

WHAT IS SPAIN DOING SO WELL?

Why is Body & Paint such a roaring success in Spain? Do Spanish Volvo owners crash their cars more often than others? Or could it be because Volvo Spain and Spanish dealers were quick to recognise the opportunities – and act on them?

In Spain, they have doubled the number of Body & Paint workshops, dramatically increased their market coverage and increased sales by 10 to 15% every year. So what is it that Volvo Spain is doing so well?

RECOGNISING THE OPPORTUNITY

In 2000, Jesus Martin and his colleagues in the management team at Volvo Spain were given a presentation by Volvo Car Customer Service relating to Volvo's new Body & Paint programme.

The message was clear. The market is changing. Service intervals are getting longer. It is necessary to decide how to secure future business.

"I felt that it was true; the greatest opportunity we have is Body & Paint," says Jesus Martin, Service Market Manager at Volvo Spain. It did not take long for him to be convinced that the Body & Paint business was an opportunity he could not afford to miss. Body & Paint could account for half the future volumes in the service market and, of the 58 Volvo dealers, only 15 had Body & Paint.

Something had to be done.

ANALYSING THE MARKET

There were 94,000 Volvo cars in Spain in 2000. As many as 30,000 of them would require some kind of body and paint repair every year.

If the average repair was worth EUR 1,000, this would mean a market potential of EUR 30 million a year.

ANALYSING THE NETWORK

In 2000, there were 58 Volvo dealers in Spain, with a total of 78 service points. There were 15 dealers that owned body and paint operations.

STANDARDISING

The Body & Paint team mapped the gaps between existing conditions and the



standard with regard to the facilities, the skills and so on. Action plans were then drawn up for the dealers, specifying how the standards were to be realised.

TRAINING

"One thing we had to do right away, when we had decided to standardise the body and paint workshops, was to find a solution for training," says Jesus Martin. "And in this context we were lucky, we found a good provider, CESVIMAP."

BUSINESS CASE

See next page.

SPREADING THE WORD

The concept then began selling itself.

The first couple of dealers that started running the new body and paint operations did really well. "They were so happy, so enthusiastic," says Jesus Martin. "We thought that now, now we have the key! These dealers will spread the word for us, THEY are going to sell the business now."

SUPPORTING THE DEALERS

The wheels had now started to turn.

Since 2000, three to four new Volvo

Body & Paint workshops have been established every year. Volvo Spain supports them with everything that could possibly be needed to get the new operations up and running. Help with drawings and layouts for new facilities, lists of recommended tools and equipment suitable for the size of the operations, training packages, a work process to ensure a smooth work flow and a high level of efficiency.

A FANTASTIC RESULT

At the present time, there are 31 Volvo Body & Paint workshops in the network, as well as 29 "virtual" workshops.

Parts sales have increased by between 8 and 15% every year. The management of Volvo Spain is also convinced that body and paint has helped to increase the sales of both new and used cars. In 2007, there will be 37 workshops, covering 80% of the market. This means that there will be enough certified Volvo Body & Paint shops to repair 112,000 of Spain's 140,000 Volvo cars.

THE POINT OF IT ALL

Jesus Martin of Volvo Spain concludes, "The main thing is not that we wanted better volumes. We had to make sure that



we give our customers the best service, excellent service. And we cannot forget customers who have had an accident, can we? These are customers who often really need to feel that they have Volvo behind them.

"This is not simply a question of body parts. It's linked to the whole business," says Jesus Martin. "We have to give customers a premium service in everything, we have to offer them everything associated with the car business. You can't lose a customer, when a customer is in the house..."

In Spain, they have made a great deal of progress, but they have also been at it for a long time. It is also important to remember that body and paint is a long-term venture. You have to expect it to take up to five years before you have enough dealers to obtain control of the business.

In spite of this, it is definitely worth it. Because body and paint is where the money will be in the future. What is more, this is a business that you cannot afford to do without – from either a financial or a customer satisfaction angle. Being premium only when it comes to traditional service and repair will simply not be enough. ●

A BUSINESS CASE TO CONVINCE

Volvo Spain took the basic business calculation provided by Customer Service and started to work on selling the idea to the dealers.

"In my opinion, the business case is the key," says Jesus Martin. "You have to be able to show – clearly – that these are the figures, they deal with your specific situation, this is how much you invest in facilities and people, this is the payback time and this is how much profit you will make."

José Luis Gata and his colleagues sat down and went through personalized business cases with the dealers. José Luis has a background on the workshop floor, he knows about everybody in the Volvo network, and he burns for the idea of Body & Paint.

"Let me tell you one thing", he says. "To succeed with Body & Paint in Volvo markets, you must be sure to choose the right people in each country. If they don't know the business, and if they're not convinced themselves, they can sell nothing."

José Luis Gata had clear figures that proved the business opportunity. But taking the step is still a big decision. So José Luis's role included more than just presenting figures. With his professionalism and dedication, he instilled confidence. He presented a vision, and made the dealers dare to believe in the idea.

