

Asset Finance

Enabling **fact-based decisioning** in support of **future growth** and market opportunities

A South African motor dealership franchise realised that if they want to stay competitive in the growing used car market, they need to be making **fact-based decisions regarding their future strategy**. BSG partnered with the client to create a **roadmap to operationalise** their proposed **strategy**.



Overview of the client's needs

- Determine the way forward for the motor dealership franchise i.e. continue as is, shut down operations or make improvements
- Understand the financial implications of the decision regards their future strategy
- Understand how to make the required improvements to execute on the future strategy



Objectives of the engagement

- Outline the market opportunity for the franchise within the used car market in South Africa
- Formalise the proposed strategy to address this opportunity, starting with a revised value proposition
- Define an execution roadmap to deliver on the potential growth, including the metrics that will track success



Benefits of the change

- Comprehensive client understanding of their market position
- A decision on the franchise future confidently made utilising facts
- Operationalised strategy, ready for implementation

BSG identified the **challenges impacting** the client's **market position** and designed a strategy and **roadmap, to enable** them to make **fact-based decisions** on the future of the business.

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Engagement Overview

The client was lagging in the growing used car market and realised if they wanted to become more competitive and improve their customer experience, they would need to create a compelling value proposition to attract customers. BSG was asked to assist with defining the future strategy for the business and forecasting the required investment and future growth.

BSG was quickly able to gain a deep understanding of the client's current context in order to understand the pain points impacting the franchise. Once BSG had an understanding of these challenges, the team defined a strategy to support the customer value proposition and a roadmap to realise the strategy.

Solution

The team initiated the work by investigating the client environment to understand the challenges and the client's strategic objectives. Assessing the client's market position was key and BSG did so by gathering information from various sources such as management reports, financial systems, dealer and customer interviews and industry trends.

BSG identified that while the client had a defined value proposition, they had no clear strategy to guide the franchise and support execution. This, coupled with a low-touch franchise model, had resulted in a number of issues within the franchise relating to processes, capacity, geographic footprint, governance and marketing.

Once the factors hindering the franchise operations and growth had been identified, BSG defined a strategic vision and mission for the client and provided a recommendation to implement a target franchise model to address pain points and future growth initiatives. BSG supported this recommendation with a financial model targeting the strategic drivers, aligned to the vision and franchise model, to forecast the profitability of the franchise in various scenarios. The final piece of the recommendation was the execution roadmap outlining the detailed steps needed to take the strategic vision from concept to reality - with associated costing, roles and responsibilities.

Certain aspects during the engagement were identified as quick wins and prior to the closure of the project, BSG was able to deliver a number of these items such as a revised franchisee on-boarding process, an updated franchise agreement and an operating manual outline to begin the execution roadmap drive.

BSG making a difference

A senior client stakeholder commended BSG on the trust and credibility forged during this project. By truly understanding the client's environment, BSG could provide strategic business benefit. This aligns to how BSG enabled the client to confidently make a fact-based decision regards the future of the franchise – by very quickly developing a comprehensive understanding of the client's position in the market and the issues impacting it; together with how to overcome these issues and a financial view of what success will look like through targeting a portion of the used car market with the right foundation.

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