

Changing the Model?

Building effective distribution in a multi-channel world

Researching automotive distribution in Europe and worldwide

The International Car Distribution Programme (ICDP) is a collaborative research programme into all aspects of car distribution, including the supply and retailing of new and used cars, after-sales, network structures and operations. We are a team of 20 dedicated specialists with offices in France Germany, Italy, Spain and the UK. Our work is funded by car manufacturers, dealers, car industry suppliers, representative bodies and governments.

ICDP provides its members with practical tools for reform of distribution, focusing on:

- ◆ Supply chain design and practices: new, used, parts
- ◆ Retail channel structures and processes
- ◆ Insight on the regulatory and competitive environment.

The core franchise model is under severe strain in some of the major markets, making radical reform an urgent priority. Across the globe a growing number of producers are competing fiercely in a static market for cars and parts, with a proliferation of distribution channels. There is a real need for answers, and for specific solutions to problems:

- ◆ Distributors and repairers facing increasing levels of cost and complexity, at the same time as declining margins and reduced freedom for local initiative
- ◆ Manufacturers and national sales companies struggling to retain control over their channels to market, and also to manage the trade-offs between short term volume priorities and longer term value creation
- ◆ Suppliers of all types facing relentless cost pressure from customers and competitors.

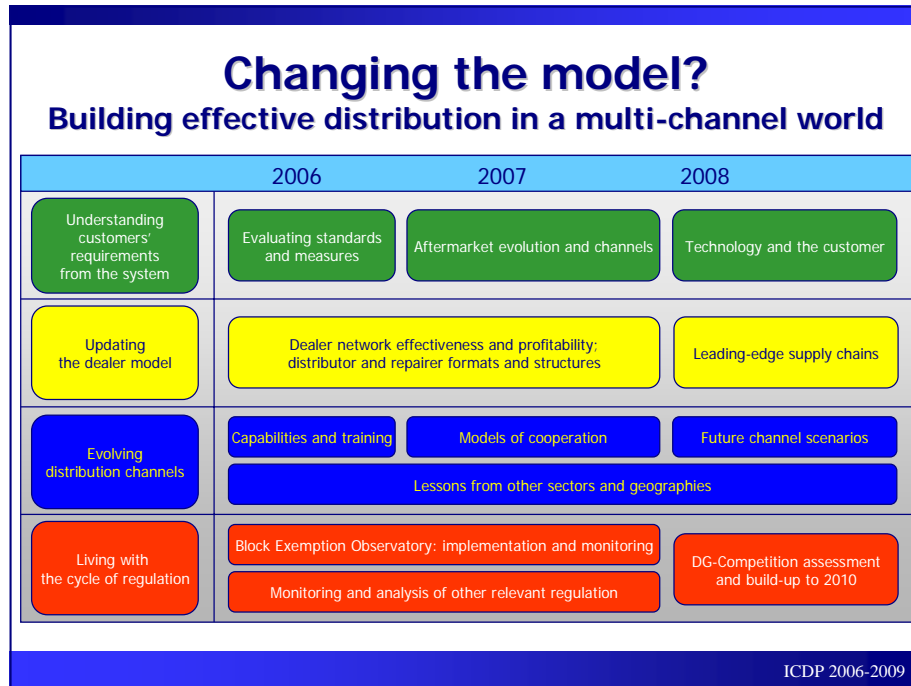
Real progress will be possible only by breaking through what are currently regarded as inevitable trade-offs, and by establishing new ways of thinking and operating.

Changing the Model? Our research themes for 2006-2009

ICDP research focuses on the priorities and needs identified by our members. Our investigations over the next three years will focus on four themes:

- ◆ **Understanding customers' requirements from the distribution system.** The critical starting point for any reform
- ◆ **Updating the dealer model in response to growing strains.** This will entail analysing network effectiveness and profitability. It will also review distributor and repairer formats and structures, and the impact of multi-branding

- ◆ **Evolving distribution channels.** Exploring the issues involved for all players in managing a complex web of relationships
- ◆ **The cycle of regulation.** The Block Exemption 1400/02 and what replaces it in 2010 remains a critical issue for the car industry.



ICDP communicates the results of its research programme in a variety of ways:

- ◆ Member forums twice per year to present and debate the findings and implications of the research
- ◆ International workshops with specialist presentations and discussions
- ◆ Research reports, presentations and briefings. All outputs are available to members from www.icdp.net
- ◆ In-house seminars for individual members, tailored to their needs.

Membership benefits

ICDP membership is open to any organisation engaged in car distribution. Our non-profit status and our fee scale allow companies of different sizes and backgrounds to participate on a cost effective basis. ICDP delivers valuable information and insights to its members:

- ◆ Results from a €1.3 million programme, with the benefits of pooled research funding
- ◆ Understanding and perspective from our holistic approach to car distribution
- ◆ Ideas, guidance and challenge derived from our experience and our independence
- ◆ Networking and debate, with experts and with peers, across the breadth of ICDP membership.

ICDP has a track record of effective contribution to strategy formation and implementation over twelve years.



The International Car Distribution Programme is a collaborative research programme into all aspects of car distribution, including the supply and retailing of new and used cars, after sales, network structures and operations. It has been conducting independent investigations since 1992. It is funded by participants from car makers, dealers, car industry suppliers and representative bodies. ICDP's reports are published and available to researchers worldwide. ICDP does not represent any of its members or their individual policy views.

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