

## Digitisation across the retailer network: a blueprint for manufacturers.



**A vision to work collaboratively with dealers and their original engine manufacturer (OEM) inspired a pilot project that has now delivered an end-to-end dealer-wide solution that has transformed the interface between manufacturer and retailers.**

Combining a wide range of perspectives across the OEM and dealership with software and workflow expertise has created a feature rich platform to improve communications and streamline processes. Easy adoption, configuration for specific retailer needs, and agile response to emerging requirements were also challenges met. The support of visionary leadership provided the rally cry to peers across the retailer network.

A key objective was to eliminate cost and free up staff as much as possible, thereby deliver a rapid return on the retailer's investment with the nett ROI over 7 years expected to be over **£300,000** within the pilot site. Elimination of unnecessary paper from the retailer is also supporting sustainability goals.

The proven **mstore** software platform and multi-client methodology trialled here also provides an effective blueprint for other OEM retailer network teams.

### **The BMW retailer platform**

This is a specific development of the **mstore** platform designed to meet the requirements of BMW UK retailers with regards to their processes, systems and business objectives and complies with BMW Group audit requirements. This digitises for the first time in any UK dealership, paper-based processes across all key operations including deal files, service, HR, and affinity schemes.

It was also recognised that the interface between BMW and retailers could be improved and processes streamlined to benefit communications and operations which became another key objective for this solution.

The need within the automotive market for a solution has similarly been delivered at scale in other sectors such as financial services, education and legal. Whilst the BMW retailer platform is based on proven **mstore** software, there were a range of new developments and features introduced to realise specific objectives.

The operations, systems and communications needs at the interface of the manufacturer and UK retailers including system integration with the CDK dealer management system (DMS) and the OEM platform were accommodated to create a more streamlined, seamless user experience. New modules for automatically indexing files received and digital signature capabilities created a more powerful, streamlined, end-to-end solution.

### Imperatives for change

Reliance on paper was recognised to be no longer fit for purpose, not least with the rise in scrutiny of retailers and need to manage compliance from multiple perspectives of the FCA, ICO, HSE, HMRC, manufacturers and others.

Andrew Tullie, MD of pilot site Soper BMW explained in the early days of the project, “The big one for me is the amount of documents that we amass and feel that we need to store. It’s an immense amount of dead paper. The room it takes up and cost of on- and off-site storage is significant, and the productivity lost is immeasurable. Combine that with the GDPR and audit obligations, and all of a sudden we’re very exposed.”

The **mstore** team built on a relationship of trust with Soper BMW. “You can’t do this on your own. You do need the support of the OEM. That’s the beauty of this project,”

There followed, through a shared desire to bring about transformation and positive change, a strong collaboration between Soper BMW, BMW UK and Arena Group, owners of **mstore**, with Soper BMW agreeing to spearhead the retailer side of the project.

### Selecting mstore

Andrew had looked at the market and decided that Arena were technically the more competent to deliver the solution that they required. “I wanted to do it properly, so I opted to work in partnership with a provider who understands document management. When you speak to Arena you realise what’s possible. Someone turns the lights on, and that’s when the cogs start whirling. They’re intelligent people which fills me with confidence, so I have no doubt that it will deliver what it says on the tin.”



## The discovery stage

Initially, Arena's specialists scoped all aspects of the sales and after sales process, deep diving into the nuts and bolts of day-to-day operations. Applying Arena's knowledge of effective workflows brought an understanding of what everyone required and the how the interface would change. Arena also worked on the ground with future users to understand processes, needs and requirements. The Arena team then focused on creating the vehicle for that change to come into effect.

On-going discussions through the exploration stage of the project uncovered challenges and opportunities including the existing need for wet signatures, preventing elimination of paper from the process. Retaining them would hamper the efficiency and ability to fully execute digitisation of operations. Arena's capability to build a digital solution that met OEM and retailer requirements justified the move away from signatures on paper, and significant progress was made.

An initial trial with deal files went live through a phased deployment beginning July 2019 at Soper BMW followed by implementation of service and HR in August 2019.

## Getting the word out

All BMW sites received notification of the product and trial through the BMW intranet and internal bulletin. AM Online, a key trade media channel, published an interview with Andrew in September 2019. It was also a top 10 story and included in the weekly news roundup. A shorter press release was also published and circulated to other trade press to help get the word out across the retailer network.

Arena Group attended the AM Live exhibition in November 2019 with a Tech Jam themed stand including a Dealer Perspectives drop in surgery session featuring the Soper BMW team. **mstore** was also included in the Future Dealership Zone at the show featuring aspects of Soper's newly branded MINI BMW paper-free showroom – even the distinctive furniture! The headline read, 'The Future Dealership Has Arrived!' Coverage in the preshow October issue of Automotive Management accompanied the show presence.

Andrew proved to be a valuable advocate amongst his peers and provided Soper as a reference site to encourage other dealerships to see **mstore** in action first hand, and the positive impact it was having on operations and the team.

## System adoption

Fundamentally important to supporting the launch and promoting adoption was the successful landing of the software. The project management team at Arena ensured that system adoption activity secured the success of the pilot and roll out to win hearts and minds and garner champions and advocates. Essential word of mouth marketing, endorsement and recommendations followed naturally.

Early involvement of end users was a key part of change management as well as the design process. Listening to end users and empowering them to shape the system was a necessary precursor to ensure system adoption. Arena's agile product development approach can take into account individual and dealership requirements, enabling specific

requests to be responded to. Training also ensured that ultimately the project landed well within Soper to establish a strong precedent for the network.

Regular reviews on site and via telecon enabled the BMW project team, Soper management team and end users to meet and review progress in a detailed and structured fashion. This helped ensure the smooth running of the project and also opened up further possibilities for the product and process improvement in general. A successfully managed team helped win hearts and minds further building opportunities for recommendation through reference site visits and endorsements across the retail network.

### **Retailer and OEM feedback**

Following the September review, Andrew reported on [mstore](#): “the guys love it”; “it’s made a world of difference”; “nothing’s archived anymore.” Similar positive feedback came from across the retailer and BMW team.

Siobhan Hall administration supervisor confirmed; “We love it! It makes the job a lot easier. We can’t fault it. Everything is instant now, we’re not waiting for files to come upstairs. Everything is more transparent. We can see what action is required, click into it, write the narrative of what exactly is needed and its actioned downstairs. Sales managers can see where things are. Accounts can see there are missing documents. Sales guys have really taken to it. If there’s a query about a deal, the sales team can see everything. A sales manager can hand over in the salesperson’s absence.”

“It’s the best thing we’ve done,” echoed Jason in accounts.



## Process improvements

Overall, Andrew reported that **mstore** brought about “a wind of change”, with multiple benefits being reported including: “getting rid of archive and reinventing inefficient processes and becoming compliant;” and “problems of hunting and filing all disappeared.”

Also, premises previously housing the archived was free up for an extended parts department providing revenue where previously the storage area was dead space. Improved visibility enabled swappers to be identified, managed and funded more rapidly, and avoided another a chore for sales admin.

Previously, every service pack had to be checked manually, holding up warranty claims and impacting cash flow. “All documents are at your fingers tips, that’s the win. You’re saving hours and you have visibility of everything” confirmed Chris, the General Service Manager.

Even the affinity schemes came under control. “**mstore** is the perfect platform for streamlining this process (ECOS) and being always ready for a potential HMRC audit,” added Andrew. “This is an activity that we can streamline and make bullet proof with checks. Similarly, with the DVLA and manufacturer warranties, so we’re no longer fearful of audits.”

Improved preparedness and productivity have impacted other aspects of administration. “It’s changed thinking: every day’s month end,” with all admin tidied up every day. “It’s a massive positive cultural change” confirmed Andrew. “**mstore** lifts the lid,” stimulating an ‘efficiency drive’ with lots of ideas emerging across the business for improvements.

The strength of the relationship and expertise applied was also noted by the BMW team: “Arena Group is a great example of working with a best of breed specialist solution.”

## Changing sales culture

Sales became empowered to own their deal files and were accountable, managing all critical paperwork themselves. Andrew saved one person previously dedicated to chasing sales paperwork to focus on more value-added activities. “It’s changed the dynamic in the sales process to be more proactive and thorough than before. We can be better, smarter and make the job more interesting,” he enthused.



Sales people are now paid when sales and deal file documentation is complete which has led to a “ground breaking” change in behaviours. “Whether they get paid is the nugget. Things get done. We were unable to do this in the old system. Doing that little bit right is all it takes,” explained Andrew.

## Outcomes and ROI

Analysis of Soper's activity predicted a significant impact on costs and environmental footprint. Soper's throughput of cars for service previously generated around 125,000 sheets per year. Combined with hefty paper-based deal packs for car sales, an incredible 670 trees were previously used per year for paper. This would be reduced by an estimated 95% by converting to digital to get the same job done.

"We service over 50 cars per day, requiring between 4 and 25 pieces of paper printing per car," explained Andrew. "Multiply this by 5.5 days per week over seven years and you have a mountain of documents that you're required to store to provide a history of what was done."

Based on Andrew's figures, digitisation is expected to save £12,800 per year by reducing paper usage by 95% across deal files and service alone. Savings are also gained by removing the cost of paper, copy and print, wallets and bankers' boxes. For those retailers incurring external storage charges, the ROI improves further.



Smooth system installation and adoption by the team has minimised disruption "It's one of the easiest things I've installed, changing the culture within a couple of months, it's that instant," confirmed Andrew. Soper has also managed greater throughput in service and trading peaks without degrading customer experience and adapted well to the impact of lockdown with work being completed at home, easy introduction of social distancing and remote working.

## Network roll out

Other dealerships are signing up, with Soper providing a reference site. Northampton and Oxford based William Morgan Group is similarly "moving into the 21<sup>st</sup> century" by digitising paperwork in their BMW dealerships following the Soper pilot. "The impetus for investing in **mstore** was seeing the amount of paper, wastage and also the storage required for files to meet all legislative requirement," confirmed Matthew Wilson, Group Financial Controller.

The Group sells between 8,000 and 10,000 vehicles each year. "The investment had to be right to ensure it was fit for purpose to meet the GDPR requirement to manage expiration of documentation through **mstore**'s accessibility, auto-archiving and auto-deleting functionality," continued Matthew. "Scan and store solutions do not meet the requirements for the amount of volume that we're doing. We were needing lock ups to store paperwork in and it was getting out of control. As an effective business, how can this be right? With **mstore**, we can move into the 21<sup>st</sup> century in terms of environmental impact, working smarter and more efficiently, and meeting all HMRC, manufacturing partner and auditor requirements."

## Agile development

Following implementation of the initial phase, the team were energised to change in other areas including further digitising service processes. Arena's expertise in document management and workflows enabled dynamic, problem solving in response to concerns over limitations of the existing DMS workshop platform. "We need a system to make changes on the fly which is visible to everyone, and where a service adviser can clearly see where every car is at any one point," was the challenge from the Soper service manager to the development team.

"There's nothing out there can efficiently manage workshop and workflow, and everyone works in a different way. This is the missing link," confirmed the BMW team.

Customer experience was at the heart of these early discussions to improve service operations further. "We want to be able to do it like a retailer would, not just like a car dealer," argued Chris in service.

Through this collaborative discussion, Arena took away an understanding of the job card system in service to include provision for rapidly evolving status of vehicles. Greater flexibility of a fit for purpose digitised job board which would remove all paper from the service area was to be scoped. "We will never create a system that will only work one way," confirmed Neil Maude, Arena's Director of Technology. And the digital job card development project was added to the product roadmap.

Arena's style of working – listening to the retailer and creatively proposing solutions impressed. "Anything we see as an opportunity or issue Arena has the resource and capability to develop it," Andrew confirmed. "That's very agile – you guys have jumped straight onto that," pointed out the BMW team. "Agile is built into **mstore**," was Neil's response.

## An enduring partnership

Exploration continues to uncover challenges and opportunities. Arena's competencies as an EDM specialist with experience of other industries and honed in the automotive sector provides a solid foundation. Soper couldn't see the route but had the vision. "I wanted to do it properly, so I opted to work in partnership with a provider who understands document management. When you speak to Arena you realise what's possible. Someone turns the lights on, and that's when the cogs start whirling," explained Andrew.

The judges at the 2020 AM Awards were similarly impressed with the approach taken for the BMW platform, and bestowed a highly commended in the new product category on the team, some of whom are pictured here.

Find out more: [www.arenagroup.net/automotive](http://www.arenagroup.net/automotive)



**Other reading:**

<https://www.am-online.com/news/supplier-news/2019/09/19/soper-pilots-bmw-and-mini-car-retailnetwork-digitisation-model>

<https://www.arenagroup.net/articles/successful-pilot-with-bmw-mini-sees-digitisation-roll-out>

[https://www.arenagroup.net/case\\_studies/soper-of-lincoln-bmw-and-mini](https://www.arenagroup.net/case_studies/soper-of-lincoln-bmw-and-mini)

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