Use the right resource, at the right time, in the right place

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Use the right resource, at the right time, in the right place

By Professor Jim Saker

It was Geoffrey Chaucer who said "time and tide wait for no one". Time is one of those concepts that people have written about throughout history. It is also one of the favourite topics for inspirational business speakers or the dreaded motivational poster in the office. Lee Jacob's famous quote is often displayed: "The ability to concentrate and to use your time well is everything if you want to succeed in business - or almost anywhere in life."

When we get a new cohort of retail automotive students, the first couple of days are spent on an induction, which introduces them to the university and its support systems. Undertaking any form of study in addition to a full-time job is a major challenge and requires that you manage the limited time you have available effectively. One of the things most delegates grasp is that they have to look at what they do with their time and how much they allocate to any activity.

Some academics encourage students to keep an hourly diary of what they actually do during any one week. The results are often staggering and reflect our research findings that salespeople in the retail automotive sector spend only about 10% of their time actually selling.

What is interesting is that customers (like us) are also looking at their daily lives and using time differently. The rise in the use of the internet has meant people in the UK spend more time online than watching television. In fact, they spend more time online than any other activity apart from sleeping or working.

Caggegini research indicates that 73% of people go online before purchasing a car. The downside of this is that 74% of potential customers report that they will look elsewhere before they get to the showroom if they are not happy with the response time from the first contact with a manufacturer's or dealer's website.

This presents an interesting challenge. I know of a major dealer that is experimenting with an online chat facility as part of its web offering. When a customer is processing a potential booking or simply seeking information, they are automatically offered the opportunity to put forward a query to an online adviser.

This happens in real-time, in and out of office hours. The dealer group has a central facility that handles the questions and then passes on the information to the dealership the following day. This immediate response to a customer query has massive potential to overcome the walkaways predicted by the Cagegi research.

The initial results using this approach have been massively positive, generating direct sales, but also well-qualified customer visits to the showroom, which speeds up the sales process. Being available when people are interested in your product or service is something like Amazon have been able to exploit. At present, motor retailers determine when a customer can buy, through their opening hours. High Street shops have discovered that they need to be more flexible in their operations, with click-and-collect options available from many stores.

This may be too resource-intensive for smaller dealerships. However, having looked at sales diaries and monitoring workload activity, it is apparent that salespeople are often under-used during major parts of the day.

By moving the resource from the day into the evening, there is the possibility of capitalising on the customer interest. (See our interview with Knights Group on extending its working hours on p38). Having an online salesperson responding to queries in the evening may give a competitive advantage and improve the efficiency of the dealership's sales process. The key lesson is to have the right resource available at the right time in the right form.

Have salespeople available when customers want them. This lesson was driven home to me after the opening ceremony at the recent Commonwealth Games in Glasgow. I was lucky enough to have a ticket for Celtic Park and was reassured by the organiser's website that this was a public transport game so you shouldn't take your car.

I dutifully obliged and at the end of the event headed back to Dalmarnock station where I was 'kettled' in a queue. Eventually we got to Glasgow Queen Street for the train to Stirling only to be told that it had already gone, an hour earlier. When I questioned the less-than-helpful ScotRail employee, he said they had been told the opening ceremony was going to finish at 11pm, but it had overrun by 45mins. I pointed out that surely with that information, it might have been helpful if they had delayed the trains as opposed to running them empty to their destinations.

They had plenty of trains, but they weren't in the right place at the right time to serve the customers. Needless to say, the major benefactors were the taxi drivers of Glasgow, who made sure their resource was available at the right time and definitely at the 'right' price.

Maybe having sales people available at a time when the customer wants them could be a novel way forward not only for ScotRail, but also our sector.

"74% of potential customers will walk away before they get to the showroom if they are not happy with the response time from the first contact."

Professor Jim Saker is director of the Centre for Automotive Management at Loughborough University's Business School and an AM Awards judge. He has been involved in the automotive industry for more than 20 years.