



CUSTOMISED AUTOMOTIVE AUDIT SOLUTIONS

SGS

**HOW CAN YOU CONTINUALLY IMPROVE YOUR
SALES AND CUSTOMER SERVICE PERFORMANCE?**

CUSTOMISED AUTOMOTIVE AUDIT SOLUTIONS FROM SGS

Consumers expect service that is of a consistently high quality. SGS provides the tools that help you ensure your organisation and partners consistently implement the highest quality standards in the automotive industry. Our Customised Automotive Audit Solutions help you enhance the delivery of your products and services and improve the perception of your brand. Separate yourself from the competition and demonstrate your commitment to quality, enhance and protect your brand and improve the efficiency of your operations all at the same time.

ABOUT THE SOLUTIONS

We provide a wide variety of solutions for the automotive industry. As part of our Customised Automotive Audit Solutions portfolio, we provide:

- Brand protection audits (mystery shopping);
- Warranty audits; and
- Distribution network integrity audits (standard audits).

BRAND PROTECTION AUDITS

Your dealer network is the human face of your brand. When they are totally professional, they build the brand as well as drive the business forward. Therefore, it is critical for car manufacturers to ensure that dealers properly maintain and respect the brand and all it stands for. However, large expensive communication campaigns aimed at building a particular brand image can fail because discrepancies can happen during the sales process.

Brand Protection Audits from SGS protect, maintain, and build brands by inspecting and reporting on your dealership's compliance to existing internal code of conduct of the sales process. Our audits uncover any problem areas in your network with the regard of dealers' conformity to your company's standards of quality and service, so that you can take the necessary steps to preserve one of your most valuable assets – your brand.

Brand Protection Audits serve as a complementary tool to any traditional 2nd party audits carried out against your general quality requirements. What's more, they provide clear results that help to ensure your dealers comply with your latest policies.

To maximise the effect of Brand Protection Audits, SGS uses 'mystery shopper' audits in which a professional auditor plays the role of a customer. Using a pre-agreed set of criteria, they visit a dealership, in the guise of a potential customer, then report on the service elements that an everyday customer would notice. This can vary from the general appearance of the showroom and staff to how long they had to wait before

being served. They address details, such as whether the employees are courteous, appropriately dressed and wearing identification tags. Each audit is tailored to individual brand needs.

SGS also performs Brand Protection Audits at competitor's dealerships, providing you with useful information about their dealers' attitude, strengths and weaknesses.

Preparation for Brand Protection Audits

SGS will work with you to design "mystery shopper" audits that fulfil your specific objectives. We agree on the roles our auditors are going to play (gender, age, profession, type of vehicle) and determine the focus and detail of their visit. Finally, we determine how your mystery audit results are going to be classified so that the final data is clear, coherent and actionable.

We also factor in the number of auditors required – bearing in mind that the same auditor won't visit the same site twice and multiple visits to numerous sites may be necessary to get a clear overall picture.

Managing your data

The best results are achieved with an Internet database for auditors to input their results. SGS has the experience and expertise to help build this kind of data management system. At any time during the process, such a database can provide information like dealership scores, local statistics and global trends concerning your dealers' conformity to your company's standards of quality and service. The result is a real-time overview of how the brand is respected and used in individual locations and across regions and geographies.

Making the most of Brand Protection Audits

Brand Protection Audits are an investigative tool that ensures your dealers comply and continue to comply with company standards. They are designed to focus on specific criteria that customers notice - general appearance, sales processes and your brand's communication. The results

provide you with a greater understanding of where and how to improve the customers' perception of your brand. Once a common understanding of the standards you expect has been established, dealers can support your brand in the best way possible. Brand Protection Audits also help you to develop the quality and consistency of your network.

WARRANTY AUDITS

Warranties are a great way to close sales and build loyalty with your customers. However, car warranties involve a complex, three- or four-way exchange of information, parts, services and money. Manufacturers can find it cumbersome to ensure the validity of a dealer's warranty invoicing / auto service invoice. Auto Warranty Audits from SGS provide you with proof that the work done is the work you pay for. In addition, audits provide a higher level of clarity and control in your warranty repayment system. The result is better service for customers, improved cost control and real trust between you and your dealer network.

What are warranty audits?

Warranty audits are used by car manufacturers to confirm the amounts due for repairs, substitute cars or spare parts in the sales/after-sales network. Any evidence of fraud, including overpayments, misuse of parts or invalid invoicing is reported directly to the client. During an audit, SGS warranty auditors / auto warranty advisors witness repairs.

Maximising the efficiency of the audit

To maximise the effectiveness of auto warranty inspections, our warranty auditors / auto warranty advisors have a deep technical knowledge of the automotive industry and your processes and procedures. Our warranty auditors / auto warranty advisors also use information from your previous records and warranty claims to establish problem areas. With this information, they can help you identify specific cases where sites are above the cost average in terms of their warranty requests and

take the necessary investigative action.

A warranty audit includes a thorough investigation into overspending during warranty periods, including:

- Identifying dealers on the basis of Key Performance Indicators;
- Carrying out a preliminary analysis of service performance;
- Identifying claims to be audited;
- Audit planning;
- On-site auditing of procedures and technical issues;
- Analysing claim consistency vs. standard repair cycles;
- Explaining inconsistencies/non conformities;
- Reporting; and
- Monitoring improvement.

Making the most of warranty audits

Warranty audits from SGS help car manufacturers reduce and control their warranty repair costs and represent an effective deterrent of fraud. Establishing warranty audits in your company network sends out a strong signal that all warranty activity is under strict control. These audits also provide you with necessary supporting evidence to confront any dealers or after-sales operators who may have exploited your warranty system. This helps to enforce the accuracy of future invoices and will develop stronger levels of trust and respect between you and your distribution network.

DISTRIBUTION NETWORK INTEGRITY AUDITS

Your auto distribution network is the human face of your brand. Professional distributors build the brand and can help drive the business forward. Auto Distribution Network Integrity Audits ensure that your dealer and after-sales network comply with your standards and that they respect the quality of service your customers expect.

Using our independent auditors, we provide a complete audit service that covers every aspect of dealer activity from back-office planning and

coordination, front-office presentation, pricing and professionalism through to after-sales service and support. Our audits are a highly effective way to determine your network's current level of compliance, enabling you to focus on improving and sustaining quality. Audits can be integrated into ISO 9001 audits, expanded to include follow-up visits and incorporated into global reports for individual assessments and general business assessments.

What are Auto Distribution Network Integrity Audits (also known as "Standard Audits")?

The Automotive Distribution Network Integrity Audits ensure the compliance of your dealers and after sales service (authorised depending on the choice between selective and exclusive distribution) against your company's standards.

We can also audit independent repairers if they've been accepted as members of your authorised after-sales network. You set the criteria and standards you want your network to comply with, and we will ensure they do so.

The right to control your distribution network

These audits are based on the Block Exemption agreement of 1985 that allowed European car manufacturers exclusive control over their vehicle distribution systems. This legislation was designed to avoid aggressive competition amongst dealerships and ensures that Original Equipment Manufacturers (OEMs) could control the pricing of their models and to avoid unsustainable reductions. Today, car manufacturers and dealerships alike benefit from Block Exemption with harmonised prices and standards of quality.

How Auto Distribution Network Integrity Audits work

Our auditors monitor and control the compliance of your dealers and their services through regular objective audits. An SGS auditor will visit your chosen site and audit it against criteria agreed by you, your OEMs and industry

quality requirements. Each criterion is assessed against a simple 'complies' or 'does not comply' standard. By nature, these audits check for strict compliance with your requirements, so failure in even one area results in a 'failed' audit. These audits are applied as:

- New application audits which check the preliminary requirements in relation to the standard, such as the number of square meters of covered and uncovered surfaces, and the number of employees. They provide the client with an overview of their dealer and after-sales network;
- Surveillance audits which focus on maintaining requirements, updating resources and the codes of practice for sales and after-sales activities.

Assessing your dealerships

At your dealerships, SGS auditors check areas* such as:

- Corporate identity standards (flags, colours, floors);
- Cleanliness;
- Showrooms;
- Test drive/demonstration;
- Sales staff (number, behaviour, identification, courtesy);
- IT tools/computer systems;
- Financial facilitations;
- Delivery area;
- Second hand vehicles;
- Brochures; and
- Proposals and client acceptance.

** This list is not exhaustive and other specific issues can be added.*

Assessing your after-sales services

At your after-sales service, SGS auditors will check areas such as*:

- Corporate identity;
- Dimensions of sales areas;
- Shop supervisors, customer care managers and technical staff;
- Customer waiting rooms, acceptance areas and the workplace;
- Parking before/after repairs;

- Spare parts sales desk, storage for spare and replaced parts;
- The body shop;
- Training areas;
- Specific training for warranty repair;
- The software used for diagnostics; and
- The shop's equipment and technical documentation.

** This list is not exhaustive and other specific issues can be added.*

Making the most of Auto Distribution Network Integrity Audits

Our Auto Distribution Network Integrity auditors are efficient and knowledgeable. They understand your dealers' processes as well as the specific requirements of the OEMs, such as dealer management software, repair tools and instruments and electronic device diagnostic checks. Since OEMs frequently review quality standards, an important part of our job is to keep everybody informed of changes, so that your network remains in line with the latest standards. Auto Distribution Network Integrity Audits enable you to develop a standard of quality that your dealers and after-sales can remain aligned to, thus boosting the reputation of your company and the quality of your network.

OTHER SERVICES RELATED TO CUSTOMISED AUTOMOTIVE AUDIT SOLUTIONS

SGS is also known for its solutions against other needs related to quality management as well as continuous improvement:

- Quality Management Systems for Automotive Industry (ISO TS 16949) certification and training;
- Audits of incentives claimed by the dealership for the sales to different categories of clients, which represent an effective control and cost recovery tool;
- Audits on the interest of potential clients when a new model is being launched;
- Monitoring of traceability of original spare parts after repair;
- Integrated Management Systems: your quality management systems can be audited and certified

simultaneously with other management systems which you have implemented;

- Audit solutions against additional, bespoke quality performance criteria: SGS can help develop the performance criteria and the checklist or simply check performance against existing measures; and
- Process Improvement solutions leveraging techniques, such as Lean.

WHY SGS?

SGS is the world's leading inspection, verification, testing and certification company. Recognised as the global benchmark for quality and integrity, we employ over 59 000 people and operate a network of more than 1 000 offices and laboratories around the world. We are constantly looking beyond customers' and society's expectations in order to deliver market leading services wherever they are needed.

Partnering with SGS opens the door to better performing processes, increasingly skilful talent, consistent and compliant supply chains and more sustainable customer relationships delivering profitable competitive advantage. Work with the global leader and take your commitment to the next level.

We have a history of undertaking and successfully executing large-scale, complex international projects. With a presence in every single region around the globe, our people speak the language and understand the culture of the local market and operate globally in a consistent, reliable and effective manner.

TO LEARN HOW SGS CAN HELP YOU ACHIEVE SALES & AFTER SALES SERVICE EXCELLENCE, VISIT WWW.SGS.COM/AUTOMOTIVE-SOLUTIONS OR CONTACT CERTIFICATION@SGS.COM FOR MORE INFORMATION.

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