

Volkswagen of america

Business



**ASSIGN
BUSTER**

Company: Silverline Technologies Customer: Volkswagen of

America Submitted by: Silverline Technologies Date: Summer 2001 (USA)

Volkswagen of America (VWoA), Inc., headquartered in Auburn Hills, Michigan, markets a full line of Volkswagen and Audi vehicles manufactured at company plants in Germany and Mexico. VWoA is the top selling European importer in the U. S. and has sold over 10 million cars coast to coast through its network of 600 Volkswagen and 270 Audi retailers.

VWoA is a wholly owned subsidiary of Volkswagen AG, the fourth-largest producer of passenger vehicles in the world. The Volkswagen Group, which produced more than 4.2 million vehicles in 1997, is Europe's largest automaker and has production facilities spanning the globe. VWoA has consistently been a leader among major automakers in utilizing Internet technology to promote its brand image and also to support its business functions. In many of its initiatives VWoA has partnered with the eBusiness experts at Silverline.

Challenge: Create an Online Buying Application to Support Entire Car Buying Process Online

VWoA has long recognized the critical role the Internet can play as a brand building vehicle. In early 2000, VWoA made an important and far-reaching business decision to leverage the Internet to make fundamental changes in the way they did business. They decided to initiate an Internet pilot that would allow VWoA customers to go through the entire car buying process online. A total of 4,000 limited edition 'New Beetles' would be available exclusively on-line. This decision reflected VWoA's unique realization of the

Internet as a powerful alternative channel to sell cars, especially when combined with the support of its experienced dealers.

VWoA's eCommerce vision was truly revolutionary for the automotive industry, because it sought to achieve a fully integrated and optimized process, but in a way that would fully involve their Volkswagen dealers. Seeing dealer disintermediation as a threat to their loyal dealer partners, VWoA created a solution that married the interests of the OEM with those of the dealer by involving them in the process, rather than eliminating them from it. Thus, VWoA again demonstrated its business leadership, as well as its sophistication in the eBusiness area. Successful implementation of the online buying pilot required VWoA to initiate a sea change in the way its business processes were structured - both internally, as well as with its dealers. VWoA brought together the numerous business functions including Marketing and Distribution, to work on the single comprehensive eCommerce initiative.

It was clear that this project would require the ability to think strategically about eCommerce and conceptualize solutions to new and challenging problems. Along with this strategy development capability, the project would also call for expertise in multiple areas of Internet and eCommerce, as well as an in-depth knowledge of the automotive industry in general and VWoA in particular. In this situation, VWoA called upon its long-time partner Silverline to turn their vision of an online car sales model into a reality.

Solution: Develop a Fully Integrated Auto Sales Capability for Volkswagen in Less than Three Months.

In order to create a fully functional eCommerce capability for VWoA, the Silverline team worked with VWoA to develop a full-fledged eCommerce strategy and project plan.

Using this plan as a basis, the Silverline team and VWoA went about assessing and then realigning the business processes of an auto purchase. Silverline worked with the Marketing, Parts, Sales, Dealer Council, Regional Field Staff, Distribution, Customer Relations, Financing, Learning and Transformation and Legal departments at VWoA to ensure that their business processes and online activities were aligned to meet the needs of the new eCommerce strategy. Together, VWoA and Silverline mapped out the business processes required for this new paradigm, and determined the actions necessary to optimize intermediation of the dealer channel. Liz Vanzura, Director of Marketing, for VWoA stated, “ Working with the team from Silverline on this project has been a real catalyst for change at VWoA. The need to review the business processes and technology of so many divisions in the company has allowed us to identify several areas where we can improve the way we do things.

Silverline’s experts have worked with us, at a strategic level, to define our online business plan and objectives.” Once VWoA’s business processes were modeled, Silverline undertook the technical design of these models, and successfully integrated them into a seamless eCommerce system. Today, VWoA’s online buying process allows customers to learn all about these special color edition New Beetles via its website, configure a desired car, <https://assignbuster.com/volkswagen-of-america/>

check its availability within Volkswagen's distribution system, pick a dealer, consider financing, discuss purchasing terms, and finally arrange a delivery date. In some ways the results of Silverline's work with VWoA are akin to an iceberg. The parts that are readily apparent to a customer at vw.com make up only a small fraction of the work actually done. Below the surface of the site, Silverline's expertise in strategic planning, business process reorganization and system integration were crucial to the success of the project." We have helped move vw.com to a sophisticated eCommerce model in just three months," said Scott Crompton, Vice President, Global Automotive Practice, Silverline. "In doing this, we identified ways in which VWoA could improve its business processes and worked with VWoA to transform the way it conducted business. Ultimately, VWoA has achieved its goal of increased customer-focus through this project.

Marketing, Sales, Dealers, Distribution, Customer Relations, and Credit all pulled together to present a single online buying experience for the consumer's benefit." Crompton added, "Silverline's role in this project truly represents the full range of services that our organization offers to its clients. Our unique approach and focus on time-to-market guided our efforts on every stage of this project including, requirements gathering, development, implementation and support. Silverline was the primary provider of all development and systems and is supporting VWoA during the post-launch period." The actual process the online consumer goes through on vw.com is both logical and user-friendly. A customer goes to the vw.com website, learns about the special color edition New Beetles, orders a brochure if they want to, and then finds a local or preferred dealer. The

customer configures a car with the desired options and searches for it in the Volkswagen system. Once a car is selected for purchase, the customer is automatically plugged into their own personal website page, called MyVW.

At this point, the customer opens a dialogue with the dealer to discuss the purchase terms. This dialogue can take place via an electronic message board or on the telephone. Here, they also have the opportunity to finance online if desired. Once they agree upon final terms, the customer receives confirmation and coordinates with the dealer regarding the delivery of the vehicle.” vw. com is one of the first automotive eCommerce sites in the world to have such extensive functionality and the only one to have the support of the dealers,” said Liz Vanzura, Advertising Director, Volkswagen of America. “ We launched the site on May 4th and by the end of that week we had sold over 800 cars and generated over 3, 000 leads. By the end of the first week we had sold over 1, 000 cars from the site. There is even a story about a customer who woke his daughter at 12: 01 a. m.

on her 16th birthday to buy her first car through vw. com. Needless to say we are very pleased with the results of this project and the great work done by Silverline to make it all possible.” Results

- Silverline develops a fully integrated auto sales capability in less than three months.
- The site generated 170 leads in its first 30 minutes.
- During the site’s first week in operation, VWoA sold 800 special edition New Beetles and obtained 3, 000 leads on potential buyers.

- The VWoA eCommerce pilot provided a vast amount of information about how eCommerce could be optimally implemented on a broader scale at VWoA.
- The process through which Silverline developed the VWoA eCommerce pilot identified numerous areas where VWoA could improve its business processes.
- VWoA Credit has been transformed from a strictly off-line operation to full online applications and approvals (with real-time turn-around).
- VWoA Customer Relations is evolving to address an eBusiness environment and manage consumer's online needs.
- VWoA dealers have embraced the eCommerce pilot.

VWoA and Silverline have gained the confidence and trust of the dealers by involving them in the eCommerce design process. VWoA is now seen as a leader in helping dealers move into a successful eBusiness environment.

- VWoA Distribution has undertaken a review of its internal systems and identified how to better support an eBusiness model.