

White Paper



Car Trade

Car Trade in the Information Age



Management Summary

The worldwide liberalization of the markets, profound political influences and frequent new technical developments present car trade businesses with new challenges all the time. Faced with these challenges, manufacturers, importers, wholesalers and dealers are forced to subject their business models to critical questioning and to adjust them.

The disappearance of traditional barriers to trade and increasingly customer-friendly legislation are opening the markets to new competitors, but at the same time they are also enabling businesses in the motor industry to expand into new markets themselves. Thanks to global competition, margins are coming under pressure; concentration in the market is proceeding rapidly. The development of new electronic components and telematics services is shifting the balance in the competitive relationship between manufacturer, importer, wholesaler and customer. The customers are becoming more demanding. They expect to find more than just a contact person from whom they buy a car and who will provide the necessary servicing for them. They expect a competent partner who is able to answer as many as

possible of their questions on the subject of mobility. The Business Model of the Information Age allows to react to these challenges. Modern information systems and communication technology enable the integration of the services offered by the partners involved in the supply chain across company boundaries. This offers individual businesses the opportunity to concentrate on their respective core competences and at the same time to provide the customer with a higher level of service.

In order to achieve this integration, the internal business processes within the individual companies must be optimized. Only then can cross-company collaborative processes be set up that will ultimately form the basis of a comprehensive supply of products and services.

Collaborative processes foster mutual trust between the partners involved in the supply chain – a worthwhile challenge: the implementation of cross-company processes guarantees long-term competitive advantages for car trade companies and increases their efficiency and profitability.



Contents

I. A Changing Industry	4
Political Trends	4
Market Specific Trends	5
Technical Developments	8
II. Car Trade in the Information Age	9
Cross-Company Collaboration Increases Success	10
Cross-Company Collaboration in Practice	11
Three Steps to Success	14
III. There is a lot to be done	17
We Can Meet Your Needs	18
The Information Management Group (IMG)	19





I. A Changing Industry

Whereas the car trade was able to enjoy a boom around the turn of the millennium – contrary to expectations – at present it is coming under increasing pressure. All businesses in the industry are being forced to rethink both by political and market specific trends and by new technical developments. All the participants in the supply chain – manufacturers, dealers, importers and wholesalers – are being challenged to examine their portfolio of products and services thoroughly and, in some cases, to make fundamental adjustments. These changes bear risks for their businesses – especially for those businesses that fail to confront these challenges, or confront them too late or with the wrong strategy. Those which adjust in time to the coming changes, however, can transform the risks into opportunities and so strengthen their position in the market and make it secure in the long term.

Political Trends

The dominant trend in political development throughout the world is the progressive **liberalization** of the markets. This applies not only to the car trade, but to all industries and all companies that are active across national boundaries. For the motor industry, global liberalization and the opening up of the markets means that local importers are losing their virtual monopoly position. At the same time it opens up to importers and wholesalers the opportunity of expanding internationally. The introduction of the Euro is leading to a clear **leveling out of prices** in the car trade throughout Europe. This is not only true of the

Euro countries. There are already signs that the Euro is becoming a standard of comparison even in countries like Switzerland or Great Britain. Thus some manufacturers have already announced their intention of standardizing prices Europe-wide – presumably not at the lowest level.

This liberalization is likewise reflected in the revision of the Block Exemption Regulation (BER) No. 1475/95, which was passed by the European Commission in July 2002, and which fundamentally changes the legal conditions for **brand exclusive car sales**. Thus on the one hand franchise dealers can make use of the end of the BER to include a second or a third brand. On the other hand it is now also possible for suppliers from outside the industry – for example large supermarket chains with their millions of customer contacts – to try to penetrate the distribution systems of the motor manufacturers with multi-franchise concepts.

Laws are becoming more customer-friendly.

This starts with the extension of warranty periods, includes the granting of manufacturers' warranties to the purchase of used cars, and extends to the End-of-Life Vehicles Directive which has been in force in Germany since 1 July 2002: new vehicles that are registered more than 18 months after the directive came into force must be accepted back and disposed of at no charge to the owner. The costs arising from this will be borne entirely or in large part by the manufacturers, the importers and the dealers.



A Changing Industry

Market Specific Trends

Market liberalization, greater price transparency and more customer – friendly laws – however much they may be welcomed from the point of view of the market economy – lead to the weakening of the traditional links between customers and “their” dealers and “their” brand. In order to counter this development, the relationship with the customer must be cultivated and intensified. The motor industry is in the fortunate position of being able to tackle the **Relationship Management** from two angles: firstly, directly through the customer, with the help of Customer Relationship Management (CRM) and secondly through the vehicle, with the help of a specific Vehicle Relationship Management (VRM).

VRM aims to collect information on the whole life cycle of the vehicle and to make it available in the entire sales and service organization. Knowledge of the complete “life history” of a vehicle is the basic condition necessary if you aim to offer worldwide warranties and effective services, and are prepared to take back vehicles at the end of their working life. In addition, VRM provides information about the customer, which serve on a database for **CRM** systems. So far, the heterogeneous and often inadequate IT systems in use by the various partners in the supply chain have been an obstacle to the creation of an efficient VRM. Thus it is a regular occurrence that after-sales vehicle information only comes to light sporadically, is only collected on a local basis and is updated only at irregular intervals.

As in other industries, in the motor industry too there is a powerful tendency toward **concentration**. The reasons for this are not only political and economic, but in part also technical in character. For example, the quality of vehicles is continually improving. This leads to longer intervals between services, falling utilization of garages and shrinkage of the spare parts business. At the same time, the different businesses along the supply chain attempt to increase their market strength by eliminating stages in the sales route or opening up new paths of distribution.

Only about twenty per cent of vehicle components are produced by the vehicle manufacturer. Therefore the supply industry is becoming increasingly interesting as a source for the independent car components trade. The market for the **car components trade** has shown no significant growth for a number of years, in fact sales have stagnated. The consequences have been felt throughout the industry: new forms of distribution are coming into being, concentration and cutthroat competition are leading to a streamlining of the market. Furthermore, some components wholesalers are taking a vertical approach to the market. They are not only acting as wholesalers and spare parts suppliers for trade customers; they also sell direct to the retail customer and offer their own garage services.



At the same time, the continuously **growing variety of models** is raising the level of demands on the qualification and flexibility of the personnel and the garage. These demands can only be met through increased investment and in many cases only through amalgamation.

The individual requirements of particular customer segments are coming increasingly to the fore. Significant potential is opening up through marketing directed toward specific customer segments, for example **Fleet Management and Leasing**. The share of fleet and leasing vehicles is rising annually by ten per cent. Today some forty per cent of new cars sold are registered to companies.

Further significant developments are evident when we consider the individual stages of the supply chain:

Trends among Manufacturers

The integration that has already developed between the motor manufacturers and the suppliers is also being sought on the distribution side. Here there are solid economic motives, as cost pressures are forcing the manufacturers in the direction of further rationalization. Now that production has been successfully slimmed down and the procurement processes have been optimized, controllers are focusing on rationalization of the channels of distribution. Today, distribution costs account for about a third of the recommended retail price of a new car. These costs include, in addition to sales

promotion and advertising, the dealer's profit margin. In order to cover a greater part of the supply chain, manufacturers are increasingly taking a vertical approach to the market.

With the introduction of performance-oriented profit margin systems, a quiet revolution has taken place in car distribution and in the car trade. The reduction of the basic discounts and the premiums paid for individual elements of performance represent an attempt by the manufacturers to increase their control over their franchise partners in the trade. In this way they are seeking not only to achieve greater fairness in rewarding performance, but also to optimize the implementation of brand strategies for their specific make of vehicle.

Trends among Importers

Independent importers are feeling increased pressure from manufacturers, who are endeavoring to play the part of the importer themselves, or at least to exercise a decisive influence. To strengthen their own market position, importers are increasingly taking a vertical approach to the market and are buying out dealers. This often occurs in a situation of generational change in family businesses or businesses managed by the proprietor. In the spare parts trade, importers and wholesalers who are tied to brands are experiencing powerful competition from the independent wholesale car components trade. Similarly, suppliers are forcing their way into the market with slogans like "spare parts in original manufacturer's quality".



A Changing Industry

Trends in Trade

The tendencies toward concentration in the motor industry are having a particularly marked effect on trade. Manufacturers are aiming for a thinning out of the dealer network and pushing for large-scale areas of market responsibility, to be run by big all-inclusive car trade firms. The complete amalgamation of several car firms to form one large joint operation is recommended by many motor manufacturers, indeed they sometimes even demand this. As a consequence, both the number of independent garages and the number of tied garages will fall even more in the next few years.

Observers anticipate that dealers will concentrate on core functions, e.g. the sale of new and/or used cars, garage servicing etc. In this way a reduction in administration costs can be achieved and ultimately the profit margin can be maintained. Regional amalgamations will still ensure that the customer has access to the full range of service.

In addition, the garages are also feeling the effects of technical progress. Cars are becoming less likely to need repair, and intervals between customer services are getting longer. The importance of mechanical repairs is declining, as cars become ever more complex and demand high investment in technology and the qualification of staff. Only large garages can afford such investments.

Due to the competition from specialized low-price garages (e.g. exhaust and brake service), the trend from family business to large

medium-size garages can only accelerate. Garages operate either as service enterprises offering everything relating to mobility, or they specialize in individual low-cost services. Here are already plans being discussed for "Repair and Maintenance Workshops" with low hourly rates.

In all this, it should never be forgotten that the dealer has a key role to play in the entire supply chain. After all, it is the dealer who knows the customer, and it is the dealer who sells the vehicles.





The End Customer

Developments in the area of e-business permit end customers to inform themselves online at any time about prices, products and services of any brand and any dealer. The result is a customer who is becoming more self-confident. He is better informed in the sales discussion, has higher expectations with regard to service and wants individual attention. Not least, he is harder to tie down, as he finds a greater and greater choice of suppliers to help him meet his needs. For the end customer, the garage is no longer just the point of sale, but a place where he finds all the services necessary to ensure total satisfaction of his need for mobility. Accordingly, dealers and importers will have to develop into comprehensive providers of mobility.

Technical Developments

Studies suggest that in future some ninety per cent of developments in cars will be in the field of electronics. The growing proportion of **programmable components** in vehicles will bring about far-reaching changes to existing processes in after-sales. Here, the motor industry finds itself increasingly confronted with problems that were originally known only to the computer trade. Different components work with different versions of the software that are not necessarily compatible with each other. This strengthens the influence of the manufacturers, as they have the knowledge of the relevant components and configurations.

In the field of **telematics** some rethinking has been going on. In the past, the motor industry has toyed with the idea of offering their

customers, with the aid of communication terminals, services such as traffic information, weather forecasts or hotel reservations. Such services are already efficiently offered by the telecommunications industry and highly specialized content providers. New business models are now under discussion, which envisage the purchase of these or other services through amalgamations with telematics service providers from outside the industry.

The acceptance and expansion of telematics services is, however, very much dependent on the development and quality of voice-controlled elements, which, unlike manual operation, do not significantly interfere with driving. The focus of future telematics developments lies increasingly with car-centered services that offer end customers, dealers and manufacturers additional advantages and increase customer loyalty: for example, a real-time vehicle diagnostic program that informs the customer and the garage about irregularities in the car's performance and – if necessary – can direct the customer to a garage. The **Internet** too plays an increasingly important role in the car trade. It offers an extremely low-cost infrastructure with global 24-hour availability, bandwidths are increasing, communication costs are falling and the end customer can be contacted as a business partner. All this opens up an enormous potential for sales support through the Internet and for Internet supported distribution in the motor industry, as, for example, shown by the success of



Car Trade in the Information Age

used car exchanges. In connection with [Portal Technology](#), the Internet enables companies in the motor industry to offer central access to their services. The question of which partner offers these services is irrelevant. A portal bundles the offerings of all the partners involved and offers the user a homogeneous access to these services.

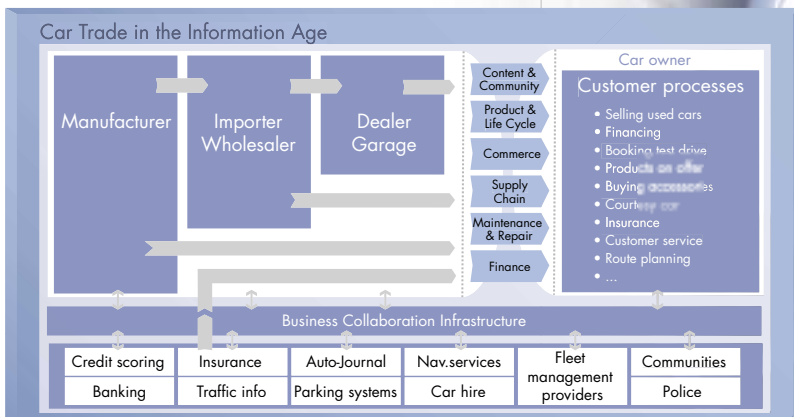
Currently, [IT infrastructure](#) also presents a challenge that may strongly influence the market. The IT systems that are installed by manufacturers, importers and dealers have in many cases become obsolete and are no longer adequate to handle the trends and developments described above.

II. Car Trade in the Information Age

To be able to continue acting successfully in the market despite the many challenges, companies in the car industry must critically analyze their previous business models and adapt them to the demands and opportunities of the information age. The necessary instruments for this are offered by the [Business Model of the Information Age \(BMIA\)](#), developed by

The Information Management Group (IMG), together with the Institute for Information Management of the University of St. Gallen.

In contrast to business models that focus primarily on increasing the value of the company (shareholder value), the BMIA simultaneously considers the customer perspective (customer value). All the processes along a supply chain are looked at from the viewpoint of the customer – that is, the purchaser of the service offered by the company in the given process. The customer need not necessarily be the end customer, i.e. the one who comes at the end of the supply chain.





The BMIA can be applied both to internal processes (such as the request for a certain component) and for cross-company processes (the import of a vehicle) and finally to the entire supply chain from the supplier, via production and distribution, to the return of the vehicle at the end of its life.

Crucial in all cases is that the customer process takes center stage. To do business successfully in the information age, a company must understand the customer process and address it purposefully. In concrete terms, this means that a company must recognize and understand the wishes and needs of its customers, and make an effort to answer these needs and wishes in its portfolio of services.

Now, the needs of a customer of the motor industry are not limited to the purchase of a technically advanced vehicle. The customer also expects service and support with registration, maintenance or ultimate disposal of the vehicle. If they are to meet these wishes, the various companies along the supply chain must work closely together and develop cross-company collaborative processes.

Only through collaborative processes the customer can be offered the services which retain his loyalty to a brand in the long term. At the same time they open up a significant potential for economy along the entire supply chain. Modern information and communication technology enables the realization of collaborative processes.

Cross-Company Collaboration Increases Success

The aim of collaborative processes is to put the individual partners along the supply chain in a position to concentrate on their core competences. This enables them to offer a product and service portfolio which permits the companies concerned to ensure they have a competitive advantage over already existing or potential new competitors also in the long term.

There is nothing trivial about this task, as it takes place in what has traditionally been an area of conflict, in which each member of the supply chain is striving to increase their influence. While the manufacturers in the motor industry are increasingly trying to get closer to the end customer, the dealers and wholesalers have a well-founded interest in holding on to the customer themselves.

Many companies have a tendency to eliminate individual links in the supply chain, in order to serve the customer as directly as possible and take the profit margins saved in this way for themselves.

Cross-company processes, on the other hand, demand openness on the part of the individual parties; for example, to guarantee reliable delivery times, warehouse stocks and the progress of production must be disclosed.

The customer loyalty that all companies aim for is only possible if a customer is offered the optimal level of service. However, this is only possible when the companies involved concentrate on their respective core competence.



Thus the core competence of dealers is undoubtedly individual customer service on site. Importers and wholesalers have the core competence of supporting the dealers where they are and taking care of the necessary brand marketing. Finally, the core competence of manufacturers is production and the product knowledge that goes with it.

Concentration on their core competences enables manufacturers in the motor industry to develop, for example, improved products with greater market acceptance and to concern themselves with better product information such as configurators and documentation. It permits importers and wholesalers to optimize their canvassing of the regional market. Finally, the dealer can expand and optimize the service that he offers.

The customer receives optimal product quality and product information. At the same time, delivery times and customer care can be further individualized. This will increase his satisfaction and therefore also his loyalty to "his" brand and "his" garage.

Cross-Company Collaboration in Practice

The optimization potential that collaborative processes in the car trade can access, is best demonstrated by an example. Let us assume the ideal situation, namely that the participants in the supply chain work together and have implemented the necessary IT architec-

ture for this. Collaborative processes support the flow of goods, services and information over the entire supply chain. Much in our example may appear visionary today, and yet all the processes and functions described are available today and can easily be put into practice.

The Customer's Request...

The example starts with an everyday scenario. A customer walks into a dealer's showroom and has a look around. In discussion with the dealer the customer mentions that he would like to have his present vehicle valued and trade it in for a new car.

After a brief inspection of the customer's current vehicle, the dealer is able to give the valuation as requested. He is supported by the Used Car Calculation Service with which his Dealer Portal provides him. This service can be offered by a wholesaler, an importer or a manufacturer and makes it possible for used vehicles to be offered for sale not only in the premises of the respective dealer, but also throughout the region and beyond. At the same time, the dealer enters the data relating to the new customer and his enquiry into his Dealer Management System. In this way he is able to call up details of the current status of the relationship to his new customer and his vehicle at any time.



The Offer...

After the dealer has made the customer an acceptable offer for his used car, they begin to configure the car that the customer wishes to have. The dealer checks whether the chosen configuration can be built. For this purpose, his Portal provides him with a configurator showing the specific characteristics of different countries, which has been supplied by either the manufacturer or the importer. Subsequently the dealer checks, with the aid of his Portal, whether the desired vehicle is already available locally, regionally or within the country. Unfortunately none of the showrooms have the vehicle requested and it will have to be produced at the factory.

A direct link to the manufacturer's factory permits the dealer to give the customer a possible production date on the spot. At the same time, the on-line connection gives the dealer the chance to offer the customer various additional options or perhaps to draw his attention to the fact that the choice of certain fittings might affect the delivery date for the vehicle – for instance, if he drops the idea of having a sliding roof the delivery time could be shortened by two weeks.

In order to guarantee all this, the Dealer Portal must, in addition to the direct on-line connection, have a link to the trade organization through which the dealer can check whether the customer's chosen vehicle is immediately available from another dealer. On the part of the manufacturer, of course, disclosure of production planning and deadlines is necessary if the customer is to receive this service.

Credit Facilities and Purchase...

Subsequently, the customer and the dealer discuss the available credit facilities for financing the purchase of the new car. Here too, the Dealer Portal plays a decisive role, as it also offers interfaces to the leasing company or the company's or importer's bank. In this way a financial package can be agreed there and then and confirmed on the spot. At this point too, the partners in the supply chain must disclose their internal processes. Only in this way is it possible for on-line access to the respective financial services provider to produce direct approval of a package.

The sales discussion finally ends with the customer ordering the vehicle he has chosen. The order is placed and before the customer leaves, the dealer can inform him that the manufacturers have already included his order in their plan.

Delivery...

Naturally, during the waiting period the customer would like to be kept informed of how the production of his vehicle is progressing. This service too can easily be offered. With the aid of a Status Tracking Service on the Internet he can check the current status of the vehicle he has ordered at any time.

In order to ensure that the Status Tracking Service works efficiently, it may, in some cases, be advisable to involve third-party service providers such as road haulage contractors or logistics companies.



At the end of the production and delivery period the customer is notified that the new car he has ordered has arrived at his dealer's today and can be collected tomorrow. This message can be sent to him via his preferred medium of communication: a Unified Messaging Module establishes contact via either SMS, e-mail, fax or telephone.

A Breakdown...

After the customer has picked up his car and has driven it for a few months, the first minor breakdown occurs. The customer is on a business trip some hundred kilometers from home when the on-board information system in his car tells him that the battery voltage is dropping. The on-board information system suggests a repair garage at a convenient distance that has the appropriate qualifications to repair his vehicle type. The on-board information system also checks that the proposed garage has a suitable spare battery in stock. At the same time the system makes sure that the garage knows that the customer is on his way, where he is at the moment and that he enjoys the manufacturer's First Class Mobility Status.

To ensure that all this goes smoothly a certain level of information technology is necessary. Intelligent elements constantly monitor the state of the individual units in the vehicle and make sure that warning messages are sent where necessary. The integration of the Navigation Service ensures that the current location of the vehicle is known. A wireless connection via GPRS

(General Packed Radio Service) guarantees that all data arrives at its correct destination quickly. Various telematics elements ensure communication between the vehicle and the garage. Optimized logistics systems make it possible to check immediately whether the spare parts that may be required are available. Finally, there must be a regularly updated central data storage system, managed by the manufacturer, to download the vehicle data and check it against the data that the manufacturer holds on the respective vehicle.

The Repair...

When the customer arrives at the garage, the garage mechanic finds that the battery in the customer's car has already been exchanged, and concludes that the problem is not with the battery but with a different component of the car.

To find this out, the garage mechanic needs access to a Vehicle Relationship Management (VRM) system, which documents the life cycle of the vehicle completely.

After a short inspection the fault is identified: a software-controlled component with the wrong version of the software is responsible for the drop in voltage of the battery. The component is immediately fitted with the correct version of the software, which is directly downloaded from the manufacturer's data bank. Once the component has been reinitialized, the customer can resume his business trip; the interruption caused by the breakdown has lasted only one hour.



Here too, certain demands are made on the technical equipment of the vehicle, which must be fitted with the appropriate programmable components. Additionally, the garage must be sure to have facilities for downloading from the manufacturer's data bank.

Implementing the Warranty...

For the garage too, which was able to repair the fault in the customer's car so rapidly, the procedure is speedy: after a few days the manufacturer of the faulty electronic component reimburses the garage for the repair.

In order to deliver this, there must be a binding warranty that is directly accessible on the garage's Portal. For direct reimbursement of the costs a suitable interface is required. For the system to be continuously kept up-to-date over and above the case described, the repair data must be sent to the manufacturers so that they can continue recording the history of the vehicle. This also ensures that the quality of the product at series level continues to be improved and that a comprehensive worldwide availability of information on individual vehicles – and thus optimal service at all times – is guaranteed.

Three Steps to Success

The scenario described above presupposes an ideal situation that cannot be assumed to exist today. True, all the technologies and processes referred to are available and many have been tried out in practice, but before this motoring

wish-fulfillment can become reality there is still some preliminary work to be done. As a first step, the internal corporate processes of the partners in the supply chain must be optimized and where necessary streamlined. As a second step, cross-company processes can be set up. The third step is the expansion of services along the supply chain. Of course, the integration of processes described here is not a simple matter. But it offers success directly: every intermediate stage achieved increases the efficiency of the participating companies.

The Optimization of Internal Processes

The IT systems that are used in the motor industry are frequently obsolete and do not meet the requirements of collaborative processes. Practical experience shows that in many cases a thorough streamlining of the existing infrastructure is necessary. This should include a review and, as the case may be, the revision of business processes, as well as the optimization of the existing ERP system. Over and above this, regarding the integration of the different processes within a company there is much catching up to be done.

By means of the revision of processes and the optimization of systems, costs should be reduced, the level of service raised, access to information increased both internally and externally and throughput times shortened.



Car Trade in the Information Age

Admittedly, in this phase scarcely any new processes or company services are developed, but the optimization of internal processes almost inevitably leads to enhanced efficiency, since already existing services can be offered more speedily and/or at lower cost. Experience shows that already in this first phase productivity gains of between 15 and 20 per cent can be achieved.

Once the internal corporate foundations have been laid, a start can be made with the integration of partners. Only the combination of an integrated set of systems and an equally integrated data storage system will create the basic conditions for a strengthening of the ties between partners and for an efficient Supply Chain Management (SCM).

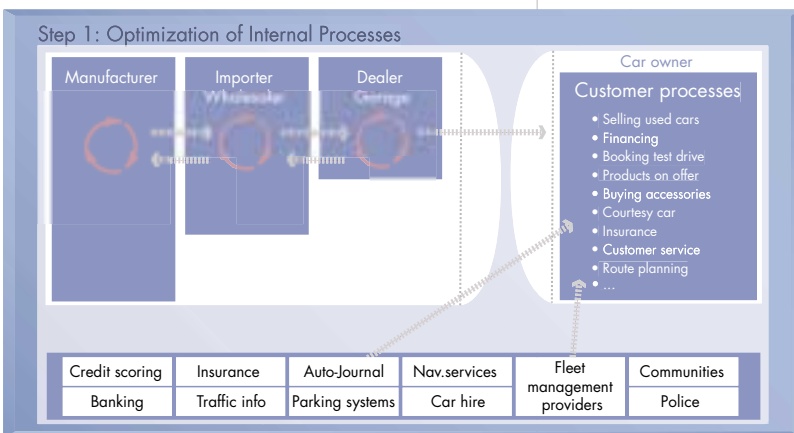
Integration of Partners

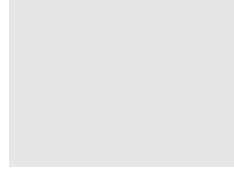
The integration of different companies along the supply chain has a long tradition in the motor industry in particular. At an early stage, as part of the system of just-in-time production, manufacturers organize communication with their suppliers via EDI systems (Electronic Data Interchange). This integration increases the transparency of the stock-keeping, enables all-embracing planning and makes for optimization of delivery times and stocks.

Now there must be integration of the distribution processes between the different partners in the car trade – from the manufacturer and the importer and/or wholesaler right through to the dealer. The emphasis must lie firstly on the core business: the sale of vehicles and spare parts.

We are looking for processes without noticeable discontinuities in communication, whose data can be understood by all those involved at any time. Previously it was often only certain specialists in the office or in the field who could interpret and amplify the available information when discontinuities

in communication occurred. In conjunction with Enterprise Application Integration (EAI) and Portal Technologies, the Internet, as a low-cost and universally available infrastructure, plays an important part.





The application of Portals offers particularly interesting prospects. Via a (web) Portal the partners are offered the functions that are most important for them. That is, to use the integrated processes the partners no longer need their own systems, but log the data via the Portal on a central system. Thanks to this, problem areas such as coordination of master data simply do not arise, since all data is on one system from the start. When new partners join, they can be integrated immediately.

The added value that these restructuring measures promise is better information for the customer thanks to on-line access to current product data, such as certain vehicle configurations or catalogues of spare parts. This reduces the amount of assistance that needs to be given by the dealer, since the customer is now more competent. Finally, administrative costs are reduced: if the customer orders on-line, he logs the order himself.

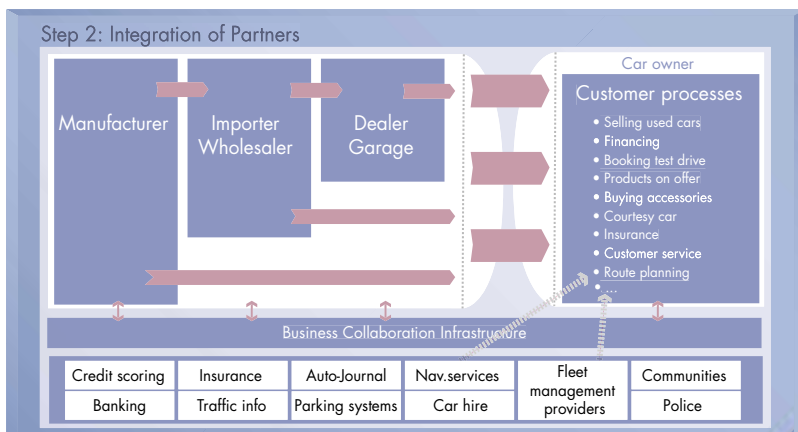
At the same time, processes can be integrated, whereas previously they ran in parallel at the manufacturer, importer or dealer, without their

potential for synergy being utilized. Synergies can, for example, be developed in the combination of the spare part trade and the import of new cars, the implementation of warranties with the aid of VRM systems and the support of CRM measures, or the inclusion in the Customer Portal of offers of accessories from outside suppliers.

New Services

In the information age the car dealer has the opportunity to progress from being purely a car vendor to becoming a purveyor of mobility. The aim is to offer the customer from a single source and in coordination as much as possible of the information and services he requires relating to the car, including, for example, vehicle fittings, insurance rates, test drive, multistorey parking garage, repairs and fuel, as well as the car itself.

Portal technology makes it possible successively to expand the range of services on offer to the customer above and beyond the core business. It matters little to the customer who provides these additional services. All that matters to him is that his needs are comprehensively and efficiently met. Therefore, when considering the choice and provision of such services, the focus should not be on traditional ideas of competition but on the customer alone. Seen from this perspective, it makes sense to integrate additional, specialist businesses such as suppliers of leasing and fleet management, and Eurotax or telematics providers from the telecommunications industry.



There is a lot to be done

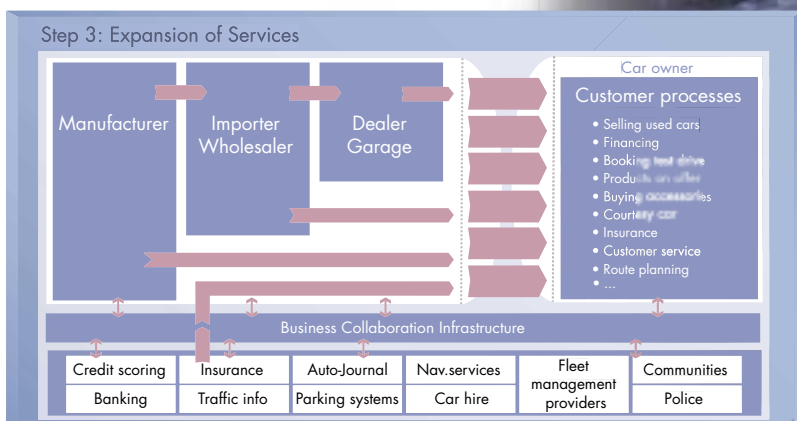
III. There is a lot to be done

The information age offers the motor industry very many opportunities to react to the challenges of political, economic and technical developments. However, this is a complex undertaking. True, the technical requirements are largely in existence, and the strategies that arise from the Business Model of the Information Age have already proved themselves many times. And yet there are still obstacles in the way of putting the integration idea into practice.

The first of these obstacles is the high degree of complexity of the processes along the supply chain. Also, the different levels of development of the participating companies can lead to problems – whether it be in IT infrastructure or the three stages of development toward integration along the supply chain. The same applies regarding the absence of standards for telematics services and electronic components. The need is for uniform model descriptions that take account of all process requirements. It is only in this way that the same data can be used throughout the whole course of the process.

Psychological factors, too, place obstacles in the way of the practical application of the Business Model of the Information Age. For example, the idea of competition along the supply chain has traditionally been strongly emphasized: manufacturers, importers, wholesalers and dealers are often in conflict. They have become used to regarding each other as opponents and are frequently not ready – or not yet ready – for cross-company collaboration.

These obstacles can, however, be overcome. Companies that decide to collaborate along the supply chain not only guarantee themselves long-term competitive advantages, they also increase their efficiency and profitability with every step in this process.



We Can Meet Your Needs

The development and practical application of solutions for the motor industry is one of the main emphases of the consultancy provided by The Information Management Group (IMG). IMG has bundled its know-how in this area in a special unit, "Car Trade", which specializes in the supply chain of manufacturer – importer/wholesaler – dealer.

The core competences of the "Car Trade" unit are consultancy services in the areas:

- Planning, procurement and sale of vehicles and spare parts
- Configuration and management of master data for vehicles
- Implementation of warranties
- Premiums
- Collaborative and integration scenarios for the individual stages in the supply chain
- Process Portals

The range of services offered by the "Car Trade" unit includes the following areas:

- Feasibility studies, cost benefit analyses
- Architecture planning at the level of business administration/organization and application
- Process design
- Realization of processes in IT systems
- System integration and conversion by means of EAI tools or classical interface solutions
- Active project and change management

Complex integration projects, like those which are typical of the motor industry, demand a methods-based procedure.

In its development of integration projects, IMG follows the methods suite PROMET[®]. This set of methods was developed by IMG in collaboration with the University of St. Gallen (HSG) and has proved itself in practice many times over.

IMG has already successfully advised numerous national and multinational companies at all stages of the supply chain within the motor industry.

Contact: cartrade@img.com

The Information Management Group (IMG)

The Information Management Group (IMG)

As an innovative and reliable consulting partner, we place our experience and competence at the disposal of our customers. The consultants from IMG possess wide practical know-how and a wealth of experience of the industry. They are familiar with the structures and challenges of your industry and know the success-oriented options and solutions. This allows the time required for analysis and the development of strategies to be significantly reduced and effective goal-oriented measures to be identified for your company.

IMG follows an all-inclusive approach in its projects: We support you from the development of the strategy, through the design or redesign of the corporate processes up to organizational and technical implementation. Our customers benefit from our strong implementation culture – new strategies and processes are only effectively implemented once integration into the information system has been completed.

We can summarize our services as follows:

- We implement your strategy through goal-oriented adaptation of your business processes and optimum system support.
- We bring new life into your business processes through innovation, a methodical approach and knowledge of Best Practices.
- We realize Business Networking projects according to the principles of the Old Economy – e-business with Return on Investment (ROI)!

IMG applies its range of services where you need support in your project. Our services are structured on a modular basis in order to fulfill your specific needs.

As a consulting partner which has received numerous awards, IMG is able to develop jointly with you a concept oriented towards the future requirements of the information age, and to support you up to implementation.

A prerequisite for this is intelligent integration on the levels of strategy, processes, systems and people, and precisely this is the fundamental idea behind all our actions. Because to us, moving a company means bringing about changes simultaneously in all four dimensions.



Deutschland

IMG Information Management GmbH
München

Tel. +49 +89 244 45 2343

Fax +49 +89 244 45 5051

E-Mail img.d@img.com

IMG Information Management GmbH
Frankfurt am Main

Tel. +49 +69 50 50 44 00

Fax +49 +69 50 50 44 44

E-Mail img.d@img.com

IMG Information Management GmbH
Walldorf (Baden)

Tel. +49 +6227 73 34 60

Fax +49 +6227 73 34 79

E-Mail img.d@img.com

IMG System Integration GmbH,
Dortmund

Tel. +49 +231 108 762 0

Fax +49 +231 108 762 50

E-Mail img.d@img.com

Japan

IMG Japan K.K., Tokyo

Tel. +81 +3 5796 2823

Fax +81 +3 3472 5336

E-Mail img.j@img.com

IMG Japan K.K., Osaka

Tel. +81 +6 6221 4990

Fax +81 +6 6221 4999

E-Mail img.j@img.com

Österreich

IMG GmbH, Wien

Tel. +43 +1 512 89 10

Fax +43 +1 512 89 10 250

E-Mail img.a@img.com

Polen

IMG Information Management

Polska Sp. z o.o., Wrocław

Tel. +48 +71 78 32 100

Fax +48 +71 78 32 200

E-Mail img.pl@img.com

IMG Information Management

Polska Sp. z o.o., Warschau

Tel. +48 +22 874 47 94

Fax +48 +22 874 47 95

E-Mail img.pl@img.com

Schweiz

IMG AG, St. Gallen (Headquarters)

Tel. +41 +71 274 81 11

Fax +41 +71 274 81 81

E-Mail img.ch@img.com

IMG AG, Zürich

Tel. +41 +1 305 32 00

Fax +41 +1 305 32 32

E-Mail img.ch@img.com

IMG AG, Arlesheim (Basel)

Tel. +41 +61 415 66 66

Fax +41 +61 415 66 77

E-Mail img.ch@img.com

UK

IMG (UK) Ltd., Egham (London)

Tel. +44 +1784 223 800

Fax +44 +1784 439 678

E-Mail img.uk@img.com

USA

IMG Americas Inc., Philadelphia

Tel. +1 +610 925 1800

Fax +1 +610 925 1801

E-Mail img.usa@img.com