

# Manheim Facilitation Focus Points

Hard Rock Hotel - March 26<sup>th</sup>, 2014

## **PRE-SESSION MIND DUMP QUESTIONS & INPUT**

1. What can we do to help include "Line Managers" in getting more involved at a "Market Level?"
2. What can we do to collaborate more at a "Market Level?"
3. We are being bonus at "Market Level," but I don't feel like our managers feel like they have any say, or any influence over what is happening at other locations within our market.
4. Who is actually following the blueprint from "Transformation?" Is it still relevant with today's volumes?
5. Double block what we have learned from ALT, GA, and NO on ops flow, sale placement, etc.
6. Dealer If Policy – is everyone on the same page, should we be, should we put a limit on distance from floor price before we "if" etc.
7. GM Buddy Program – I think it would be cool to spend a week working with another GM in our market at their location to see what they deal with and learn from them etc. This would be a worthwhile trip in my opinion.
8. What guidelines are other auctions using to facilitate reimbursement for travel, airfare, etc. for our customers? Are they using the same reimbursement regional guidelines that were presented to us from Tim Janego two years ago?
9. What are locations doing for development and training as far as employees and managers.
10. Do auctions see need for future talent development? If so are any of you doing anything on a local level?
11. I would like to get viewpoints on the new recruiting process?
12. Feedback on how our dealer sales teams are supposed to influence a market dealer conversion rate of 53.4%?
13. Arbitration - Should we be selling whole car trying to use the TRA arbitration policy? How do we better educate customers?
14. Communication – How can we insure that the locations that do not have titled staff to be included in company emails get the information?
15. Weekly recaps sheet – Do we need to change or enhance?
16. Market communication – Should it be sent out only once a week? Streamline communications.
17. How do we get our customers to pre-register their vehicles online?
18. Is there a shortage of equipment (i.e. handhelds, tough books, etc.)? If so how are we as a company handling getting new and updated equipment?
19. Does security handle redemptions?
20. Is there customer experience training for G4's?

21. Creating checklist – Are we really clear on what we need to check daily, weekly, monthly. Share what we feel like are priority areas that we should be dialed in on at all times.
22. Day of sale checks – who is doing them/what was charged/how to handle issues coming after sale day.

### **SESSION PURPOSE**

To innovatively and creatively drive new avenues of expansion to remain the industry leader in car sales.

### **SESSION OBJECTIVES**

1. Create a prioritized list of ideas and strategies to sell more cars.
2. Create a working action plan to drive overall team performance
3. Discover new positive perspectives for approaching future issues
4. Better understand ourselves as a team – including strengths, challenges, and how we can continue achieving excellence moving forwards.

### **DEFINING A 24/7 SALES ENVIRONMENT**

7-day-a-week sales and DRIVING transactions every day with every opportunity.

### **ROADMAP FOR THE DAY**

1. Future Vision – what does this look like when you have succeeded
2. Customer Avatars – who do you serve
3. Generating Strategies
4. Prioritize tasks
5. Brainstorming, specific strategies to support key ideas of the group
6. Create an Action Plan – 30 days, 60 days, 90 days
7. Check-In Call 45 days post session
8. Review & Close

### **PARTICIPANT DETERMINED OBJECTIVES**

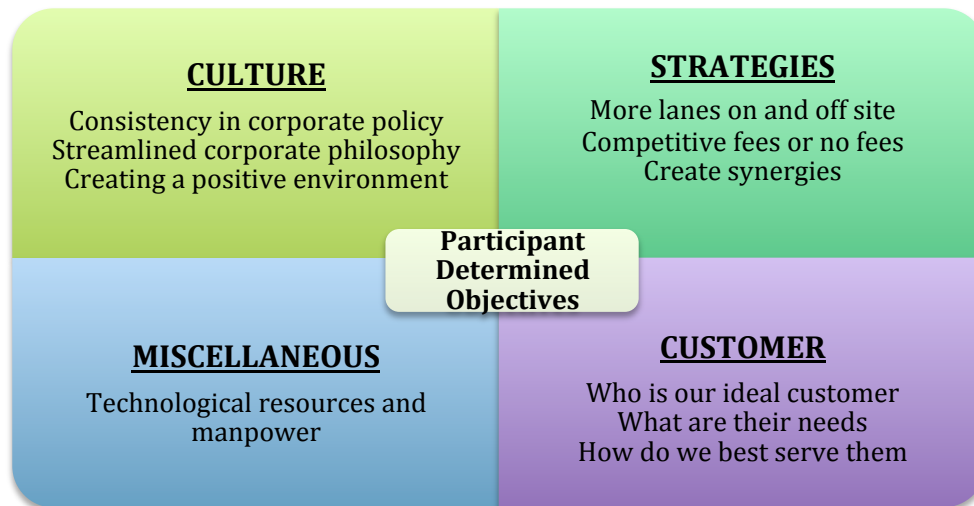
1. *Culture*
  - Consistency in goals amongst outside sales and auction operations
  - Find ways to increase positive energy and remove all negative problems
  - Company to change the philosophy of “in-lane” sales vs. “online sales”
  - Standardize policies corporate wide
  - Current perception from both the customer and employee standpoint is that Manheim wants to get away from traditional business practices.
  - Establish consistency within corporate human resources (i.e. conflicting spins on differing issues)
2. *Customers*
  - What does the current customer avatar look like, what do they want, how do we best serve them.

### 3. Sales Strategies

- More lanes both off site and on site
- Create continuous change with strategies to sell cars.
- Being an out-of-box location, because we are new.
- Compete with low fees or no fees making us more competitive.
- Compete with aggressive fees and lose arbitrary policies to sell more cars.
- Future of rental sales, how to sell them versus old factory sales.
- Generate synergies (i.e. Ops, sales, corporate)
- Improved communication and relationships between auctions
- Help dealers on retail process (i.e. television, radio, ATG). The faster they sell, the faster they will buy.
- Establish common strategy on process to sell cars 24/7 (i.e. marketing, customer understanding, run through)
- Pull the ideas from today's session in to make a new sale location that will be successful, grow, and sell cars 24/7.
- Host daily post card sales for dealers out of area who can't easily get cars to auction.

### 4. Personal

- Need enough technological resources and manpower to be successful



### ACTIONS & BENEFITS TO ME

- Increased Revenue
- Less stress more happy
- Simplicity and increase time
- Financial rewards
- Our hands are not tied mentality
- Stay true/trust yourself

- Work/Life Balance

### **ACTIONS & BENEFITS TO ORGANIZATION**

- Streamline and simplify
- Finish what we start, people are known for what they finish
- Focus and be more grounded
- Create more revenue for the company
- 100% customer base dependent on Manheim
- Do a better job of listening to our customers, becoming a better partner
- Mesh the old school with new school thought
- New opportunities that give growth to new ideas
- All 800+ products are coming together
- Create a culture of risk taking
- Saturday sales – back to the future prices

### **ACTIONS & BENEFITS TO CUSTOMER**

- Ease of check-out
- One stop shop
- Fast & efficient
- Stay on top of technology
- Streamline and simplify
- Easier access to product
- Email sales slips/receipts, etc.
- Adapt to customer, not customer adapt to us

### **IDEAL CUSTOMER AVATARS**

- Dealers
  - Small Independent
  - Buy here/Pay here
  - Franchise
  - Re-Marketers
  - Mega Franchise
  - Wholesaler
  - Professional buyers
  - High Line
- Rental companies (identified as a GO topic for further group discussion)
- Manufacturers
- Banks (identified as a GO topic for further group discussion)
- Retailer/Consumer (identified as a GO topic for further group discussion)
- Municipalities
- Exporters

*Banks (ideal customer avatar)*

- Male, mid-40's, married

- BS Finance/Accounting
- Road Warrior/stressed
- Not always a car person
- Bankers trapped in car business
- No owner stake
- Need tools and remarketing experience
- Hard to reach
- Competitive target/possible competition
- **Pain points: time, inventory, pick-up, consistent CR's, auto IMS, commute, repairs/expense.**

*Franchisers (ideal customer avatar)*

- Male, 47 years old, married 1-3 times
- Lifers
- Fragmented decision making
- Value proposition
- Develop relationships and remarketing plan for each store, different stores have different **pain points**.

*Small Independent (ideal customer avatar)*

- Working man (male dominated)
- Limited cash/resources
- Limited inventory
- No "special" deals
- No voice/recognition
- Most loyal
- Self-sufficient
- Aging
- Family ran business/multiple generations
- Not demanding
- **Pain points: Multicultural, stereotypes, communication**

**BUILDING BLOCKS**

- Off site sales
- Online daily sales
- Off day/different product
- Buyer friendly lane setup
- Lane schedule time starts
- Photos on every car
- OVE specialists
- Double blocks
- SME of your department
- Customer experience surveys
- Centralization

- Sales back to market

## **STRENGTHS**

- Industry leadership
- Capital
- Employees
- Facilities
- Inventory
- Technology
- Retention
- Innovations
- MMR
- Global
- Customer relationships
- Vehicle/Customer information
- Products
- Cox = Diverse group of companies
- Experience
- Integrity
- World class sales organization
- Large Turnover
- Local relationships
- Trust
- Decisive
- Fair
- Desire to win

## **OBSTACLES**

- Time
- Human Resources
- Goal alignment
- Task saturation
- Corporate theory/perceptions vs. reality
- Customer loyalty – competitions
- Lack of training and too much
- Sales structure
- Compensation for employees/managers
- Fees
- Arbitration policies
- Technology
- Value proposition
- Corporate timeliness
- Decision making
- Never finishing

- Flavor of the month mentality
- Hiring practices
- Communication inconsistencies
  - Conference calls
  - Webinars

#### **NEW IDEAS**

- Paperless block
- Smart phone applications = bidder badge
- Self service gate pass = streamlining process
- 360 imaging
- Automated vehicle up-lead to OVE/Manheim (Autotrader @ check-in)
- Retail financing
- Data sharing (w/client)
- Multi-palate platform
- Flex work schedules
- Standardized titles
- Manheim management training program

#### **SESSION A-HA MOMENTS:**

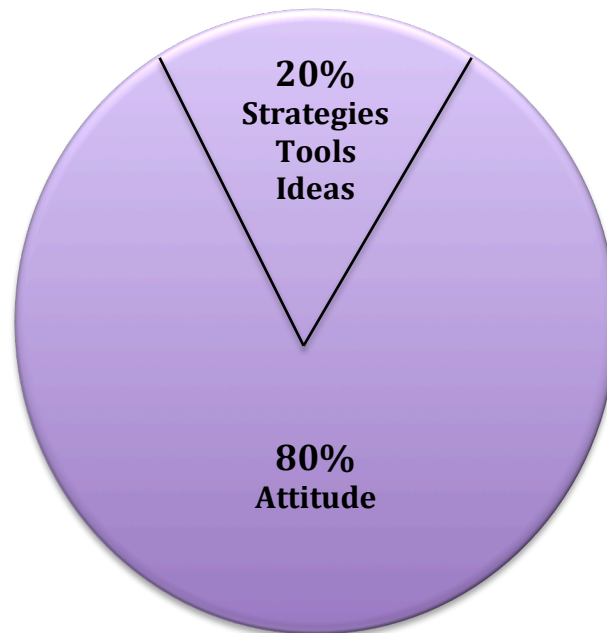
- Failure is OK
- Accountability
- Support: Leaning on each other in multiple locations within the corporation
- Make good mistakes
- Everyone's ideas are important
- The future is not scary
- If you aren't catching fish, do you change bait and tackle?
- Quit over thinking
- Keep it simple
- Speak out, have a voice
- Need our voices to be heard
- Together we are great
- We want it to work
- We want to be a part of the change
- Although there are a lot of products, you don't have to use them all
- Leverage with Auto Trader
- Host public sales
- Consider other locations in the 7-day opportunity to sell more cars
- Help customer with retail ATG, Cox media package
- Find a better way to listen to the customer
- Dig deeper
- Take the time to get to know the customer better
- Today's small customer is tomorrow's big customers

- What are the customer goals, what goals are a priority, and how would customer prefer to communicate.

### **LEVELS OF CONVERSATION**

1. Inform
2. Motivate
3. Inspire
4. Transform

### **80/20 PERSPECTIVE TOOL**



### **ROUND ONE - TOPICS FOR DISCUSSION DETERMINED BY THE GROUP**

#### *1. Customer relations*

- Take ownership in building relations for both internal and external customers
- Understand the customer – include all areas
- Educate employees on both customer and corporate goals
- Dealer counsel meetings

#### *2. Sales to Market*

- Goal Alignment
- Input Communication
- Market expense – “BANG 4 BUCK”
- Action Items
  - Invite sales manager to review numbers at months end
  - DMV list to do prospecting



- Monday sales call by auction representatives
- FSM/6M “Hot Topic” chats
- Black “Ops” Sales
- Deal directly with sales representatives
- Kentucky Model
- Sales Force – Communications access
- Assign sales representative to sale day

### 3. *Automated Processes*

- Vehicle entry automation
- Vehicles automatically uploaded OVE/Manheim.com
  - Seller Option to:
    - Price
    - Seller Disclose
    - Request Recon Services
- Automatic email to seller after CR
  - Offering recon work
- Ping customer when he/she walks in door
- Universal Badge Number
- Gate Pass

### **ACTION PLANNING**

- Action
- Expected Result
- Definition of Done
- When
- Possible barriers of what could get in your way
- What you need help on

### **INDIVIDUAL ACTION PLANS:**

**Doug:** Go to double blocks, move some customers to double block lanes, sell more cars, improve customer experience, sales team support. Improve energy in the front lobby, involve the employees, and drive full balance of the experience.

**Tom:** Pull of a second off site sale, offer simulcast which increasing an extra 50-100 cars per month. Barriers: cost to infrastructure, customer schedule, and personnel management. Benefits: Potential for growth, revenue, corporate opportunity.

**Tony & Danny:** Work on the fee deals and identify good business. Identify the bad business and making corrections. Also focus on team building with results to increase sales percentages.

**Dustin:** Complete First Minute training program (employee training program) that tests employees on general knowledge at the locations to improve overall guest

satisfaction. This will increase the value of a customer's experience, downsize on the questions that they cannot answer, and customer will receive an efficient response to their need. Deadline: May 1<sup>st</sup>, 2014.

**Darren:** Visit more independent dealers in the New Orleans area. Committing to twice per month visits. Expecting to build relationships and improve retention and increase in volume. Barriers to this goal are finding times to make the visits. Will utilize FSR's and FSM's to assist with this task. Benefits include customer loyalty and return patronage.

**Mike:** Visit more independent dealers in the New Orleans area. Committing to twice per month visits. Expecting to build relationships and improve retention and increase in volume. Barriers to this goal are finding times to make the visits. Will utilize FSR's and FSM's to assist with this task. Benefits include customer loyalty and return patronage. Also will begin First Minute training program.

**Mark W:** Create an avenue to capture lower end product. Also wants to educate sales market team on why, what, and how. Will build customer base, capture revenues, and generate new business.

**Heath:** Strive to identify customer needs, prioritize, and implement. Open communication lines by sitting with a minimum of two customers per week to identify the needs of Birmingham. Resulting in increased car sales. Barriers include building relationships with new car managers due to their time constraints. Will need assistance of sales force in identifying gaps.

**Tom:** Improve customer experience and drive sales through assistance from sales team. Build a better relationship with focus on buyers since sellers get most of the attention at this time.

**Butch:** Working on keeping big accounts right now by collaborating with customer and listening to the needs to better serve them. Invest in clients and co-employees by getting to know them on a more personal level.

**Sam:** Identifying markets in the state that are not being addressed at this time. Understand the needs of the clients, being in front of them, knowing their locations, and doing dealer sales blitzes. Will result in stronger relationships; earn business back both in and out of market. Starts RIGHT NOW!

**Jeff:** Improve upon the Auctioneer Meetings, establish best practices, and make them productive. Utilize resources within the corporation and will result the sales percentage needle and get a more engaged meeting.

**Nelson:** Get back to the basics with "Green Light" products; utilize corporate resources, and products. Hire a sales person that will provide additional customer support.

**Ellie:** Own the relationship with the customer by interacting with the corporate service team, inclusion in team meetings, and learn perspectives about the customers. Own the relationship in outlying territories, making phone calls, and having sales managers meeting with customers. Also allow dealer service team to link up over the phone so they have an auction contact. Develop dealer meetings, going back to the basics, identify goals and needs of the customers. Allow the dealer service team to own their book of business. Divide out sellers and buyers groups to allow for more direct contact and meeting of the specific needs.

**Ryan:** Back to the basics thinking, get more organized with strategic planning, prioritize a checklist of what needs to be done, collaborating with Tony for support, reaching out, networking, and staying in contact with customer base.

**All About Pete:** Get more involved with customers at a more personal level. Committed to calling three customers per week, visit four commercial customers per year, visit two dealers per month in person, and reestablish dealer luncheons that are productive. Relationships and knowledge generate new business.

**Joey Two Shoes:** Return back to a quality customer relationship. Will focus on having one sale through a post card venue increasing revenue through increased volume.

**Mike:** Take ownership in both external and internal relationships, expectations for employee engagement, choose five dealers and document in Sales Force the contacts that have been made and the impact that is made. Make one phone call per week to an internal customer. Continue choosing five dealer contacts per month.