CASE **STUDY**

Increasing Profitability and Productivity by Putting the Right People in the Right Roles

AutoNation is America's largest automotive retailer, with 277 new vehicle franchises which sell 34 vehicle brands across 15 states. They offer a range of automotive products and services, including new and used vehicles, automotive repair services, and automotive finance and insurance products.

OPPORTUNITY

When General Manager (GM) Brian Kramer joined AutoNation's Clearwater, Florida Lexus dealership, the industry was facing several challenges that were impeding its growth. At Kramer's dealership, the negative perception of the job of "car salesperson," lack of formal sales training, and demanding schedules—dealerships are expected to be open seven days per week, with service available as early as 7 a.m.—were creating high turnover, recruitment difficulties and performance issues in the sales and service departments.

SOLUTION

To address these issues, Kramer decided to first determine if the dealership had the right employees positioned in the right roles. Kramer turned to the Predictive Index assessment to evaluate each employee's motivating needs and behavioral drives. Then, he compared this data with the behavioral requirements of the job using the Performance Requirement Options (PRO™) job analytic tool. By comparing these data points, Kramer could quickly pinpoint the fits and gaps between an individual and role.

THE PREDICTIVE INDEX®

After implementing the PI® system, AutoNation increased sales per associate by **167**% and increased the number of cars sold by **37**%

> " I firmly believe that having workplace analytics at our fingertips made all the difference in the world. Without Predictive Index® and PI Worldwide's behavioral data we would not have achieved these results. "

Brian Kramer
GM, Lexus of Clearwater
an AutoNation Company

> " Labor hours are directly connected to profitability, so the increase in productivity as a result of our PI data was huge for our business and our customers, especially since we anticipated it would take two years to achieve. "

Brian Kramer
GM, Lexus of Clearwater
an AutoNation Company

Data-driven Coaching for Success

When an employee who had been promoted to a sales leadership role began to underperform, Kramer leveraged workforce analytics to identify incongruences between the employee's work style and the needs of the new role. Based on the data, he developed a targeted coaching plan to improve the employee's problem-solving, assertiveness, attention to detail and organizational skills. In just six months, the same employee who had been at risk of a demotion or termination became one of the dealership's top performers. She was soon promoted to manage an entire region (overseeing approximately 155 employees) where she took that dealership from being the least profitable to most profitable (increasing total profits from $130,000/month to $275,000/month).

Accelerating Performance With Analytics

Kramer also employed the PI system to improve performance in their parts and services department. Though the longtime foreman was loved by his team, morale and productivity were extremely low and their department ranked at the bottom—12th of 12—on the Repair Quality Index, a key metric in the automotive service business. When Kramer created a PRO for the foreman role, he found a stark contrast between the needs of the job and the behavioral profile of the existing foreman. While the incumbent possessed the necessary technical skills and attention to detail, he did not excel at, nor enjoy, managing others. Upon sitting down with Kramer to discuss the data, the foreman agreed that there was a misalignment between his natural tendencies and the expectations of the job. He opted to take a different position more in line with his behavioral strengths and motivating needs.

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Meanwhile, Kramer identified another employee whose PI aligned more closely with the PRO to fill the foreman role. In the first 90 days with the new foreman, the department saw a 110% increase in productivity, and the number of quick service labor hours for oil changes more than doubled from 600 to 1,268. Morale has never been better and the department has elevated its Repair Quality Index ranking into the top five.

Planning for the Future

With these early successes, Kramer has continued to leverage workforce analytics to drive sustainable growth through data-driven talent development. Since implementing PI, the dealership has promoted more employees than it ever has, and more than any other dealership, into corporate and leadership positions. In turn, these employees have introduced the PI system within their dealerships to build stronger cultures and drive financial performance.

> " Goes to show what the right person in the right role can do. Had PI not identified who the right people were and where they should be, we would not have delivered these results. "
>
> **Brian Kramer**
> GM, Lexus of Clearwater
> *an AutoNation Company*

THE RESULTS

- 167% increase in average sales per associate (2011-2013)

- 20% increase in total sales for sales and parts and service departments (2011-2012)

- 37% increase in the number of cars sold (2011-2013)

- Promoted four employees to positions in corporate and three to management roles, more than any other dealership

- Overall sales up 9%, outpacing the industry average

PI THE PREDICTIVE INDEX

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