

WHITE PAPER

# Optimizing Return on Investment (ROI) in Automotive Coaching

A revolution is underway in how automobiles are bought and sold. Markets are being transformed, and digitalization is a major factor in changing consumer behaviors. In fact, 50% of inbound sales leads originate on internet platforms and dealership foot traffic is down 75%. In addition, younger car buyers are decidedly unlike previous generations: 88% of millennials conduct independent research online before contacting sales staff, and nearly 60% follow favored brands on social media long before deciding to buy.

## The Automotive Sector Is Evolving

In order to remain competitive, automotive brands and car dealerships must adapt to the changing landscape. This means curating their on-line presence—from websites to twitter feeds—to attract and retain new customers. It requires vigilant monitoring to ensure, for example, that response times are kept to under an hour and on-line reviews do not go unanswered. In short, successful sales teams deploy cutting-edge digital skills and social media savvy as they compete with online retailers as well as other brands and traditional dealerships. In the wake of these and other changes, approaches to used car and fleet sales as well as aftersales need refreshing as well.

Understandably, auto makers and retailers are turning to external expertise to make the transition from a business dominated by end-to-end in-person sales to one characterized by technology, variety and an increasing demand for **customized buyer experiences** (Figure 1). After all, technological advances are not only defining the interaction between buyers and sellers, they are also giving rise to questions around the collection, use and legality of big data and to the advent of autonomous and connected vehicles. Under the circumstances, it is no wonder that coaching services for automotive sales staff are at a premium.

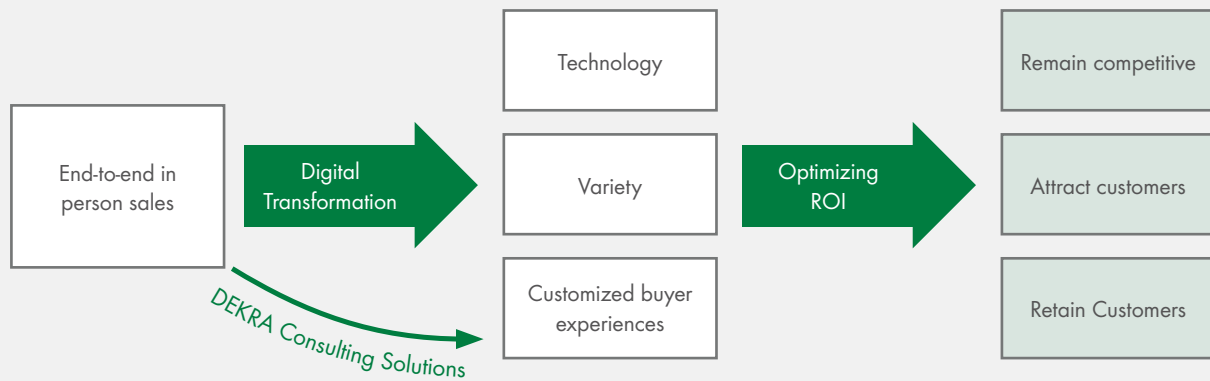


Figure 1: Evolution of Automotive Sales

### The Drawbacks of Conventional Coaching Methods

Automotive sales coaching itself is not new. Traditional coaching models rely primarily on the on-site presence of coaching staff, which entails considerable costs, including potential travel, lodging and meal expenses in addition to time on task. While there are obviously many variables to consider, one estimate places daily costs at approximately 1.000 EUR/day. Achieving consistency through regular check-ins and refresher sessions is therefore often cost prohibitive and logistically impractical, so that access to coaching is restricted to short, intense periods followed by longer stretches with little contact and limited follow-up.

Nor do conventional methods include the variety available through technological solutions. While in-person and one-to-one coaching

is effective, its success is strengthened with complementary formats that target different learning styles. Moreover, since digitalization is the new reality in automotive sales, digital-free training makes little sense. A familiarity with the technology used in sales is imperative to ensure productive interactions with customers, facilitate **lead management** and boost conversion rates.

Another weakness of traditional coaching models is the tendency to apply the same approach across the board without differentiating significantly among dealerships or salespeople. Customization is a greater challenge in the absence of readily available data and documentation profiling the specific needs of individual retailers or staff. The same difficulties also make it harder to track performance reliably and simply, and measuring the results of coaching interventions is less straightforward without technological assistance and therefore receives less attention.



## A New Blended, Flexible Approach to Sales Team Development

Thanks to advancing technology, coaching has become more affordable and its benefits more tangible, with a greater potential Return on Investment (ROI). New tools, such as geomarketing and sophisticated sales, stock and marketing data analysis, allow for the design of truly **customized coaching programs** that focus attention where it is most needed, thus eliminating unnecessary effort and optimizing ROI. As shown in Figure 2, the trend toward customization recognizes that dealerships or individuals already performing exceptionally well do not require the same intervention type or intensity as those who need more support. In short, data analysis makes it possible to target needs with greater precision and less waste, thereby developing a course tailored to the coachee. While the high performer only needs a few Field Coachings (FC) and Group Trainings (GT) to complete the requirements and achieve the target figures, the low performer needs more FCs and GTs. In the areas of Coachee self-assessment (CSA), Coachee self-study (CSS) and I-Coaching (IC), however, both high and low performers complete the different stages of coaching. Among the advantages of IT-based solutions is 24/7 accessibility, which allows individuals and teams to integrate coaching

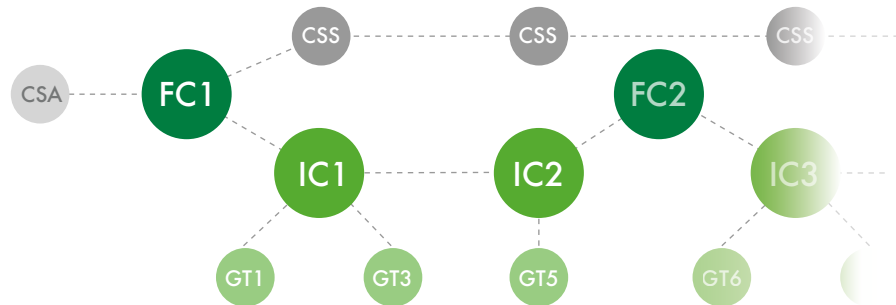
## Benefits of Business Consulting Solutions

- > 24/7 accessibility
- > 15-90 minutes sessions
- > User-defined time management
- > Self-assessment
- > Customized mix of field coaching
- > Increased engagement
- > Real-time tracking of KPIs
- > Advanced determination of desired ROI
- > ROI tracking tools

conveniently into their schedules. Engagement increases when learners have more freedom to explore independently (self-study) coupled with self-assessment opportunities that keep learning on track. Digital training can also be tailored to address specific issues that sales teams face in a given location or circumstance. Finally, as people progress at different rates, the number and mix of field and

### High Performer

- > Accomplishing all actions
- > Achieving target KPIs
- > Only needs a few FCs and GTs



### Low Performer

- > Struggling to meet actions
- > Achievement of KPIs is more difficult
- > Needs more FCs and GTs than high performers

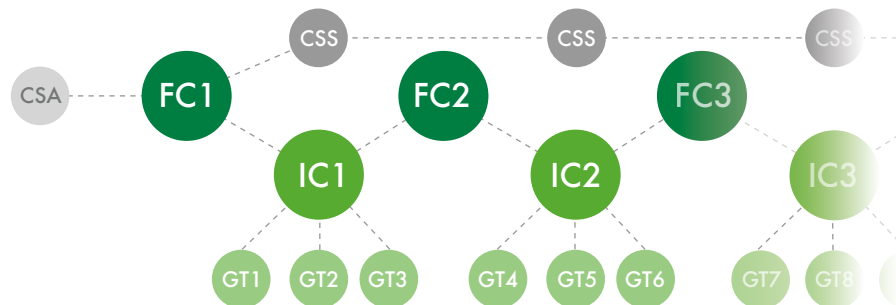


Figure 2: Customized Program Courses for Different Performer Types

online coaching sessions can be adapted as needed. In any case, in-person interventions can be limited to a period of 1-3 days and then supplemented with digital platforms. The latter provide continuous action planning and a range of coaching options lasting from 15-90 minutes apiece to be accessed at regular intervals, keeping learning fresh.

Setting up ways to measure progress is part of the design phase for new and improved coaching programs and has been made easier

with digital tools. The desired ROI can be determined in advance, and Key Performance Indicators (KPIs) identified prior to implementation can be tracked in real time. Sales staff and managers have easy access to performance data so that outcomes can be monitored, and adjustments made accordingly. These tools make it easy to track ROI—in fact, assessing the return on investment is an integral part of a well-designed coaching program.

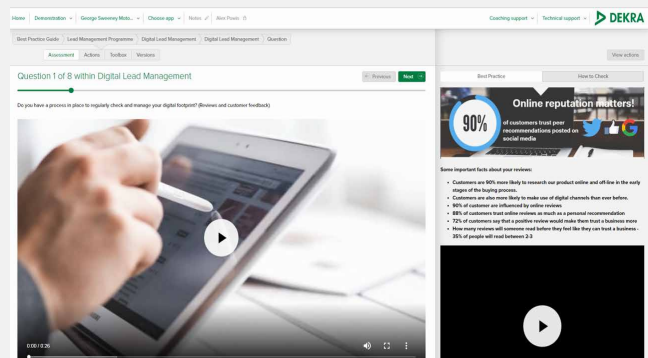
## Successful Digital Automotive Coaching Tools Currently Available

Automotive coaching service providers have recognized the advantages of employing technology to optimize their clients' return on investment. DEKRA, for example, supplements the expertise their coaches deliver with their new I-Coach tool. I-Coach provides remote live coaching sessions in both group and individual formats that are intended to fit seamlessly into the workday. No session exceeds 45 minutes, and participants can immediately apply what they learn in real-life customer interactions.



DEKRA I-Coach – Our customized live coaching solution

Without a means of tracking performance, collecting data and measuring success, however, the benefits of sales coaching go unquantified. Service providers motivated to promote transparency and accountability within their coaching products have turned to technology for solutions. Another example from DEKRA, the DEKRA Performance Manager (DPM), does just what its name suggests. It is a digital platform that eliminates the need for a full-time coach by ensuring that learning, monitoring and feedback take place continuously. DPM allows users to perform diagnostics, formulate action plans, report and monitor KPIs, share best practices, self-assess and view both individual and consolidated data. These features give individuals greater control of their learning and more responsibility for their action plans, which translates into improved motivation and engagement. Since DPM is customizable, it conforms to what the dealership, brand or network requires without excess costs associated with one-size-fits-all approaches.



DEKRA Performance Manager – A digital collaborative coaching platform

## Evidence That Innovative Coaching Works

Case studies have shown impressive improvements in sales numbers as a result of traditional coaching interventions combined with newly developed digital solutions. One auto manufacturer was able to increase conversions four-fold in under two years for a total of 15,000 additional network sales. In addition to in-person coaching, this manufacturer's distribution network utilized remote live training sessions integrated into the workday as well as a digital platform incorporating diagnostics, action plans and KPI reporting for consistent monitoring and feedback.

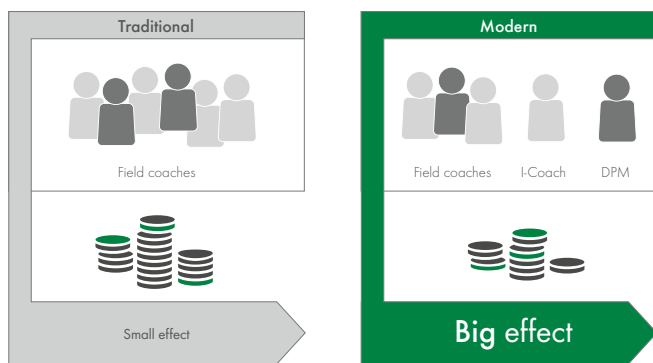


Figure 3: Effectiveness of Coaching Solutions for ROI

Figure 3 illustrates the affects on ROI when traditional coaching is replaced with a blended approach. Where 6 field coaches are able to

help a dealership reach its improvement goals at a cost of \$650,000 per year, those same results can be achieved blending 3 field coaches, remote coaching sessions and a digital platform to guide and monitor progress. With a price tag of \$450,000 per year, the blended solution clearly delivers the better ROI.

## Closing the Digital Circle

While technology and digitalization are drastically changing the landscape in automotive sector sales, they are simultaneously offering the means of meeting these new challenges. Where sales coaching in the industry was previously cost-prohibitive for many organizations and its value relatively undocumented, new digital tools are lowering costs, providing a more effective service and enabling accurate documentation and data analysis on ROI and other important measures of success.

Since digital channels will continue to dominate automotive sales, responding in kind is the only viable option for dealerships, networks, OEMs and brands. An agile, targeted coaching program with a strong digital component will yield an agile, capable sales force with strong digital skills. The best advice for members of the automobile industry going forward is to find a trustworthy, experienced coaching partner to help your team navigate the new landscape while guaranteeing your desired ROI.

## DEKRA Business Consulting

For companies in the automotive sector committed to improving sales performance and customer satisfaction, DEKRA Business Consulting combines industry expertise and experience with innovation and adaptability. Our approach meets the challenges of an evolving market and a dynamic consumer landscape. Looking back on over twenty years of successful collaboration with the auto industry, we share our knowledge and engage fully with innovations and technologies that are shaping the future. Our vision empowers our partners to transform, adapt and thrive.

[Would you like more information?](#)

[Contact Us](#)