

Case Study: Organizational Transformation

Strategic Improvement Planning

Business Context

The largest single location dealer of recreational vehicles (RV) in the Southeast United States accounts for over \$13B in sales. In the state where the dealer is located, is one of the largest markets in the country. An investment firm has become the new majority owner. The dealer opened a second location located in the southwest CGN had the opportunity to continue assisting the dealer with its campaign named "Customer for Life Service Profile" initiatives when it was asked to design, pilot and deploy with its business and service operations transformation for the SE USA facility. The execution plan forward for the recommendations made will advance the dealer towards the strategic "Winners Profile" goals

Objectives & Scope

- Reordered Service and Delivery Operations in Florida facility to maximize vehicle throughput and bay utilization
- Redesigned Parts Department able to fulfill on-site demand with minimal disruption to vehicle throughput that includes:
 - Accurate inventory of parts with appropriate metrics permitting fulfillment vs. demand stocking
- Reorganized department based on core requirements and competencies
- Accurate inventory of parts with appropriate metrics permitting fulfillment vs. demand stocking
- Improved and standardized supplier agreements
- Standardized communication scheduling with service Customers
- Project Prioritization, refine operational excellence, Beta site development
- Replication & Implementation
- Training, Education & Sustainability
- Execution of short term recommendations, service assessment qualification, confirmation and affirmation

Approach

CGN verified the current state and expanded to include customer interactions defined during the assessment. Furthermore, CGN developed ROI targets and performed a gap analysis for future state and prioritization. The next step in CGN's approach involved selecting and building staff, along with operating beta sites, while implementing strategies for the enterprise, based on priorities developed in phase 1.

Next steps required CGN to operate, train and continue expanding the beta sites, designing the replication process. Development began on a supplier collaboration strategy, with part visibility and demand cycles. Testing took place on the system. Once testing was complete, CGN coached, trained, and transferred knowledge to the dealer.

Results

CGN's detailed and diverse approach resulted in the following:

- A communication plan, with visuals, capable of clearly explaining and updating the Service Excellence Initiative to all employees and stakeholders
- Development of Key Operating Metrics based on usability and understandability, i.e. (Bay Throughput; service hrs vs. total hours, etc...)
- Development of a Joint Governance Council
- Improved throughput of beta sites by 66%
- Beta site maintained levels as the 6S application began to populate the entire facility
- EBITDA growth exceeded 20% annualized over the December 31, 2012 value
- NPS scoring moves past 50% as an average
- Part availability at 90%
- Supplier strategy developed, focusing on 80% of the currently required parts for 2014