



## **Strategic Marketing Roadmap**

Client Name Redacted

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## Process

Interviews were conducted during November and December 2015 with the marketing managers of each functional role within CLIENT - Valerie Amodeo (Field Marketing), Tina Cush (On-line Marketing) and Kate Connolly (Product Marketing). Sessions were held both individually with the managers and with their teams. In addition, phone interviews were conducted with Mike Simons from the Far East and Neil Elliot from Europe.

Sales leaders were not interviewed due to the programs early termination.

Marketing plans and processes were also reviewed with key focus on the interaction between the teams and the tools used to effectively deliver on the existing and potentially new strategies.

While the company has a bifurcated sales channel (CLIENT/CLIENT) this project was mainly focused on CLIENT. This project was shortened due to the hiring of a new VP of Marketing. While the report is extensive and informative, the Linx team was unable to meet with all the desired CLIENT/CLIENT personnel (Sales Management) as well as cover all the issues as in depth as planned.

The goal of the project was to identify how to improve the marketing team's productivity/effectiveness and market/brand alignment across the multi-channel selling environment. It will provide the new VP of Marketing with a quick overview and assessment of the issues and team, enabling for faster integration into a productive role at CLIENT.

In addition to the team assessment, the report includes an expanded look at the company's business model and ability to further influence the automotive marketplace targeting the military.

## Executive Summary

### Issues

- The company's CLIENT division continues to operate around a historic car selling model and is struggling to fully adapt the business model to the changes in today's Omni-Channel car market buying process.
- The current departmental structure remains siloed and must be rebuilt with cross functional teams with qualified leaders in IT, Sales, Customer Service and Marketing around a customer centric model for today's digital world that engages customers wherever they are.
- More collaboration should be occurring between CLIENT/CLIENT business divisions, on what is working most effectively. The CLIENT division, which is a showroom-less model outperforms CLIENT in margin, cost per lead and acquisition.
- There is a culture that allows the field to drive marketing on an adhoc basis instead of corporate marketing driving the brand to the customer through the field. In fact, most people in the marketing department behave as if their main customers are the ISRs, not buyers!
- The company's "Customer for Life" strategy has not yet been integrated into the culture or operations of the company. 90+% of the marketing efforts go toward selling the salesperson/car. More balance needs to go towards building a relationship with the brand for today and tomorrow.
- The field marketing team dominates the resources and focus of the marketing department. The YES ticketing system approach is the main cause of this issue.
- The sales and commission program is built around the historical car selling model and is not geared for collaboration and sharing to ensure the company adheres to its "only do what is right for the customer" policy. The new single manager per market structure should help this, but the company needs to go further and integrate CLIENT on-line customer sales support into the commission structure.
- Marketing should own the customer data from the first point of contact. There continues to be great difficulties in creating a usable and effective data structure to leverage into Marketo for lead nurturing and targeting.
- Marketing funding and themes from the manufacturers is not always timely causing ineffective programs that can't be properly communicated, developed or distributed... or never get used.
- CLIENT deals with a bifurcated selling model (In-stock locations versus custom order locations), but that is not part of the strategic marketing planning program that is carried through all the Tiers of Marketing/Messaging.

- Strategies and programs are not budgeted, developed or managed around the lifecycle of the military customer – Pre-Deployment, Deployed/Rotating and Post Deployment.
- The marketing team is structured around supporting 11 different business units, not around the customers/persona that cross the divisions. Strategies should leverage best of breed programs across each business unit.
- The new tier 1 branding efforts – “Driving Freedom” - never made it into tier 2 and tier 3 materials.
- In some cases, authority over expertise drives marketing direction and focus.

### Opportunities

- To position CLIENT/CLIENT as a marketing/media channel in addition to a sales channel. This would create a unique opportunity to develop funding sources for branding on top of the sales/promotional sources and outside auto manufacturers.
- To focus “Customer for Life” on all things only auto related and bring new products/programs to market in 2017-18.
- To create standard pre-approved marketing themes, in a self-service model for the field to select, adapt and use locally.
- On-base programs offer the greatest opportunity to market for CLIENT. This should be leveraged to further engage manufacturers and other partners.
- Offer virtual (VR) solutions, which can be a unique platform to sell cars when there is no stock at the base location.
- Move to interior, and potentially exterior, digital signage to reduce costs and lead times.
- Maintain a promotional calendar a minimum of 15 weeks out. If timelines cannot be extended to 15 week lead time, the team should engage local resources to eliminate shipping time and costs.
- Develop a military referral program in this close and trusting community.
- Actively support foreign and domestic brands in the same geo location/market while still meeting contracted restrictions.
- For CLIENT, target the top 100 companies issuing H1b Visas and brand, through a “Branded Widget” as a direct corporate service offered on the company’s HR internet/extranet. Sell through current corporate services channel players or go direct.
- Shift to a coordinated management structure across on/off base locations in the same market and create a shared commission structure and modeling that support a consumer centric model of selling delivered by the ISRs.

Success for CLIENT lies in connecting the new multi-channel car buying experience with the company’s unique on-base advantage

## Should CLIENT be a Sales Channel PLUS a Marketing/Media Channel?

The company's "Customer for Life" vision can be supported and accelerated by adapting your current business model in terms of philosophy and positioning. CLIENT/CLIENT is truly more than just a selling channel for auto manufacturers. CLIENT builds partner's brands in two key markets. You don't simply support the purchase of a car, you are helping create a customer with a potential lifetime value of almost \$200,000 in auto purchases, plus an additional \$100,000 in automotive related products and services.

This business model approach is an opportunity to move from strictly a vertical sales channel and to add a vertical marketing channel for car and other manufacturers looking to target Military and Foreign Nationals markets.

- This is consistent with the "Customer for Life" strategy developed last year
- This would become a new role of product marketing with an expanded team
- It would require the product team develop partnerships with key military/foreign national marketing platforms
- There is a potential to create proprietary media vehicles and products that support the core business as well as provide important channels to other auto related brands

### CLIENT Vertical Markets

- **Military** - Leading marketing channel into talented, highly trained technical professionals and leaders
- **Foreign Nationals** – Leading marketing channel into high income highly skilled workers headed for the USA.

This strategy opens up a new revenue stream from an array of auto related products and services.

For just autos, CLIENT is in a unique position to support each manufacturer's worldwide branding initiatives. This position should garner incremental funding for the CLIENT brand by simply creating bundled programs into different *media/promotional channels* for their brands... as much as CLIENT's leading *sales channel*.

## “AutoSource” Branding Should Represent ALL Things Auto Related

The name dictates that your product and service lines should be everything auto related. CLIENT can be positioned as a marketing machine driving business for auto manufacturers... along with your own brands. By leveraging other existing auto related product lines through partnerships, CLIENT can deliver much more value to your customers. There is even an opportunity to leverage the data collected about each market’s behaviors and append third party data sets to deliver a holistic vertical strategy for our partner programs. While this strategy has been in place, the following expands the ideas and focuses more clearly on the Auto Related opportunities of our brand – all to get to a “Customer for Life” strategy in 2016.

Each of the following programs/ideas represents an opportunity to sell a product/service and better meet the automotive needs of the military and foreign national market.

- Auto Finance
- Auto Insurance
- Auto Lease & Rental
- Auto Magazine/Blog Subscriptions
- Auto Related Toys
- Auto Related Video Games
- Auto Sales – New and Used
- Auto Accessories
- Car Care Products
- Covers
- Emergency
- Security Devices
- Tailgating Products
- Weather Tech/Floor Mats
- Car Washes
- Driving Schools
- Garage Tech
- “How to Repair” videos
- Lifetime Affinity Program
- “Ride Share” Program (Airbnb for cars in military)
- Tires & Maintenance Programs (Retailers)
- Uber Partnership

## Culture Overview

The 4<sup>th</sup> quarter layoffs have led to a frightened/defensive environment with a philosophy of job protection and a “make no waves” attitude. Each functional team (field, digital, product) have a great working relationship within their team and admiration for each other. This caring team culture transcends what group members feel about the overarching company issues.

While obvious, due to the recent layoffs, and consistent within many companies today, each team feels overwhelmed and overworked with too much to do.

The overall company culture (CLIENT) that is built around the **historic car buying process** is the most critical issue facing the company today. The statement “We do what is right for you” is not being delivered consistently within the customer experience. In fact, many of the sales and marketing practices go directly against this statement.

Key issues are:

- The current recruitment of “aggressive” sales people, their commission structure and focus on field marketing programs are misaligned to the new car buying process of today. (See the following attachments – Linx Car Buying Deck)



**A cross-touch-point retail strategy is needed as customers are effectively maneuvering multiple touch point categories**  
 Average number of touch points used/experienced per category



SOURCE: McKinsey 2013 Retail Innovation Consumer Survey

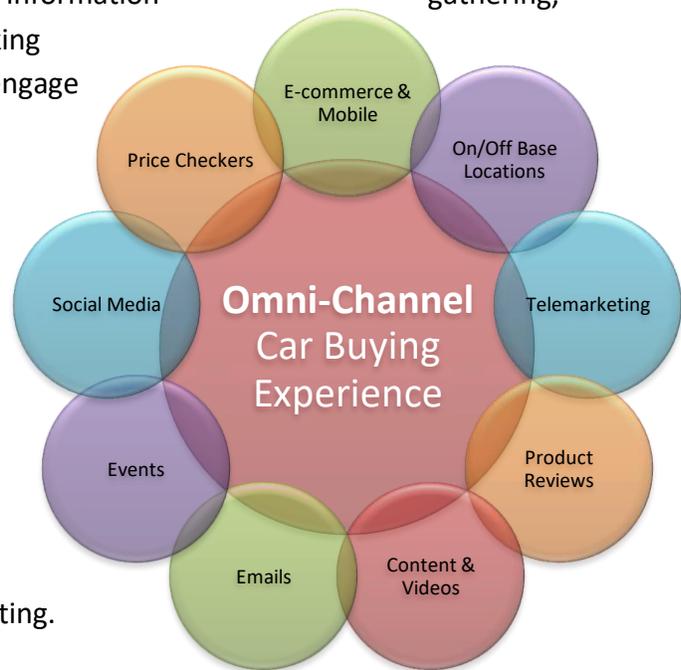
- The company needs to change who owns the customer data... with a cultural change from IT owning the customer data to marketing, led by a skilled marketing focused database manager.
- Brand Control: The field should never be designing a program, especially one that is totally contradictory to the brand standards. As an example, Mike from the Far East wanting Neon Colors and the marketing team simply providing it without recourse.

- While the field and corporate teams work together there should be more of a **YES and** Culture. With a process that does not require the corporate team play an adversary/police role. They should be recognized and respected for their leadership and marketing expertise.
- “ONLY DO WHAT IS RIGHT FOR THE CUSTOMER” should drive every decision. A customer centric culture needs to be created and successfully integrated into every facet of the business. This requires a cross functional team and qualified leaders in sales, IT, customer service and marketing.
- The CLIENT/CLIENT business model/culture needs to take into account the new Omni-Channel world car buyers pursue their information gathering, relationship building and decision making processes. The goal is to successfully engage customers within each personal preference.
- The “YES” ticketing system is a good example of a culture of “create it here”. The result is the IT team is creating an in-house solution which fails to meet the true needs of the organization, which can inexpensively be met by leveraging best of breed “Off the Shelf” solutions. With less proprietary IT solutions, resources can shift to supporting analytics and reporting.
- Conflict, confusion and mistrust occurs because the marketing team in not focused on an overarching strategy and is viewing the ISRs as their main customer. A consumer centric strategy would help build trust along with 90-120 plans that are reviewed monthly against KPIs with each divisional leadership team.

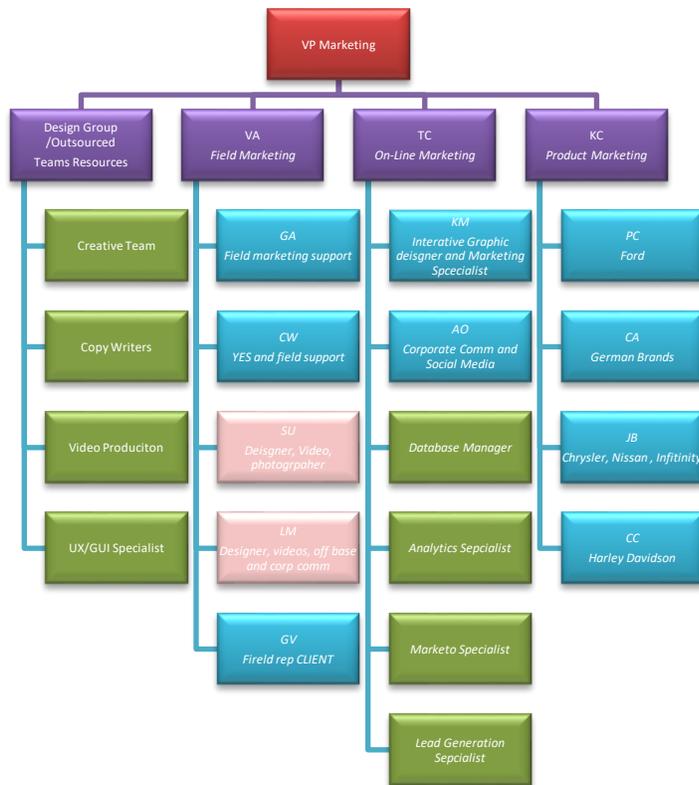
**“Rules of Engagement...?”**

Why did we go from 2,000 to 500 on-line orders in 2015?

Due to the restriction that we must move the deal to the ISR regardless of customer preference.



## Marketing Department/Teams



### Org Chart Legend

- Vice President
- Divisional Leaders
- Current Employees/Roles
- New Positions
- Moved Positions

### Department/Team Interaction

While there is cross collaboration between teams, there appears to be some office politics still affecting the department's performance. This is a leftover issue when Bridget was let go. There appears to be a disconnect between the importance of each departments role - traditional field marketing and new on-line strategies that are driving the car buying process (this is something bigger than just marketing). I would suggest an "Open Session" between department leaders to express their goals and wishes and define how to build more collaboration and stronger relationships - where cross departmental KPIs become the focus and everyone is clearly working towards the same outcomes.

Improved collaboration and a shared vision across teams will be on top of the new marketing leader's list.

The department is field marketing centric and headcounts support this. One suggestion is to separate the graphics/production department from the "Field" marketing department. This will allow for the company to focus on a more productive cross functional graphics team that ensures there is clarity of brand elements across each execution. In addition, the current work environment, while good, is not optimized for a

creative team. If possible, a new OPEN “creative” collaborative workspace for the creative team would help improve productivity and collaboration.

Field Marketing Team - Valerie Amodeo shows great potential to grow into the current role she now plays. Her greatest challenge is to get beyond the “this is how we have always done it” mentality that her previous leader instilled in the culture of the department. Valerie is quick to learn and easily makes decisions to move programs and projects forward. Her inexperience in graphic design and design standards with the lack of historic leadership has been her greatest hindrance to improve the effectiveness of CLIENT marketing programs and outcomes. Valerie should be trained on brand stewardship and the importance of brand continuity in the development of local assets and programs. Her ability to manage projects and implement new strategies/programs are proven.

The field team, the biggest group within the marketing department, is mostly focused on the tactical marketing needs of the company and has been structured to handle requests through the internally created YES ticketing system. The field team is truly acting as the “In-house” advertising agency/production department, with each corporate/executive, regional manager, product team or ISR request processed and mapped through the Yes Desk. It is estimated that there are over 1,000 requests per year. The request is vetted by Valerie who pushes it into production.

Categories of projects include: Artwork, Emails, Print and Banner Ads, Database Marketing, Lot Dress, Custom Giveaways, Web Content Pages/Revisions and Other...

The YES requests are categorized, but there is no measurement of who is using what resources for which program, nor any direct tracking of the effectiveness of the work provided. The team is geared around meeting the needs of the field, instead of managing a program to brand standards and plan. The biggest eye opener was that more time was spent trying to please the ISRs/Regional leadership than adherence to meeting the brand standards and needs of the customer. This is one of the necessary cultural changes identified earlier.

If there was a policy to track the time like the samples below and potentially charge back the regions/ISRs for the time/cost as is done on the company store, it would change the current behaviors that drive the brand, message and design based upon personal preference instead of brand standards and program effectiveness. No program data showed greater effectiveness

**Options to Create Greater Effectiveness/Efficiencies**

- ROI model tied to each program
- Integrate quality cost accounting / production analytics
- Reduce YES requests by allocating the time to the location/region
- Outsource the production of materials

NOTE: the team has decided to move forward with ActiveCollab as their project

when it was driven by local input with regards to either design elements or even specific messaging.

The YES system does route work, but it fails to create any overview of what resources are being used for what projects or regions or divisions. This causes resources to be assigned without cost accountability, which can support better decision making. These sample reports are good examples of how to measure and manage a cost accounting approach to the resources.

Division

Project	2013-6		2013-7		2013-8		Total	4-8/13
Electric Division	116.05	47%	80.5	33%	67.75	51%	303.3	40%
Lighting Division	79.1	32%	56.75	23%	28.25	21%	232.75	31%
Export Division		0%	1.75	1%		0%	1.75	0%
Executive Division	33.4	13%	8.2	3%	13.5	10%	56.55	7%
HR	0.15	0%	1.25	1%	1.25	1%	12.4	2%
Miscellaneous	5.9	2%	26.25	11%	17.5	13%	49.65	7%
Nextwave	10.2	4%	68.95	28%	5.75	4%	95.95	13%
ALC	4.5	2%	1.75	1%		0%	9.25	1%
<b>Total</b>	<b>249.3</b>	<b>100%</b>	<b>245.4</b>	<b>100%</b>	<b>134</b>	<b>100%</b>	<b>761.6</b>	<b>100%</b>

Job Type

Job Type	2013-6		2013-7		2013-8		Total	4-8/2013
Ad	16.75	7%	5.5	2%		0%	38	5%
Brochure	29.65	12%	5	2%	14.25	11%	56.15	7%
Business Card		0%	6.25	3%		0%	6.25	1%
Email	19.05	8%	12	5%	21.75	16%	69.95	9%
Handout	3.5	1%	3.25	1%	7.25	5%	20.9	3%
Packaging	43.45	17%	23.5	10%	7.25	5%	113.15	15%
PR		0%	4.25	2%		0%	4.25	1%
Price Sheet	37.5	15%	27	11%	1.5	1%	81.5	11%
Premium - Giveaway	12.4	5%	4.45	2%	11	8%	27.85	4%
Social Media	2.5	1%	5.5	2%	0.5	0%	8.5	1%
Spec Sheet	31.85	13%	106.95	44%	36.25	27%	194.7	26%
Truck Design	9.5	4%	0.5	0%		0%	10	1%
Website		0%	1	0%		0%	1.5	0%
Line Brochure		0%		0%		0%	0.75	0%
Catalog	7	3%		0%	1.25	1%	10.25	1%
PDF Label	11	4%	1.75	1%		0%	15.25	2%
Printed Label	11.85	5%	12	5%	13.75	10%	43.6	6%
Printing	3.65	1%	1	0%	1.25	1%	5.9	1%
Form	9.65	4%	3.5	1%	0.5	0%	13.65	2%
Web Banner		0%	2	1%	1.5	1%	3.5	0%
Labels		0%	0.5	0%	1	1%	1.5	0%
Meeting		0%	15	6%	9.75	7%	24.75	3%
General PM		0%	4.5	2%	5.25	4%	9.75	1%
<b>Total</b>	<b>249.3</b>	<b>100%</b>	<b>245.4</b>	<b>100%</b>	<b>134</b>	<b>100%</b>	<b>761.6</b>	<b>100%</b>

For lot dress, giveaways, brochures, prizes, premiums and apparel there is an outsourced company store that allows direct ordering with chargebacks to the location. A suggestion is to create a set of approved programs (Ad slicks, posters, banners, field event marketing materials, Marketo based email templates, etc. that the region managers and ISR teams can order and use (This can be integrated into the planned marketing intranet). There is potential to link these materials with plan-o-grams for standard sized showrooms. I believe it would do the following three things:

1. Free up 50+% of the current teams' workload (guesstimate without the real data) dramatically lowering cost and/or improving work quality of the remainder of projects
2. Support the use of the most effective programs by market type (stock vs custom order) as they can now be ranked, scored and leveraged
3. Support compliance with brand standards and usage

Because CLIENT is more of an outsourced selling model, there is much less field marketing time spent on this division's programs. Right now the department supports on-line programs, trade shows and requests/needs of relocation and companies which support expatriates.

To immediately improve productivity the Production/Graphics Department needs to get the most up to date toolsets (they are using old computers and software (5 years old!)) The designers are clearly print centric and team members either need to improve their skills or they should be replaced by more cross disciplinary creatives, who truly understand how to leverage

Adobe CS Suite and move creative across all mediums and platforms (on-line, video, print, mobile, etc.) seamlessly.

Lastly, I did not see the capabilities of the design team at a level that is needed develop an optimized web user experience. This may be due to too many directives, but I recommend outside designers and UI/UX experts should be hired to redevelop the on-line strategy and materials, eventually to be managed in-house.

One underutilized tool is the “After Action Report” which gains feedback from the field on program effectiveness. This should be used as a data point with defined KPIs for field activities and programs to score them and leverage the most successful program to roll them out across multiple “identical” markets. This can be a nice starting point to build out “Turn-Key Pre-Approved” programs that are vetted against brand standards and performance.

On-Line Marketing - Tina Cush exemplifies great strategic and tactical ability to drive the business forward in the new world order of car buying. She is an underutilized leader and asset for the company. Tina should be used to bring on-line modeling to each department and help create a better path to offering a true Omni-Channel experience for CLIENT customers.

Existing programs have created a strong lead flow (current conversion rate on the site is 2.5% - lead form) however conflicting sales channel requirements create an unnecessary burden on the department and have hurt the strategies and programs her department has developed. This is the larger issue that is addressed in this report.

She has had a difficult time working in partnership with IT creating a single data source/integrated customer CLIENTter file, the key to lead nurturing and building a “Customer for Life”. Recently, this appears to have been addressed internally and now the work to segment the DB with targeted campaigns needs to begin.

Her department is clearly understaffed and I am recommending additional staff members/outsourced specialists to leverage the data being collected and support the new car buying process. As part of restructuring her team, Tina would like to add an Analytics Expert, Paid Marketing Specialist and Marketo Support. These skills are necessary to effectively execute on the current and future on-line strategies. There could be a simple trade off of reducing the headcount of programmers in IT to support the lead nurturing and analytics needs of the company, especially if the company moves from proprietary custom solutions to COTS solutions.

While some systems have currently been integrated for marketing functions such as accounting, customer service, Sugar CRM and the data warehouse – there is still more to do and the lack of full data integration is hurting their efforts. A strategy is not in place to simplify system interoperability to support the new business model. All the following systems need to be leveraged properly to achieve the company’s digital marketing strategy goals.

1. IBM as400
2. Sugar CRM
3. Sales track 15
4. DBS
5. Sales force
6. EB suites

The biggest challenges defined by Tina are – there are great ideas with too many bottle necks, lack of ownership of projects causes delays and failures, the sales driven culture is prominent in all decisions, the physical nature of the dealership/locations make marketing more difficult and Tim/Dez who do much of the decision making are hooked on the historic business (Dealer) model. Most important to Tina is to have IT relinquish the control of the customer data to a database marketing manager, to define its structure, access and integration in to Marketo and CRM systems.

The cultural conflict of who owns the customer is further conflicted by the ISR requirements, imposed on the digital/web team. Training and corporate policy can support a better solution: leveraging Marketo’s capabilities and meeting the needs of the field simultaneously. With the right team and policy in place, emails can be sent directly from an ISR’s email account, which meets all brand standards and is a tested/proven stream of messages targeted to each persona (nurturing program). Along with progressive form fill out, CLIENT can truly gain the insight and knowledge to build the brand while supporting the ISR’s need to build relationships and sales. These strategies are not currently being utilized a year after Marketo implementation due to data challenges and staff limits.

**Marketo Utilization**

- Integrated Corporate and Field Strategy
- Lead Nurturing based upon customer preference, linked to ISR (email and commissions)
- Progressive Forms to build the necessary information to close the sales and support the ISR

Shifting priorities is also a red flag raised by Tina. We can assume that is partly the leadership issue, along with the cultural acceptance that the field/ISRs drive programs. The team’s opinion is the field does not really know the level of support and sophistication corporate can provide. Creating a better structure that brings sales and marketing together will definitely produce better results. The company needs to change the current process where the salesperson with highest closing ratios drives the marketing programs. Tina has begun leveraging on-line success stories of the few ISRs who see the digital vision and will be good internal promoters.

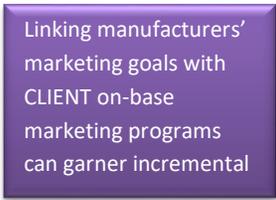
A good example of Tina’s leadership and ability was shown in her strategy to take back control of social marketing with the implementation of the Facebook Franchise model. The high ISR turnover rate of about 40% a year will be one of the greatest issues that needs to be addressed to manage this program effectively.

The department also manages three blogs – CLIENT, CLIENT and HDMS. The blog strategy for the brands should be developed to gain additional manufacturer funding and leverage their content and videos to align the brand with today’s car buying process of learning and information gathering prior to dealer visits – (i.e. buyer’s journey).

Product Marketing - Kate Connolly appears to have a keen grasp of what is possible in maximizing support from the manufacturers. Her team does a good job balancing the need for select inventory throughout the world while generating 60+% of sales through non-inventoried custom order. Today, Ford and Chrysler still represent 70% of the overall volume, the foreign brands are helping to improve margins and overall CLIENT brand appeal. Kate’s greatest challenge is being able to support the strategic initiatives and manufacturer relationships while managing the team and product details within the ordering and inventory process. With the recent layoffs, too much administrative work falls on the buying team who now spend time entering orders instead of analyzing data to improve decision making about car models, trims and options.

Kate has had some new additions and changes to her team this year and is still addressing the shortfall in administrative support. She wants the team to spend more time on analysis and planning. Moving forward Kate needs to manage the team for operational issues, but should work more aggressively to identify additional funding opportunities with the manufacturers.

The greatest challenge Kate faces is the timeliness of the program CLIENT is able to bring to market in the field. The team is late to hear about programs and needs to press the manufacturers for market development funds and event marketing programs outside the normal funding channel of just sales. Because CLIENT relationships are with the Fleet/Export division and we are not in the domestic promotions channel, too often this leaves CLIENT out of the loop on competing with branded events and promotional programs being offered our domestic competition that should be leveraged overseas.

A purple rectangular callout box with a slight drop shadow, containing white text. The text reads: 'Linking manufacturers' marketing goals with CLIENT on-base marketing programs can garner incremental'.

Linking manufacturers' marketing goals with CLIENT on-base marketing programs can garner incremental

The product managers write the business plan for their respective brands focused on promotions, new products and production issues, but opportunistic marketing programs still need to be developed one-on-one.

Kate has been able to leverage the CLIENT tiered marketing structure to create unique localized programs and approach the manufacturers a bit differently, to gain support. CLIENT base locations and connectivity is key to building broader manufacturer programs. A questionnaire and program should be developed to create a link between manufacturers' goals and CLIENT base event marketing programs.

Kate pointed out, there are many things to boast about that are not being leveraged in the marketplace or within the relationships with the manufacturers. CLIENT is the #1 Mustang dealer and #1 Harley dealer. These facts can help create strategic programs with manufacturers.

This conversation leads to the dialogue around CLIENT/CLIENT being more than just a selling channel for the manufacturers, and building our ability to become a key marketing channel. Kate would be a good point of contact to begin researching connections within the manufacturers' marketing teams and partner with them as experts in "Military Marketing" (beyond distributor status) who can expand our partnership and test the new marketing channel model defined within.

The greatest challenge to this value added approach is building relationships with the branding teams on top of the selling teams. Kate mentioned that Ford has a family member who is handling the "Military Marketing" and we would be perceived as a competitor. While that is a challenge for our Ford program, it does exemplify the validity of the strategy to become a marketing channel. Perhaps developing a list and targeting senior leaders at each manufacturer with a military background could build greater awareness of the opportunities that CLIENT can potentially or does offer.

Kate brought up the value CLIENT provides domestic dealers and manufacturers from our stateside delivery program over the long term. Figuring out how to position and leverage this date it is another key message that needs to be added to the CLIENT value propositions, in an effort to increasing funding. Creating dealer testimonials from our top five domestic referral partners and building an economic model of their lifetime value is a good start.

Lastly, we discussed the opportunity to integrate the manufacturers' training program and digital content on CLIENT web platforms.

## One Voice – One Customer

Who is our customer? The marketing teams have been focused on the ISR/field as their main customer... which is counterproductive to the new branding effort and “Customer for Life” strategy. There is an immediate need to address an overarching approach to meeting the needs of the customer as the primary goal of the marketing department, with the support of the field.

First and foremost is the need to shift in the focus of the marketing department from fulfilling the ISRs (Yes ticket) requests to working together with the field to meet the needs of the customer in a unified and strategic focus.

The department should build, measure, standardize and leverage proven programs that adhere to strict brand guidelines. This can be achieved through a set of resources that reside in a library and are coordinated with calendar programs that run worldwide with regional/location specific options. Similar to traditional franchise models for marketing, with control of brand standards and message coming from corporate.

Ensuring the marketing department/company is laser focused and structured around meeting the needs of the customer and not the ISR is key to the future success of

The field is looking for constant changes in look and feel of their promotional programs (Tier 2). This has bastardized the brand and fails to keep brand standards along with creating unnecessary work for everyone. The field must understand that their customers do not look at their “location and promotions” like they do, every minute of the day. It is recommended that an annual calendar be created, leveraging American Holiday’s like domestic dealer and manufacturers’ programs. This work can then be repeated year after year. America’s Military expect and understand dealer advertising from the states, this can and should be leveraged overseas. It harkens back to Allen Goldring’s founding principle of bringing America to the service men and women overseas.

This singular “Customer Centric” voice needs to become baseline for the path our customers take within omni-channel model.

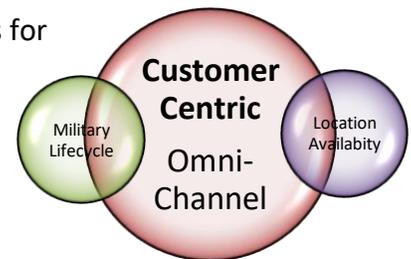
## Executorial Program Review

With so much money being spent on Big Banners and Poster... they are not designed in optimal fashion. There is way too much being said and they lose focus on the key benefit and call to action. They should be simplified to be a BILLBOARD with a call to action to come inside to learn more!

Social Marketing was not fully covered due to limited time – the only subject reviewed for social was the new Facebook strategy being rolled out. This process and approach to brand standards is a great model to follow as hub and spoke is perfect and clearly reflects the need and solution for brand standards and control of message!

Innovations like virtual reality in the CLIENT (non-stock) locations can create a new information and engagement channels for customers and is perfectly aligned to the high tech military training the customer is familiar with. Research should be conducted on costs as well as to identify how much content can be leveraged from manufacturers for this unique selling and marketing tool.

The optimal breakdown of marketing programs and activities should not be simply by tiers, but a carefully balanced set of the customers selected channel preference (web, VR kiosk, on/off-base), product availability (in-stock vs. special order) and military lifecycle (pre-deployment, deployed/rotating, post deployment). Once the initial engagement defines the customers channel preference, Marketo can support one-to-one marketing and lifecycle messaging while overarching programs support the market/location nuances and lifecycle messages.



The departments’ activities are focused on market/business segments. Therefore the strategies in place and work product are currently defined in terms of division, geography and on/off base issues. This may be necessary for managing the work and media selections, but has little to do with creating persona profiles/segments and other drivers of business that can measure marketing ROI.

### Current Business Segments

- |                        |                                   |                         |
|------------------------|-----------------------------------|-------------------------|
| a. PX Europe           | i. PX –on base                    | iii. X-Pat              |
| b. PX Far east         | ii. AX – off base                 | h. Ready Drive – rental |
| c. PX middle East      | g. CLIENT ( channel and end user) | i. HDMS                 |
| d. AX Europe           | i. Diplomatic                     |                         |
| e. AX Mercedes /Toyota | ii. Relocate – customer for life  |                         |
| f. Ecommerce           |                                   |                         |

It is recommended that program segmentation bridges the three natural segments which in aggregate support the “Consumer Centric” or the “Life Cycle” model.

The greatest strategic advantage the CLIENT brand holds is the access to the base. Therefore, marketing should be focusing on how to leverage this advantage. Perhaps lowering marketing costs with technology and reducing ISR levels while expanding event, contest and other in-person engagement budgets.

As omni-channel programs are rolled out creating ISR lead/nurture roles and ISR closer roles, it will be important to support the customer centric model.

*“As defined earlier, the use of pre-approved events (in a box), posters, banners, social content and ads that could be customized to location specific offers and information through an on-line catalogue that uses a ratings system from ISRs, data from marketing as well as comments and suggestions is the recommended strategy to bridge the need for corporate brand control and ISR flexibility.”*

### Planning Document Review

With only 6 days working with the team on this project I tried to focus on elements that would provide the greatest impact to the company. One of the most glaring issues was the time being spent on the planning documents/calendars that all teams felt were NOT followed, nor used. I was not able to uncover why there is such a disconnect in operations keeping to plan. Perhaps because the field continues to drive the programs, not corporate and the department has not been trained or structured to drive the brand in all channels, programs and markets.

In addition, to the marketing calendars, I did notice the projections for 2016 sales goals for Europe were simply not realistic – with a 160% increase in orders, a 190% increase in deliveries, and a 20% reduction in marketing expenditures.

Unless I am not reading the documents clearly or am unaware of something, in the long run this projection will deflate both the marketing team and sales team. The bottom line is there needs to be key KPIs tied to achieving the corporate goals that cross both sales and marketing departments. If these goals exist the teams were not focused on them in our discussions. It is suggested that moving forward the team manages the goals and KPIs through quarterly marketing planning meetings with Sales, IT, Customer Service and Marketing that focus on the plan and shift the focus from opportunistic programs to more strategic programs.

It appears sales forecasting is not accounting for changes in troop levels throughout the world

## The CLIENT Website

The CLIENT site performance has been acceptable over the past years despite the intense restrictions placed on the company from the military (on-base) requirements. Due to these restrictions success needs to be measured through both lead generation and sales lenses. The sales lens has been fogged by the sales leadership/ISR's request that only leads which have filled out the on-line car selection are sent to their team, this essentially makes the ISR order takers instead of salespeople.

CLIENT should incentivize the e-commerce team for helping the ISR's nurture, assist in the on-line journey, and transfer the customer effectively or sell them on-line.

The website needs to become as much an information resource and social connector as a sales generator. The site should be used to link customers to special events, information on cars/features of interest, new technology or brands, CLIENT branding/Military Privileges as well as other persona profiles and very localized to market delivery options... through Marketo. The ISR's desire to control the relationship needs to be balanced with the support of the corporate technology solutions. Structured properly, corporate can support and manage 80+% of this approach.

Linx suggests that the CLIENT and CLIENT website UX/UI behave more like traditional car buying sites (Cars.com, AutoNation.com and Edmunds.com ) while letting less intrusive banner messages deliver the core brand values and current promotional offers. The fact that visitors can only shop by manufacturer is not a user friendly experience. The addition of shopping by body style, budget, fuel economy, etc. is a must have for the "AUTOSOURCE" brand.

The current pop-up info request on the site, should be tested to include optional experiential paths, from info/videos, test drives, VR, pricing, etc. The on-line military specialist should be trained to support these customer centric queries as well as on location ISRs.

There needs to be much more use of video on the website. While Linx created a few videos leveraged from the footage we shot (at no additional cost) this is only a start. CLIENT should be integrating manufacturers' videos into our sites as this is critical to build traffic and create the first step in the car buying process – information gathering.

Tina and I discussed the importance of creating a U/X based upon two modes of site usage: Research and Lead Generation. We believe that there is a 180 day sales cycle for lead nurturing. She would also like to develop programs to address specific military life cycle issues. This is a great way to think about the marketing program and move away from the myopic focus on promotional marketing.

The use of local selling channels and affiliate marketing (linked to the site) is an important part of the on-line strategy. Due to the shortening of the Roadmap Program, we were unable to discuss this need. Sites such as BOOKOO, Craigslist, etc. are being used, but there are many opportunities to create relationships with other military, auto and selling channels. Local programs should be managed locally, but under the strict brand guidelines and with corporate produced and approved materials.

The authority over expertise cultural issue is exemplified in the desire of the field to capture all customer data in forms immediately instead of leveraging the progressive forms feature on Marketo. This reduces the number of prospects.

Some Key CLIENT site data points are:

- The new pop-up form works great - 48% of visitors fill it out to enter the digital showroom and build a car. This is where nurturing begins!
- 2% of visitors request a quote
- 18 months ago, there was a change in focus/requirement to drive on-line leads to the field. There appears to be a direct correlation to this action and the reductions in on-line CLIENT sales from about 2,500 units annually to 1,400 annually, as the leads went directly to a local sales representative
- This strategy to push all web leads immediately to the field is in direct conflict with the CLIENT core strategic goals of: “fully understand what value means to our customers and anticipate their wants and needs”.

#### RED FLAG

The company is not focused on the 48% of visitors who fill out forms. 30,000 soft leads a year are ignored. Only the 2% that filled out a RFQ get contacted. CLIENT needs a process that moves the ISRs from order taker to lead nurturers too!

## Current State/Future State Summary

Current State	Future State
The CLIENT model is built around a historic car buying process	The CLIENT model is consumer centric and Omni-Channel
Siloed teams operate independently to serve the needs of the ISRs	Cross functional teams work to achieve companywide KPIs
Brand standards and guidelines remain on a shelf and not applied	Brand standards and guidelines are understood by all and followed precisely
ISRs drive field programs (tier 2 &3) creating custom programs based upon personal beliefs.	Field programs are mostly self-serve, scored and proven
CLIENT and CLIENT operate totally independent	CLIENT and CLIENT collaborate on successes and challenges
Customer for Life is a discussion	Customer for life is integrated into the business model
Sales commissions drive independent ISR to go for the Kill	Sales commissions support everyone's interaction in the sale
IT controls customer data and flow	Marketing controls customer data and flow
Marketo is used mainly as an email system	Marketo is used to lead nurture every step of the car buying process and track program/channel success
Manufacturers funding is shrinking	Manufacturers funding is growing with innovative field/base programs and sponsorships, web program, social programs and allied automotive product programs
Value is derived only from delivering a car	Value is derived from delivering an array of auto related product/services
Segmentation is based upon CLIENT division and in-stock/special location needs	Segmentation is based upon persona's and military lifecycle
Social media is a free-for-all managed locally	Social media s a federated model controlled by corporate
Field materials are filled with superfluous content	Field materials are simplified and have distinct call to actions.
CLIENT sales channel is focused on web, relocations and expatriate partners	CLIENT adds a focus on a direct channel targeting the top 100 companies with H1b visas
Bifurcated on-off based product lines limit customer choice	Foreign and domestic brands are bridged through use of Marketo
CLIENT/CLIENT website is used to sell cars	CLIENT/CLIENT websites / microsities are used to gather information, sell cars and offer valuable connections to ALL things auto related
The graphics team is rooted in print production	The graphics team creates consistent and usable materials across all media channels
Planning documents are not used effectively or followed as opportunistic programs usurp plans	Planning document provide realistic goals and are used effectively

## Team Interview Notes/Background Comments

The second meeting with the field encompassed the whole team and they are well aware of the issues that are causing poor performance of the department and sales.

They articulated that they are ineffective at creating and measuring campaigns, with too large a workload and too little time to do anything except produce. They understand that there needs to be a more cooperative approach to working with the field, which is sometimes viewed as competitive. There is a bit of frustration that the field does not even read their communication and the team has recommended some type of field compliance system be put in place. This lack of field accountability needs to be addressed, preferably more through value than compliance.

I do suggest that there be company consensus that corporate control the brand, message and design... PERIOD!

The reason this exists is because of historic poor leadership that can easily be changed! This lack of policy is reflective in that the company just introduced a new branding campaign that never got transferred into tier 2 and 3 marketing. The team simply never connected the tier 1 marketing with the promotions and events. I would suggest some outside creative support in this area.

The team had done a great job creating events and contests. These program provide for a growing social following and steady flow of leads to vet in Marketo.

The field team offered some challenges and opportunities in our discussions. A big issue that came up is the old technology the creative team is a using. It causes very low productivity and a lot of frustration.

### **Gina A - Field Marketing *Off and On Base* – (New)**

- Feedback and information from the field is poor
- Very short due dates
- Difficult to get materials to field on time (I suggested use of local printer resources)
- Easy to work with people and get responses on the team!

**Christie W. PX Support (2years)** – PX support for all units, HDMS support and moving into next year representative role!

- Feedback from the Field
- Learning the brands and location needs
- Will have more a rep role... and be cross function in the future

**Steven U. Graphic Designer (10 years)**–, HDMS photography, video creation.

- Does not know where the video is used... he just makes it. (*This is problematic, because he was informed!*)
- Computer has a virus – need mac support staff, in-house is useless and they don't have access/budget for support?
  - Need software and hardware updates
  - Not on the CS cloud
  - Photography
    - Need permanent studio to work with for photos
- Best things
  - Still employed –
  - Good team work well together!

**Lisa M. Graphic Designer (3 years)** – off base, works with Gina... corporate comm. and video

- Hardware and software issues
- Support for Macs

**Gina V. – Sr. Field Representative (3 years)** CLIENT and Expat Business

- CLIENT is easier
- Local team makes the work simpler than CLIENT

The Digital Team also identified some challenges and opportunities that they would like to address.

**Kara M. – On-line Marketing Specialist** (interactive graphic designer) greatest challenges/successes are:

- Data and Reporting – disparate data sets are difficult to work with and increase the time it takes to create quality and accurate reporting.
- Time management – doing too much for one person and therefore we are producing worse results.
- There is NO Marketo manager in place -
- “We are a department that works great together and have be very successful with our lead generation materials”

**Amy O. – Corporate Communications and Social Media Specialist** - greatest challenges/successes are:

- 60% of time is spent on YES tickets and building strategic programs
- Reporting is not accurate
- in YES
- Digital team is not thinking digital in nature -
  - Mostly repurposing a print image
  - Get in-design file
  - On-line media assets
- ISR Facebook control global message and brand consistency
  - Content should be directed by corporate
  - Show HUB and SPOKE model
- Quantity over Quality
- No reporting and No thinking

Here are some individual comments from the Product Team:

- Overall Challenges
  - Need self-service approach to data
  - Spend time on Inventory management, but do not achieve great value from the time
  - Need to separate the research and strategy from the operational tasks
    - Stop the high level staff from keying in and chasing down orders
  - Need to move to a SKU based inventory

- Product managers role should be the business owner... not administration

### **Chris A. – German line-up**

- Challenges
  - No time in day the think... just too much to do
  - Response time from others is too slow -both mfg and sales
  - Volume
    - Minutia to strategy
    - Put data into inventory system
  - Data... preparation versus analysis

### **Jason B. – Fiat/Chrysler, Nissan, Infinity**

- Challenges
  - Everything to everyone – FSG to Admin to accounting... looking to product team for additional insight and help
  - Remaining competitive with pricing
    - Transparency and channel conflict – online
  - Manufacturing side... changing day to day contact
    - Every 18<sup>th</sup> months new contact
  - HOW do we become perceived as a benefit to the local dealers
    - Support brand, customer and local dealer... etc.
  - Gun shy about trying new things... they will risk their future in the company
- Positioned within Mfg. as a Distributor, not a dealer
- Largest jeep dealer
- Only place to buy US spec'd vehicles
- Positive issues
  - Now have data... want to use it more and it is self-fulfilling prophecy that we need to have adhoc reporting
  - More data than ever with Sales Trac – 19... need time and expertise to use it.

### **Cliff C. – Harley Davidson**

- Ramping up to new position
- Responsibilities are too much... why no assistance
- Communications through the company are terrible
  - Especially the field

- Field trying to get answers... other sales people don't give the answer, manger is not responsive
- How to we define the protocol to improve where to get answers...
- HUGE OPPORUTINTY
  - Marketo Lead scoring and inventory modeling
  - NEED to tie teams in together
  - Move from historic to forecast approach to model selection
  -

### **Patty C. – Ford**

- Change in the sales structure on management level
- Marketing channel
  - AFN program
  - Movie theatre
  - How to integrate stateside opportunity
    - Direct marketing program... drive to local dealer, can we use Marketo

### **Mike – Far East Korea, Japan Okinawa and Guam**

- Planning promotions.
  - Cover January and Feb next year
  - Kick ideas and define direction
- Unique format and needs
  - Europe – stock
  - Far East – all special order or mostly
- Need to mix our promotions on inventory versus order your today
- Timing of programs
  - Running late now
  - Layoffs slowed things down
  - Higher priority projects have taken precedent
  - Normally working 6-8 weeks out
- American holiday calendar events are possible in mid-east
  - Will see the prospect a number of times during the process
  - Numerous opportunities to meet and greet individual
  - Talk to me when I get closer to my rotations dates is a key opportunity to track in Marketo
  - 25% of population rotates annually



- Must tailor promotions to see car that is there or NOT... see similar model
  - Biggest competition is internet
- Privileged military benefits and lowest price.... Are key messages
- New Program - Custom order focus... vehicle must be there when you want it... or we will provide a free loaner