



INNOVATION, AUTOMATION AND INTEGRATION

Service plan suppliers are benefiting from new contracts, new products, and a more integrated approach to management information

It has been a bumper year for the service plan industry. New contracts are increasing, as are new product developments, while companies are expanding and hiring more staff.

eDynamix is just one of the beneficiaries from the boom in service plans. It has won no fewer than 11 major dealer/major manufacturer contracts in the past 12-18 months. Among the most significant were national service plans for Harley Davidson UK, MG Motor UK and Audi Australia.

The MG service plan, which was launched in January, allows customers to buy a customised plan on their vehicle for up to five years, spreading the cost through monthly payments, or by paying in full.

"Service plans are firmly embedded in the UK dealer culture and are an important loyalty and revenue driver," said eDynamix director Iain Nickalls.

"With the company recently being named as one of the UK's fastest growing automotive brands, it is fantastic that eDynamix has been asked to provide this solution for MG customers through 2017 and beyond."

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Investment in staff has also been key to eDynamix's success, said Nickalls. The company has increased its workforce by 20% across its four global offices since 2016, in client services, development, and support.

It has also been strong in product development, said Nickalls. In May, the company developed a new online quoting tool that enables customers to configure their service plan.

The tool allows customers to choose the period over which to take the plan, their annual mileage and next service date, and view the services they require using the dealer's menu pricing system. This follows the success of eDynamix's Called Connect app, launched in September last year, which provides an overview of business performance through all of the core aftersales functions.

The app shows daily, weekly, monthly, and rolling 28-day service plan quotes, and sales for dealer groups and individual dealerships.

"The norm is for management to run reports from disparate systems to find relevant information regarding business performance, which can be time-consuming and error-prone," said Nickalls.

"Connect provides a powerful and immediate insight into your business performance across multiple functions, and is available at your fingertips any time of the day, from anywhere in the world."

Other key innovations, said Nickalls, include eDynamix's new automated plan transfer, allowing customers to automatically transfer their details and available funds from their current service plan to a new one if they change vehicle, without the need for a third party. It also introduced the addition of

ad hoc items that fall outside of a traditional service plan, automated customer refunds, and its new Vehicle Sales Plan Analysis report.

On top of that, Nickalls added that eDynamix was certified to the ISO 27001 standard in preparation for the new General Data Protection Regulation (GDPR) laws that come into force in May 2018, ensuring customer data is kept safe and secure.

Another company to profit from sales opportunities for service plan and customer retention schemes was EMaC, which generated potential revenue for dealers of more than £200 million in the past 12 months, according to sales director Adrian Willard. This was supported by its launch of AutoQuote, enabling dealers to maximise their service plan revenue by automating the quotation process.

"Innovation is a key driver of our success, as is investment, which underpins our commitment to bringing EMaC's market leading service solutions to as many dealers and their customers as possible," said Willard. "Last year, we invested in systems to streamline our call centre efficiency and improve digital communication with customers."

"These changes resulted in a 75% increase in overall customer contact. While phone call volumes reduced, we saw a significant boost in email communication, demonstrating a clear customer preference for digital interaction. Following the uplift in email communication, the volume of service plan quotes produced more than doubled and generated a 20% increase in live plans, year-on-year."

EMaC has also invested heavily in a dedicated sales resource in Ireland and currently has a 100-strong nationwide team, said Willard. At the same time, its Drive Vauxhall 'training' partnership boosted sales by 200% over 24 months.

"In addition to the monthly 'new starter' courses we undertake on Drive Vauxhall's behalf, they benefit from regular refresher training sessions to

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ensure the established team remains motivated and focused," said Willard. "Daily and monthly targets are set and progress measured routinely, resulting in a significantly improved bottom line for the business."

Looking ahead, Rich Green, chief executive UK and Europe at The Warranty Group, also views service plans as a potential growth area. He said the company carried out a full review of its service plan offering this year, focusing on the customer and dealer journey.

"At the heart of this was a wide-ranging market research exercise designed to gain the views of consumers and dealers," he said.

"We have absorbed the findings into our proposition development and there have been immediate changes to how we approach service plans, including investments in new technology and staff."

Green said The Warranty Group has endeavoured to make the selling process as straightforward and efficient as possible for both the customer and dealer, while also giving equal focus to a positive post-sale experience. This has been backed up with new developments in its training strategy to ensure all its dealers receive the best possible product knowledge and advice on how and when to introduce service plans into the sale.

"Underlining this approach is a new range of marketing material, which will prove useful for assistance to dealers and customers during the

buying process," he said. "These can be bespoke to suit each dealer's brand and general approach."

The Warranty Group has also invested heavily in technology, adopting platforms including Salesforce and Microsoft Power BI to deliver the best possible customer experience, and relevant and meaningful management information for its partners to drive their business forward, said Green. The technology is also used to track its service level agreements relating to service plans, ensuring it has a green status against each critical indicator, including phone answering, email response, and letter acknowledgement time.

"For us, it is all about not just saying we will look after service plan dealers and their customers – but proving that we do, with the right data," said Green.

"Our long-standing relationships with pan-European manufacturers, supporting their outsourced administration, are testament to our partnership and end customer commitment."

The Warranty Group also signed a new five-year agreement in April last year to continue operating the RAC brand in the automotive sector until at least January 2021. The deal covers a range of RAC-branded products as well as the RAC BuySure initiative.

The Warranty Group has also been busy with new hires, most notably Green, who joined from CIT International Finance, having previously held leadership roles at General Electric. **ALEX WRIGHT**