



ICDPA 2010-2012 Membership Guide

'The research conducted by ICDPA and ICDP in Europe, is very valuable in assisting us to develop future improvement initiatives. An excellent forum to share and discuss solutions to common Supply Chain bottlenecks and to improve overall service to end customers.'

Auto manufacturer

The following organizations have contributed to ICDPA's research programme over 2007 – 2009

- ADP Dealer Service
- ADP Employment Services
- A P Eagers
- AutoNexus
- Automotive Training Aust
- BDO Kendalls
- Dealer Solutions
- DJ Motors
- EnvisionIT
- Esanda
- Harley-Davidson
- Holden
- Honda
- Hornsby Auto Group
- Inchcape
- Mazda
- MinterEllison
- Mitsubishi
- Motorama Group
- Northern China German Auto
- Peugeot
- Pickering Group
- Polaris
- Porsche
- PrixCar
- Saab
- Swann Insurance
- Toyota
- Urban Science
- Unipart
- Yamaha

Profiting from change: Strategies for effective retailing and after-sales is the next phase of collaborative research from ICDPA, the international automotive research and strategic advice organisation that has been a distinctive thought leader in vehicle retailing and after-sales in Australia since 1998.

ICDPA is the Australian associate of ICDP Europe.

ICDPA provides a cost effective and timely strategic focus on all matters that affect vehicle supply and distribution in Australia. A key in the current economic cycle is to not only understand short term trends, but also consider how to position business strategies and structures for changes to macro and micro economic circumstances and appreciate how consumers predetermine the value proposition and their demands leading to the point of sale of both automotive products and services.

ICDPA has taken a leading position in understanding both short and long term trends in Australia's automotive industry for over a decade. Today's consumer has changed their product and service purchasing behaviour given prevailing economic circumstances. Investments in highly respected and impartial independent industry analysis and leading edge thinking as provided by ICDPA can assist vehicle manufacturers, importers, distributors, dealer groups, automotive finance and insurance houses and industry auxiliary services providers, develop their strategic and operational decision processes.

Commencing in January 2010, ICDPA's programme will offer participants across the automotive industry unique support for the task of building and evaluating successful future business strategies, derived from our:

- Expertise in all aspects of retailing and after-sales, reflecting the skills and experience of our dedicated researchers
- Independence from any interest group, reinforced by our non-profit status
- Recognised integrity and confidentiality in handling business-critical issues
- Long-standing high-level involvement with organisations throughout the sector

Membership of ICDPA offers a unique package of benefits for a very cost-effective fee:

- Pooled research funding on topics of strategic importance
- Measurement and benchmarking of key business parameters
- Exploration of new concepts and emerging market opportunities
- Understanding and perspective from our experienced international team
- Ideas, guidance and challenge
- Opportunities for debate, learning and networking
- Confidential tailored advice and presentations

Profiting from change: Strategies for effective retailing and after-sales has been designed to address the key questions facing the sector now and in the years ahead, including:

- How effective are present retailing and after-sales channels in delivering true customer value, and what can be done to improve performance and minimise costs to make them more resilient, cost-effective and profitable?
- What lessons can be learnt from the way the automotive industry is evolving in other markets around the world, and from successful operators in other business sectors?
- How will social, regulatory and environmental pressures shape future customer demand, and how should the automotive retail industry respond?

The ideas and information ICDPA generates are communicated to Members through a variety of outputs, including reports, briefings and meeting presentations, providing invaluable opportunities for debate on topics of critical importance and high-level networking with industry peers.

Membership of the programme is open to operators across the automotive industry.

'We value their research into all facets of the distribution channel & insights into automotive retail activities. Access to European research via ICDP is intuitive & complements the Australian research and analysis. As globalization of the automotive industry evolves, it is important for our organisation to utilize ICDPA research for the development & execution of strategic network plans.'

Auto manufacturer

'Our company continues to view its participation in ICPDA as an integral part of its corporate awareness programme. We see benefit of participation not only in the aspects of the industry that directly impacts upon our operation, but equally in the insight of those impacting all other elements within the total supply chain.'

Logistics company

'Research conducted by ICDPA contributes to the growth and improvement of the automotive industry by comparing worldwide benchmarks against those of Australia for manufactures, logistic suppliers and dealer networks. Our participation in ICDPA gives us the opportunity to contribute in taking part in solving the problems existing in the industry as a whole as well as establishing valuable business relationships with various representatives in this industry.'

Dealer group

Who we are

ICDPA is the Australian partner of ICDP, an international research and strategy organisation specialising in automotive retailing and after-sales. With a dedicated team of researchers and advisers across the world, the ICDP organisation is recognised as the leading authority in its field. It has a proven track record of expertise in the provision of information and ideas to players across the automotive industry.

ICDPA's collaborative research programme, running since 1998 and supported by more than 26 organisations including manufacturers, dealers and distributors, industry suppliers and representative bodies, provides a unique platform for building and communicating business-critical intelligence on all aspects of automotive retailing and after-sales.

ICDP Europe's work is conducted across the major Western European markets of France, Germany, Italy, Spain and the UK, with coverage of other markets added where interesting or appropriate. In addition, ICDP Europe has developed research capability in Poland and Russia, with the scope to encompass other Central and Eastern European markets in due course. ICDPA has close research ties with its partner programme in China and a collaboration agreement with the Center for Automotive Research (CAR) in the USA. In the future we will extend ICDP's coverage to encompass key developments in other regions of the world, including Brazil and India.

The next phase of ICDPA's work, Profiting from change: strategies for effective retailing and after-sales, will begin in January 2010, providing valuable support for an industry facing many new challenges and opportunities.

Expertise in automotive retailing and after-sales

ICDPA's expertise covers automotive retailing and after-sales from factory through to consumer. Recent areas of work include:

- Network structures, strategies and performance in the franchised and independent sectors
- Supply chain effectiveness in new and used vehicles, and in spare parts distribution
- The drivers of competition in the franchised and independent aftermarket
- Policies and practices in used-vehicle retailing
- The evolution, strategies and performance of dealer groups
- The meaning and implications of regulation
- Sustainability in retailing
- Retailing scenarios in 2020

- The implications for the industry of alternative propulsion systems
- Benchmarking manufacturer; NSC and retailer websites
- Exploring customer needs and expectations in sales and after-sales

Our independence and recognised integrity give us unrivalled access to industry data, as well as a unique strategic perspective on the key issues in play.

The ICDPA 2010-2012 programme:

Profiting from change: Strategies for effective retailing and after-sales

Across the world, the automotive industry is facing difficult times. Severe economic turbulence, touching all areas of the value chain - from raw materials through to customer demand - and a growing social and political imperative to reduce the environmental impact of vehicles and their use have been added to the usual competitive pressures.

ICDPA's 2010-2012 programme has been designed to help Members from all sectors of the industry cope with the challenges they face by providing relevant detailed research, strategic analysis and advice, structured around the theme of customer-driven retailing and after-sales channels. The programme covers:

- Understanding how economic, social and political pressures are shaping the customers of the future, and what they will expect of the automotive retail industry and its products
- Measuring and analysing the performance of present structures and players in retailing and after-sales in meeting customers' needs and the industry's objectives
- Using industry expertise and a solid foundation of research findings to develop strategies for making the retailing and after-sales model more customer-driven and more effective
- Drawing on lessons and best-practice examples from around the world and across both the car industry and other sectors of business, to inform retailing and after-sales strategies.

Each of the four major streams of work is summarised below:

Dealers, customers and society

This research stream will look at the broad range of influences on vehicle retailing and after-sales over the next

'We joined ICDPA with the express purpose of gaining practical research input that could be applied to our channel distribution and marketing strategies. Our organisation has access to an unlimited number of international consultant organisations. We have found however, the content and nature of research data we obtain through ICDPA is by far the most informative and practical of any we encountered.'

Auto manufacturer

decade and the resulting implications for players across the industry. This will include:

- The evolving social and regulatory attitudes to the use of vehicles, reflecting direct costs and resource constraints (especially energy), safety and environmental concerns and attempts to manage road use and congestion, and their implications for the vehicle retail sector
- The resulting trends and segments in customer demand for the package of services associated with mobility across the private and business sectors, and how these trends impact on network strategy
- The emerging thinking around reducing the environmental impacts of franchise networks and their operations, under the heading of the 'green dealer'
- The content and implications of the whole package of competition regulations, alongside other relevant legislative developments in Australia and beyond

Network structures, performance and resilience

This research stream will address the short- and long-term challenges to the viability of network structures, both franchised and independent, in retailing and after-sales, and will explore ways to improve performance. This will include:

- The underlying economics of the new-vehicle selling model for vehicles, including franchise standards, margins and incentives, along with the ingredients and measures of greater flexibility and robustness
- The trends, characteristics, and economics of franchised and independent after-sales, including spare parts distribution, body repair and overall service capacity requirements, in the light of potentially dramatic changes in the future pattern of demand
- The evolution and strategies of dealer groups, measures of successful group performance and paths of future development
- The developing picture of franchise networks and other channel structures.

Transforming the retailing and after-sales model

This research stream will explore the ingredients of more radical strategies for transforming the retailing and after-sales model in the automotive industry, with the aim of making it more customer-driven and, as a result, more effective. This will include:

- The investigation of different channel formats for new- and used-vehicle selling, including approaches to geographical coverage (whether urban or rural), ways of achieving system cost reduction, the incorporation of new technologies and the challenges of handling a different mix of products in the future
- The translation of these ingredients of channel strategy into franchise networks by both vehicle manufacturers and other types of players, including the ingredients of greater efficiency and modularity, and drawing on relevant lessons from franchise operators in other industries and sectors
- The measurement and assessment of supply-chain effectiveness in new and used vehicles and parts distribution, including strategies for reconciling the "customer-driven" objective with a challenging and diverse marketplace.

Insights from around the world

This research stream will draw together ideas, concepts and practices from around the world, and across industry and business sectors, to inform retailing and after-sales strategies. It will include:

- The depiction of evolving retailing and after-sales structures and patterns in markets around the world, including Europe, the US, China, India and Brazil, taking into account economic conditions, market developments and consumer trends
- The monitoring of other industry and business sectors for ideas and lessons relevant for players in automotive retailing and after-sales

Where possible, we will adopt a standardised approach to data collection on key topics and benchmarks to enhance comparability across sectors and geographies.

Research methods

ICDPA deploys a variety of research methods according to the topic concerned, many of them developed and refined over the course of our previous programmes. These encompass:

- Structured interviews with industry players
- Quantitative and qualitative surveys and benchmarking exercises
- Focus groups with customers
- Modelling and simulation
- Scenario-building
- Desk research

The detailed planning of each research stream will be adapted to meet the changing needs and interests of our

'We have found our membership of ICDPA invaluable in providing strategic frameworks for the automotive business. The research findings are independent, practical, and thought-provoking.'

Automotive industry supplier

'We utilize our membership in ICDPA by being updated on all aspects of the motor industry from manufacturer through to the retail sale. In addition the support given to conference agendas in Europe by ICDP personnel has proven invaluable to our Dealer Network.'

Automotive services company

How do I join?

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**ICDPA 2010-2012
Membership Guide**
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ICDPA is an international organisation carrying out research and providing strategic advice, specialising in the automotive retail sector. Its collaborative programmes investigate all aspects of vehicle distribution, including the supply and retailing of new and used vehicles, after-sales, network structures and operations. ICDPA is funded by participants from vehicle makers, dealers, suppliers and associations.

ICDPA does not represent any of its Members or their individual policy views.

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www.icdp.net

Members. Wherever possible, topical issues will be added to our coverage as they emerge. Our work is conducted confidentially, with results presented in anonymised formats where appropriate and combined with recommendations for action for players of all types.

Programme outputs

We produce a variety of outputs to communicate our research findings and to engage Members in debate over future strategy. These encompass:

- Member meetings to present and debate the findings and implications of international research activities
- Workshops and seminars to present specific research material and discuss the output in detail with Members
- Meeting and presentation materials, research reports and briefings are distributed to Members
- ICDPA Bulletins alert Members to programme announcements, forthcoming events, industry developments and relevant new publications
- In-house seminars are available for ICDPA full Members, giving either an overview of the programme to a wider audience, or looking in detail at individual topics

Benefits of Membership

ICDPA Membership offers participants across the automotive industry a unique combination of benefits:

- Highly cost-effective access to a major international collaborative research programme organised on a neutral, not-for-profit basis, multiplying the value of each Member's annual fee
- A dedicated team of international industry experts, with recognised skills and experience in all aspects of automotive retailing and after-sales
- In-depth coverage of the critical issues, challenges and opportunities facing the industry now and over the years ahead, drawn together into a holistic picture to help frame and implement future strategy
- New ideas, concepts and guidance for boosting knowledge and improving channel effectiveness, grounded in detailed automotive industry knowledge and a proven track record of cross-sector investigation
- Exploration of new business concepts and emerging automotive markets
- A data bank of key measures and benchmarks in established and emerging markets
- High-level networking and debate with industry peers and experts across the breadth of programme Membership, at a range of dedicated events

Who can join?

Membership of ICDPA is open to any organisation engaged in the automotive industry. Our work is supported by vehicle manufacturers, National Sales Companies (passenger

and commercial vehicles as well as motorcycles), dealers and distributors, supplier companies of all types, trade associations and governments.

What does Membership include?

ICDPA Membership offers a unique package of benefits to participating organisations:

- Pooled research funding on topics of strategic importance to the sector, multiplying the value of each Member's annual fee several times over
- Measurement and benchmarking of key strategic parameters
- Exploration of new business concepts and emerging automotive markets
- Understanding and perspective from our holistic approach to automotive distribution
- Ideas, guidance and challenge derived from our experience and independence
- Networking and debate with experts and with industry peers

Each Full Member receives:

- The opportunity to be involved in the definition of research direction
- Access to all research reports, briefings and meeting materials in printed and electronic formats
- Invitations to attend all Member meetings
- One tailored and dedicated in-house presentation per annum
- Ad hoc assistance on specific issues of relevance to the Member
- Regular updates on programme news and topics of interest.

What would my company be expected to invest?

Programme Members are expected to contribute:

- Funding that enables ICDPA to carry out the agreed programme of research. Our not-for-profit status and fee scale allow organisations of different sizes and backgrounds to participate on an extremely cost-effective basis
- Information and time to contribute to the research (all of which is conducted confidentially)
- Time to participate in the debate of the results and their implications at our Member events.

Membership of ICDPA is for the full term of the research programme. Fees are invoiced annually and are due on 1st January each year.

Members generally allocate the investment in their ICDPA Membership across multiple business units & departments within their organisation.

Members are expected to observe ICDPA's confidentiality and copyright on its outputs.

ICDPA operates as a not for profit organisation.