

FOCUS ARTICLE

Digital Change in the Automotive Trade

For some time now, digital change has been bringing about a real turnaround in many sectors. The automotive trade is among them and must try to keep pace with the changes. The transformation is primarily about retaining what has been tried and tested on the one hand, while incorporating new sales channels and recognizing customer behavior trends on the other. However, it is a challenging process, because in addition to the right strategy, the right implementation approach is often missing.

Relying on a variety of measures, our experts are able to guide companies through this often-difficult process. Based on the current digitalization readiness of our clients, we develop a individually tailored strategies for successful digital transformation.

In the following, our digitalization coaching expert, Enrico Herrmann, answers a number of important questions regarding change management and digital transformation in the automotive trade.

1) What are the challenges in the field of digitalization?

E.H.: From our point of view, there are four key factors in the coming years that will have a serious impact on the automotive trade business model. In addition to the increasing development of e-mobility and the use of shared services, market saturation is also an issue and will have a lasting influence on the industry. A fourth and important driver is digitalization.

In order to keep pace with the growing pressures of the changing business world and the demands it places on them, companies must inevitably address the issue of digital transformation. This means

that when we talk about the topic in the automobile trade, we are talking above all about changes in processes and structures. A change that helps the industry become more efficient and deliver more customer-orientated service.

2) Digitalization has a deep impact on companies. But where and how do you start?

E.H.: Most employees in management already know what the success factors are for a functioning and successful digital transformation. However, it often fails as a result of poor implementation. And this is probably the greatest challenge. On the

one hand, it is clear what actually constitutes success, but on the other hand, the right strategy is missing.

To develop a stronger approach and a basis for change, companies should be aware of where they currently stand, in the terms of digital readiness.

Three questions determine the current situation. Does the company already have a clear strategy and formulated goals for implementing digital transformation? Which services can actually be included? Who in the organization is responsible for change management?

Our experts have developed a tool to determine a company's current digitalization status. Based on this knowledge, the next steps towards digital transformation can be identified.

3) Is digitalization purely a management issue?

E.H.: From my point of view, management plays a key role in the success of every major change. It must give the whole project both meaning and orientation. Only in this way can all employees be brought on board to support the transformation.

When developing a strategy it is also necessary to take into account the differences among employees. While some are aware of the benefits of the process and associated changes, others may reject the

change completely. Then again there will be employees who find everything too confusing and exhausting.

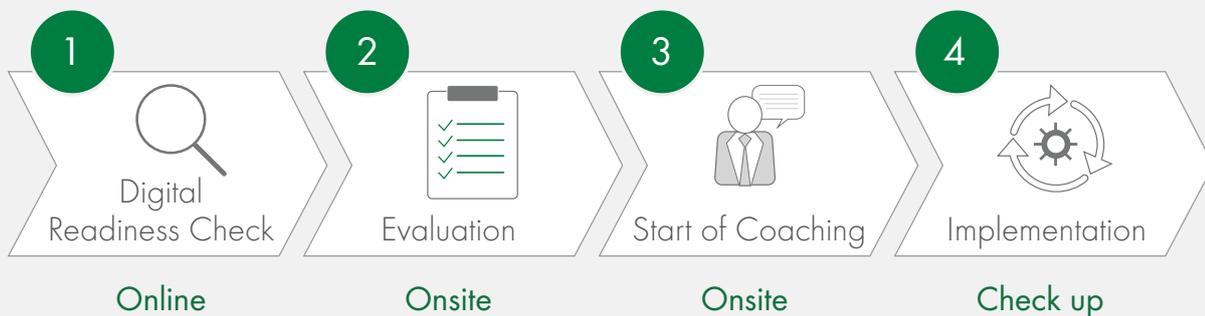
Management must therefore be able to recognize and manage crises, conflicts, and resistance accordingly. For a managing director this also means that he must be very decisive, persistent and, above all, willing to deal with conflict.

Change always hurts and conflicts arise automatically. All the more reason for management to face the challenges of change and motivate and involve all employees accordingly.

4) Which factors play an important role for successful implementation?

E.H.: We have developed a toolbox for optimal management support. It provides assistance to those responsible for moving the company toward a structured, demanding change process. Our coaching services are based on the company's current degree of maturity and its particular framework conditions. In this way, the process can be regulated so that the organization, its employees and its structures integrate change most effectively. In our experience, the core problem is that new processes are abandoned before they are fully completed. Therefore, alongside strategy development, implementation must receive equal attention. There will always be conflicts, and that is exactly what management has to learn to deal with.

OUR COACHING PROCESS



5) What are the consequences of reacting too late to the changes?

E.H.: There are actually only two ways for companies to deal with digitalization. One is to wait and see what happens, then respond to the changes - which may end up being too late as competitors pass you by, as we have seen from examples like Kodak or Nokia. The other is to become one of those who will help shape change in the future.

6) Why DEKRA when it comes to Digital Change Management Coaching?

E.H.: We are proven experts in the automotive trade and have long-standing experience and expertise in supervising projects related to change in this industry.

Your proven experts for the automotive digital transformation

For automotive companies committed to optimizing sales performance and customer experience, we combine industry expertise and experience with innovation. With adaptability and flexibility, we meet the challenges of a changing market and a dynamic consumer landscape. We have been proven experts in the automotive trade for many years and have extensive expertise in supporting change management projects. Our experts understand the point of sale and have longstanding experience in guiding companies in the automotive industry with consulting and solution expertise in the area of digital transformation. You can rely on us for support during the digitalization process and to lighten the load on management during the implementation phase as well as suggestions for increasing your competitive edge.

ENRICO HERRMANN

Enrico Herrmann works as a manager for the Network Performance division at DEKRA Automotive Solutions Germany GmbH. He has been working in the automotive industry for more than 20 years now. After graduating with a degree in electrical engineering and electronics, he worked in a car dealership for the next years as Head of Aftersales. He has remained faithful to the industry and has now been working for about 15 years as a coach and consultant in the areas of new and used cars as well as aftersales. As a coach, he supports companies on their way to digital transformation.



Are you interested in professional coaching in the field of digital transformation?
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