

6 for Growth and
Sustainability of
Your Dealership
Business
Mantras

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sus-tain [suh-steyn]

to keep up or keep going, as an action or process

Sustainability [suh-stey-nuh-bil-i-tee]

the ability to be sustained, supported, upheld, or confirmed.

PASSIVE VS ACTIVE DEFINITIONS



1st
Mantra

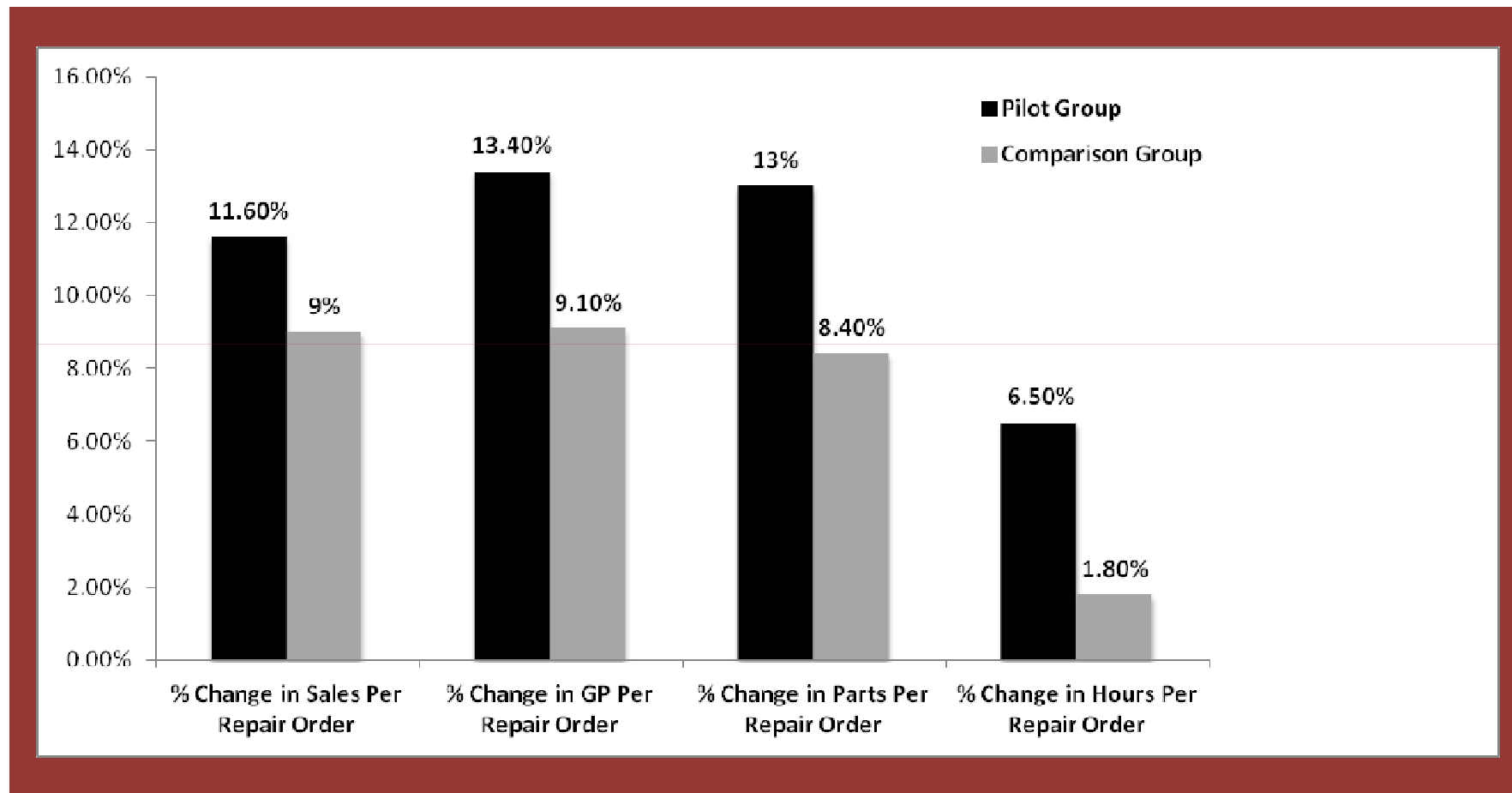
Be a Scientist and not just an Artist

1. Scientists Vs Artists



- Qualitative and Quantitative Analysis
- Problem Solving Approach
- Strategy, Talent, Luck & Fluke
- Man- a creature of habits
- Case study from Australia

Case Study from Australia



Case Study from Australia



Service Variable	Pilot Group	Comparison Group
% Change in Service Turnover	+1.42%	+1.08%
% Change in Service Gross Profit	+5.02%	+1.06%
% Change in Service Expenses	+1.42%	+2.56%
% Change in Service Operating Profit	+30.3%	-6.2%



2nd Mantra

Make Money, But in the Dealership Business

Temptations too many..



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Where to Invest



Avenue	Possible Return on Investment	Attractiveness Rating (Out of 10)
Stock Market		
Real Estate		
Bhai & Company		
Leading Hedge Funds		
Your Dealership		

Sample Returns of a Car Dealership



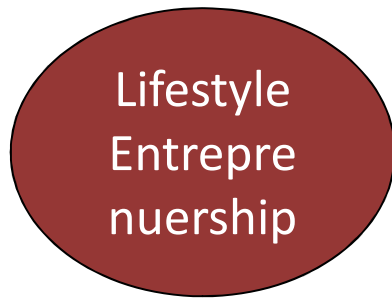
Return on Sales (Net Profit/Turnover)	3%
Asset Turns (Sales/Average Operational Assets)	8
Return on Assets (ROS X Asset Turns)	24%
Debt Equity Ratio (Debt/Equity)	3
Return on promoter investment (DE Ratio X ROA)	72%



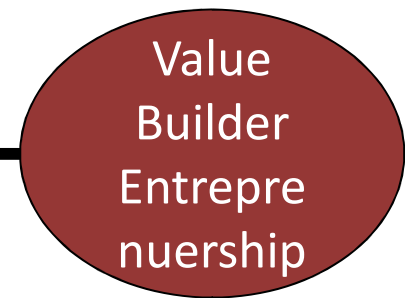
3rd Mantra

Treat Dealership Business as a Business

Types of Entrepreneurship



Working **IN** the
business



Working **ON** the
business



4th Mantra

Plan to Create Elephant and not Rabbit

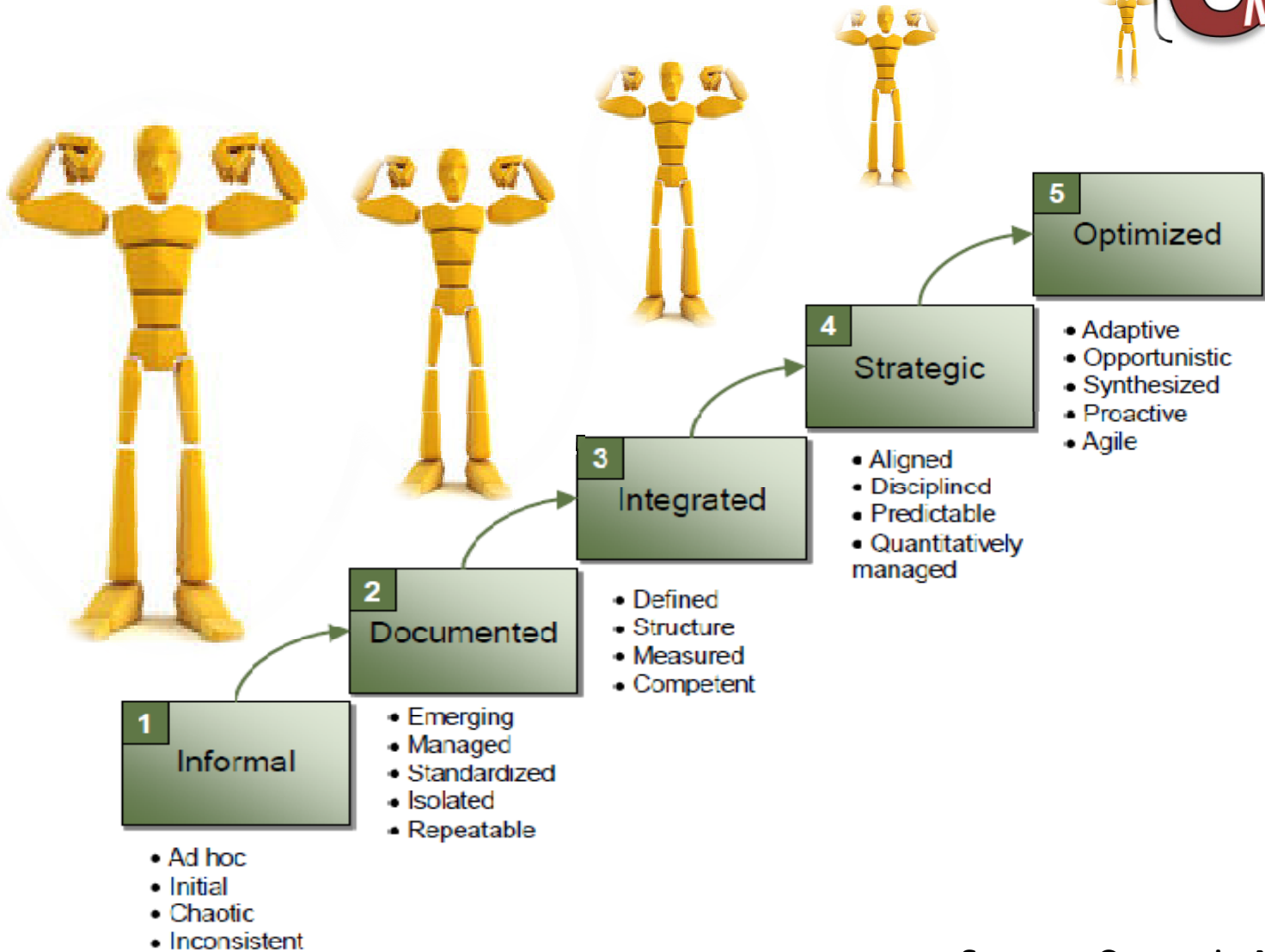
5 Important Questions



1. What is your vision for your business? Does it extend beyond you? Is it grand enough to match the opportunity that auto retailing offers in an emerging market like India?
2. Do you see yourself building a resilient institution that will last beyond you?
3. Do you have robust structure of organization and business in mind that will support your vision and growth?
4. Are you ready to “let go” and let your business be driven by processes and policies?
5. What kind of culture do you want to build in the organization? Does it match your growth aspirations?

Organizational Maturity Model

for Growth and Sustainability of Your Dealership Business
6 Mantras



Source- Carnegie Mellon Univ.



5th Mantra

Darwinism Can Help You

Darwinism -1



- Theory of Evolution
- New Models- AutoNation, Inchcape, CarMax
- Retail FDI
- Access to capital
- Value on the table- How many times earnings

Darwinism-2



- Enquiry –Internet, Social Network
- Engagement on social network, Dealer commercials on internet
- Customer handling with i-Pads and Kiosks
- Future trends- What is going to change?



13,000+ HOURS
MUSIC
STREAMING ON
PANDORA



12,000+
NEW ADS
POSTED ON
craigslist



370,000+ MINUTES
VOICE CALLS ON



98,000+
TWEETS



320+
NEW
twitter
ACCOUNTS



100+
NEW
Linked in
ACCOUNTS

1 associatedcontent
NEW
ARTICLE IS
PUBLISHED

THE
WORLD'S
LARGEST
COMMUNITY
CREATED CONTENT!!

6,600+
NEW
PICTURES ARE
UPLOADED ON
flickr



50+
WORDPRESS
DOWNLOADS

695,000+
facebook
STATUS
UPDATES



125+
PLUGIN
DOWNLOADS

79,364
WALL
POSTS

510,040
COMMENTS



1,700+
Firefox
DOWNLOADS



694,445
SEARCH
QUERIES



Google Search

168 MILLION
EMAILS
ARE SENT



1,500+
BLOG
POSTS



70+
DOMAINS
REGISTERED



600+
NEW
VIDEOS

25+ HOURS
TOTAL
DURATION



QUESTIONS
ASKED ON THE
INTERNET...



100+

Answers.com

40+

YAHOO! ANSWERS

20,000+
NEW
POSTS ON
tumblr.



13,000+
iPhone
APPLICATIONS
DOWNLOADED

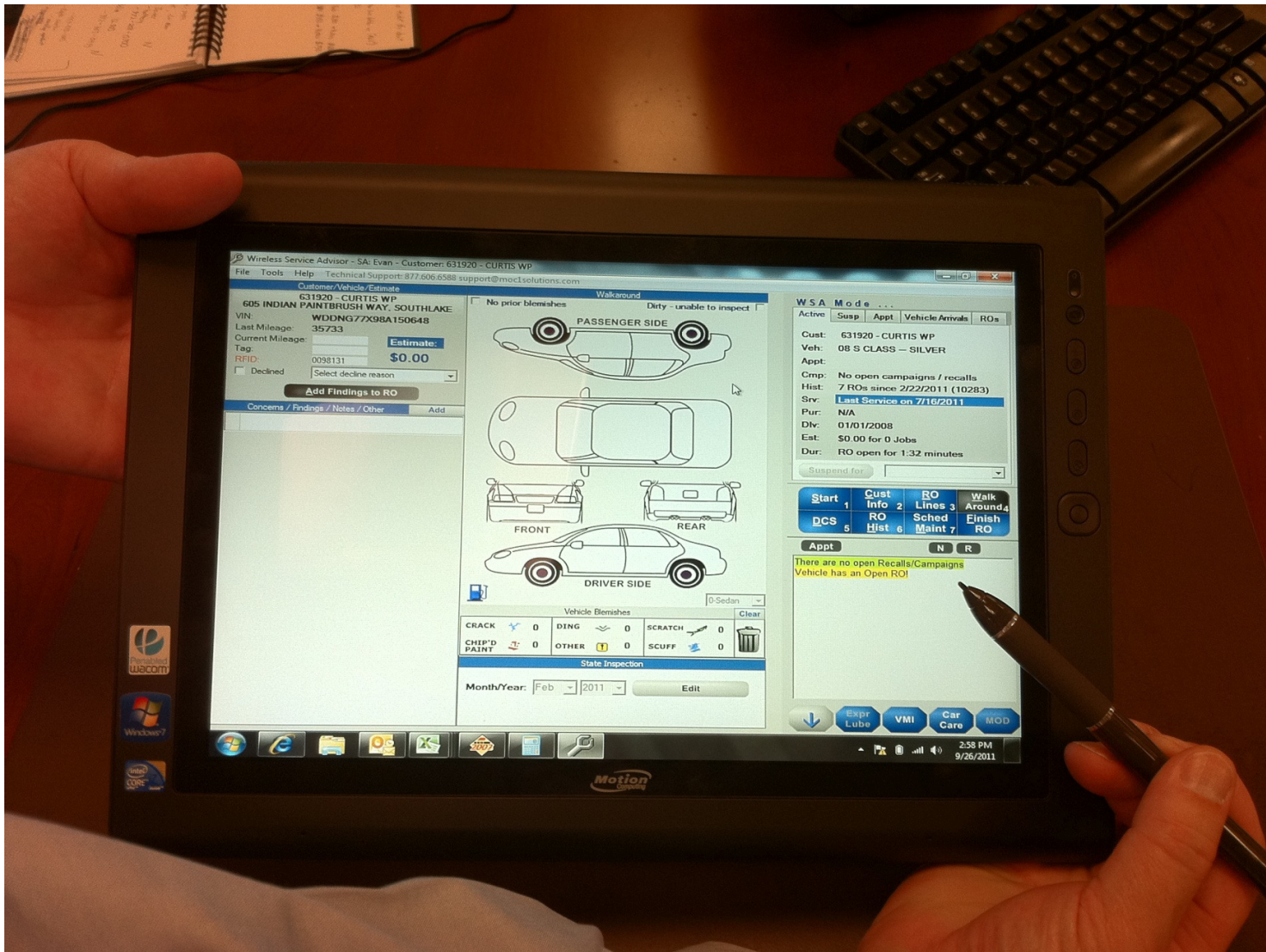
1,600+
READS ON
Scribd.



THE
LARGEST
SOCIAL READING
PUBLISHING COMPANY

1
NEW
DEFINITION
IS ADDED ON
URBAN







6th Mantra

Be a Curious Cat and Get Lucky

Be a Curious Cat



- Why We buy- The Science of retailing?*
 - Case of 10 Underwear (What suits the customer)
 - Twilight Zone (Where and how to greet)
 - Men Vs Women (Reckless Vs Poetical)
 - Displays etc.- Mirrors, Signage
-
- Applebee's Story

* Source-Why We Buy by Paco Underhill

Conclusion



- What is not going up is coming down
- Limited time opportunity
- Window and the wall
- Thinking big

Recap



1. Be a Scientist and not just an Artist
2. Make Money But in Dealership Business
3. Treat Dealership Business as a Business
4. Plan to Create an Elephant and not Rabbit
5. Darwinism Can Help You
6. Be a Curious Cat and Be Lucky