For the dealer, it provides an opportunity to build relations with a customer by encouraging regular servicing and bringing with it added revenue streams.

Paul Newton, managing director of Car Care Plan, explains: "We have 30 years' industry experience developing a range of insurance products to meet the growing needs of the industry. We work closely with manufacturers, franchised and independent dealerships and affinity partners to provide tailored products which help enhance the saleability of vehicles and increase customer retention through aftersales service and maintenance work."

**CAR CARE PLAN**

**Tel:** 0844 573 7591 **Website** [www.carcareplan.co.uk](http://www.carcareplan.co.uk)

## 10 things to do before you...

# ...Choose a property consultant

Your choice of consultant can have a significant effect on the success of any new venture, or in helping to reduce cost overheads on existing occupational property.

A good consultant will take time to understand your business requirements and should be able to add

value through the application of their specialist knowledge.

Look for companies that promote a one-to-one working relationship and while it may seem counter-intuitive in the current market, agree a remuneration package which ensures your instruction is properly resourced.

### Company profile

## Using the best man for the job

For the past 16 years Robert Stephens & Co has acted as an outsourced property department to Volkswagen Group. It has secured some of the best motor trade sites across the UK and achieved sector-leading yields on its investment sales. Earlier this year RS & Co relinquished its exclusivity arrangement and now offers a similar high quality service to the the whole industry.

The company has one of the largest motor trade departments in the UK and is ideally positioned to advise on professional, agency, investment and development work.

The economic downturn has hit the motor retail and property sectors equally hard. The focus has moved away from acquisition and development to rent reviews, rating appeals and strategic asset management.

RS & Co's directors are attuned to the industry's need to reduce operating costs and believe that whatever the prevailing market conditions, objectives are best achieved through creative thinking and diligent application. Central to this strategy is RS & Co's policy of fostering one-to-one client relationships and always using the best man for the job.



**1 Consider what level of service you require – wholly outsourced, managed in-house or somewhere in between.**

**2 You should expect a high quality service with regular contact and creative suggestions for developing your brief.**

**3 Are you talking to a sector specialist who understands the business and its operational requirements?**

**4 Establish precisely who will be doing your work. Will they be a guaranteed point of contact during the contract?**

**5 Agree a fair base fee with a performance related top-up. This can benefit both parties and ensures your work is given priority.**

**6 Interview three or four practitioners and negotiate a price with the party you feel is capable of offering you the best service.**

**7 Cheapest is not always best. If your suppliers are forced to cut fees too aggressively the quality of service will deteriorate over time.**

**8 Select the best tool for the job. Putting together a team of specialist advisers can often result in a better service than 'one stop' shopping.**

**9 Consider developing relationships with two practitioners, whose services can be cross-referenced over time.**

**10 Shop around. Remember the service you receive will only be as good as the person dealing with your instruction.**

**Tel:** 08700 777111 or 01494 768480 **Website** [www.robert-stephens.com](http://www.robert-stephens.com)

## ...Train your staff

It is staggering the amount of people who experience training and say they don't know why they are taking part.

Or they experienced a training event which was great but nothing has changed, so they consider it a

waste of time.

As developing people is a significant investment – and we all know that the better the people the better the business – here are the top tips to get the best from your investment in staff training.

**1** Define what you are trying to put right that is not working. Eg our bookings compared to telephone enquiries seem very low

**2** Check what the real reason is for the lack of performance. Eg is it skills or knowledge, behaviour, market forces or resources

**3** Set out how you will know if the training has been effective. Eg staff use the sales process in all applicable cases

**4** Work out how many people need the training and how quickly you need them to be trained to deliver the improvement required

**5** Discuss your needs with a professional development adviser to decide an effective approach to achieve the objectives

**6** Choose an adviser/provider who has a proven history of delivering  
1.Changes in people's thinking 2.Improved business results

**7** Talk to the people about to receive the training. Tell them the reason for it, what you are hoping to achieve and why

**8** Plan a debrief – staff will have some aspect that they found inspirational. Discuss this with them and encourage them to try it out

**9** Prepare to provide practice opportunities. Practice makes permanent! Use a professional or internal coach

**10** Plan to encourage the new way. Trying something new has risks, help people get over that and move on. Motivate and praise

### Company profile

#### Steering business through change

Helmsman (CTC) Ltd is contracted by retailers and manufacturers to develop and deliver improvements globally in retailer business results. The company understands how to help structure and deliver changes in what people think, believe and consequently how they perform.

Helmsman (CTC) provides consultancy, training and coaching follow-up. A spokesman said. "We know using this formula is a proven and effective way of guaranteeing clients make a return on their investment in training." The website contains more detailed information on us and our results.

**This quarter, a client turned 28% more calls into orders using our approach. Go to our website, register and download our FREE Top Tips. Use them & claim a FREE mystery shop and development report. No obligation, terms and conditions apply. Regional and in dealer workshops are available – see on line.**



**Helmsman (CTC) Ltd**  
**Consultancy Training & Coaching**

*Steering your business through change*  
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# 10 things to do before you...

## ...Choose a purchasing consultant

**C**ar dealerships need to drive down costs, maintain the integrity of their supplier base and achieve added value.

For businesses prepared to chall-

enge the status quo, the utilisation of a purchasing consultancy will deliver immediate "bottom-line" savings without compromising on the quality of goods and services delivered.

**1** Determine the timescales involved.

**2** Communicate your intention to use a purchasing consultant (and why) throughout your business.

**3** Determine objectively what contribution you want your purchasing consultant to deliver (don't just focus on price).

**4** Allocate 'project management' responsibility within your organisation.

**5** Identify your current service levels delivered by your existing suppliers/contractors.

**6** Identify your current contractual risk (i.e. purchasing on the supplier's Conditions of Sale not your Conditions of Purchase).

**7** Consider what Key Performance Indicators (KPI's) you consider would be appropriate.

**8** Identify the annual expenditure on 10 key spend areas and your current suppliers/contractors on these.

**9** Get a fix on your current specifications for purchased goods & services within your organisation.

**10** Ask our car dealership clients what they think of us!

### Company profile

#### Offering dealers unique solutions

**T**he Purchasing Agency (TPA) offers dealerships a unique solution for the management of a wide range of bought-in goods and services.

We have integrated a partnership trading relationship with our supply partners, selected for their ability to offer very competitive prices and robust levels of service, which we then extend into your business – a proven process delivered with little disruption to your core activity.

#### "A proven process delivered with little disruption"

The overall process minimises your input, but contracts will be between yourselves and our supply partner. You will have continual support and access to TPA's resources whenever required.

For certain service contracts the process would consider TUPE implications and incorporate any necessary capital equipment purchases required by the contractor.

Our remuneration is via a brokerage commission from our supply partners and prices invoiced by our supply partners are net of this commission.

We do not charge any fixed fees or percentage savings.

**PurchasingAgency**

**Tel:** 01943 850018 **Website** [www.thepurchasingagency.com](http://www.thepurchasingagency.com)

## 10 things to do before you...

# ...Choose a PPI provider

In today's testing financial climate protecting finance payments is especially important as we face increasing unemployment. The provider you choose for this should offer payment protection insurance at the level of cover that suits your needs, backed up by innovative management systems to improve business planning and performance. Does your current provider offer what is needed to succeed while selling PPI?

**1 Check whether your business has authorisation from the FSA to sell insurance-based products.**

**2 Review all the providers available and identify which could potentially be a best fit for your business.**

**3 Ask what assistance the supplier will provide to identify and analyse your potential market for PPI customers.**

**4 Make sure the supplier has proven experience in the automotive sector and understands the relevant aspects of your business.**

**5 Examine the level of cover provided by its PPI products and whether they will be simple to explain and sell to the consumer.**

**6 Consider what ongoing sales support is available from its field team and whether training is available for your staff.**

**7 Find out about its online administration process and whether it can quickly produce all documentation to ensure immediate cover.**

**8 Review how the supplier can help your business with regards to the FSA's Treating Customers Fairly (TCF) principles.**

**9 Ask if the supplier has a testing website which allows dealers to ensure their staff have sufficient competency.**

**10 Check which control logs are in place to help the dealership monitor its sales and develop its finance and insurance sales.**

## Company profile

### Protecting those car repayments

With the introduction of legislation, focused for all the right reasons on this multi-faceted insurance, PPI really became a huge concern. Even some of the most ethical and customer-focused dealer groups withdrew from selling PPI rather than run the risk of an unfavourable audit.

MAPFRE ABRAXAS has all the solutions and systems to help you stay compliant and succeed while selling PPI.

If customers using finance to buy their cars are not being offered the chance to protect their repayments then they are not being treated fairly.

MAPFRE ABRAXAS TCF reporting allows dealers to assess whether the products they are selling are right for their marketplace, therefore ensuring their customers are treated fairly. It is safer to assume everybody could benefit from PPI until you have given them enough information about the product for them to make an informed decision.

MAPFRE ABRAXAS has a dedicated and experienced field team providing a second to none service, including account management and bespoke training. It also gives the opportunity to maximize sales opportunities and create an additional profit stream through resolicitation.

For more information call: 0845 11368430.



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**Website** [www.mapfreassistance.co.uk](http://www.mapfreassistance.co.uk)

# 10 things to do before you...

## ...Choose a compliance support solution

Compliance is a complex subject and has far reaching affects on businesses. Getting it right has been proven to increase sales and profitability. For some it can be difficult to justify recruiting in-house compliance professionals. The alternative is to find a compliance support solution to help. But what do you need to consider first?

**1 Write down the key areas that you need support for, and use this as your template when selecting a suitable solution.**

**2 Measure each supplier's competencies against your template: do they have the necessary experience?**

**3 Establish how suppliers keep their solutions up to date with ongoing regulatory changes**

**4 Does the supplier have proven experience in the automotive sector and compliance knowledge in all relevant areas?**

**5 Check consultants are sufficiently qualified and if they are members of any compliance associations or trade bodies**

**6 Can they offer a full range of services from initial risk assessments through to assistance in setting up compliance procedures?**

**7 Check what ongoing support and resources are available. Can the supplier provide training or a compliance helpline?**

**8 Make sure you are comfortable with their services you are buying, how they will be delivered, and when.**

**9 Make sure pricing for work is clear and you understand exactly what you're getting for your money.**

**10 Consider your authorisation options. Do you want to be Directly Authorised or an Appointed Representative?**

### Company profile

#### Keeping ahead of compliance

Alliance Consultancy has been offering a wide range of regulatory services for many years and is a leading provider of compliance consultancy solutions to the automotive sector.

Finding the right compliance solution has never been more critical. Compliance is ever changing. The consequences of getting it wrong have been demonstrated recently.

At Alliance we understand that off-the-shelf compliance solutions don't work. To be effective the business's requirements need to be understood and solutions properly integrated. This principle is central to all the services we offer from our nationwide consultant support and training through to specialist helplines.

Our online training and compliance management and our sales process system provide ongoing support at an affordable price. We've also seen an increased interest in our Appointed Representative option which offers an alternative to direct authorisation. There is not a



single solution to compliance, so we have developed the range of services we offer today.

[www.allianceconsultancy.com](http://www.allianceconsultancy.com)

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## 10 things to do before you...

# ...Choose or renew your lubricant supplier

**L**ubricants are the highest margin consumable in the franchised workshop's armoury, but is your supplier adding the maximum possible value to your business? And is it working with you to strengthen your business so it's best placed to take advantage at the end of the recession? Today's proactive lubricants suppliers are about more than just oil...

**1 Understand your lubricants performance – sales per retail hour, annual profitability, one-litre top-up penetration – is this improving?**

**2 Consider more than just price; premium brands enable you to justify higher sell-out prices and profit from higher margins.**

**3 Ask whether the workshop lubricants are differentiated from the retail product – this can also justify premium pricing.**

**4 Check on manufacturer recommendations and ask how they help drive profits through premium sell-out price and margins.**

**5 Explore whether your supplier has an established, reputable brand and can leverage its marketing to drive customers to your workshop.**

**6 Check if you only see your supplier at contract renewal. More regular reviews ensure you are maximising value from them.**

**7 Consider whether your supplier increases its offer as you grow, for example by providing soft loans for expansion or new equipment.**

**8 Check if your supplier offers upsell training solutions for your aftersales staff, helping to improve profits and customer satisfaction.**

**9 Check if your supplier helps maximise aftersales profits through business improvement solutions and process re-engineering.**

**10 Speak to top-performing dealers who don't compete with your business about which lubricants supplier they would recommend.**

## Company profile

### Improving dealers' profits

**C**astrol Professional is a specially-tailored offer for franchised workshops, which helps increase profitability from lubricants, increase parts and labour sales and improve customer satisfaction.

The core lubricants offer is supported by programmes for improving business performance, from customer service training and process re-engineering to workshop equipment planning and tele-business solutions.

The primary aim of the largest field team in the sector is to add value to our customers, providing solutions to dealers' needs and helping improve their aftersales performance.

Castrol is the No.1 lubricant brand in the UK market and 63% of consumers either insist on or prefer to use Castrol.

Castrol Professional's advanced lubricants, recommended by nine manufacturers in the UK – BMW, Audi, VW, Volvo, Jaguar, Land Rover, Ford, Kia and Honda – are exclusive to franchised workshops. Uniquely co-engineered with manufacturers and differentiated from the retail lubricant, Castrol Professional lubricants justify a premium sell-out price.



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# 10 things to do before you...

## ...Outsource an accident management company

Accident management presents an opportunity for franchised dealers to boost their revenue and profits, while encouraging greater levels of customer loyalty at the same time. Once a motorist is involved in an accident, it presents dealers utilising an effective accident management programme with an opportunity to sell repairs and parts.

**1** Is the accident management company in a position to sustain proposed vehicle purchase levels?

**2** Understand how efficient the accident management company is at providing the service and meeting clients' needs

**3** Check how the level of service differs based on whether the customer is at fault or not

**4** Does the accident management company have the right fleet mix and size to provide replacement vehicles for your customers?

**5** Consider the accident management company's geographic reach. Will it be able to deliver within the agreed SLAs?

**6** In the current climate consider whether your accident management company is financially stable and can meet its commitments

**7** Check whether the accident management company is ABI – Association of British Insurers – approved

**8** Ensure you understand what level of marketing support the accident management company is willing to provide

**9** Check what level of training the company will provide to all relevant staff to ensure that the programme is effective

**10** Understand how the company is proposing to ensure clear lines of communication between the bodyshop and dealership staff

### Company profile

#### Success depends on commitment

Dealerships often expect an accident management service to deliver a number of things, including improved control of its customer base, more work directed into its bodyshop and increases in sales of parts and, ultimately, cars.

All this can be achieved, but the level of success is hugely dependent on the commitment of dealership and bodyshop staff, and the professionalism and experience of the accident management service provider.

Zac Mitcheson, Sales Director at Easi-Drive, says: "Simply giving out leaflets at handover and sending a direct mail to existing customers is not as effective as some dealers might expect."

A good accident management company like Easi-Drive knows this and will do two things – provide the support, training and guidance required by the dealership team, and ensure that the key focus is still on the service provided to the customer. Easi-Drive was set up in 2001 and now employs 150 staff. Its HQ is in Manchester with additional depots in Luton, Bristol and one planned for the North East.



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