

# AutoNation & **Allen Interactions** Team Up Drive Performance. Accelerate Sales.



## The Need

As America's largest automotive dealer, with over 20,000 Sales Associates, AutoNation found itself facing a common struggle—too much content, too many people to train, too little time for training! Although they had already put some process and software training online, AutoNation needed a more effective and efficient way to train advanced sales skills. They needed a method that was scalable, repeatable, and minimized the amount of time spent away from the sales floor. A blended learning approach with spaced repetition seemed ideal.

Recognizing that simply presenting content to the learners in an e-learning course would not lead to behavior change, AutoNation partnered with industry leader Allen Interactions. The goal was to design and develop an hour-long e-learning course to build confidence in Sales Associates, preparing them to present a Sales Menu to customers and to discuss their needs with the manager at the sales desk.

But, delivering a new method of training, coupled with the recent investment in a Learning Management System, led some AutoNation leaders to question whether or not these expenses were justified. Therefore, solid metrics on performance improvement were necessary to overcome skepticism.



## A SAVVY Start

During the SAVVY Start, a two-day brainstorming meeting, Allen Interactions asked AutoNation to describe success in terms of desired behavioral changes and corresponding business metrics. Responses are listed in the table to the right.

To measure the success of the new blended program, Allen Interactions suggested the use of pilot and control groups. This would allow for a comparison of learner performance between the groups when all other factors remained equal. Using key metrics to measure the performance of Sales Associates of similar tenure and at the same store would allow the key differentiator to be new hire training. Because existing metrics were to be used to compare the two groups, there could be little doubt on the validity of the results.

# Achieving Performance Change Through Instructional Design

With a solid understanding of the behavior and performance AutoNation sought to improve, the Allen Interactions team was able to focus conversations among subject matter experts, recent learners, supervisors of new hires, and project stakeholders. Discussions centered on understanding what success looks like, what failure looks like, the feelings new hires experience during their first few sales, the mistakes they often make, and some “wish I had known that” tips and tricks from more experienced Sales Associates.

Allen Interactions believes that behavior change occurs when learners experience consequences based on actions. Placing learners in scenarios which mimic real-world events allows learners to take risks in a safe environment. By witnessing the consequences of a chosen behavior, learners see how the decisions they make lead to a particular outcome. By making better decisions in the e-learning course, learners have the simulated experience of better consequences (closed sales, happier managers, increased customer satisfaction). Realistic scenarios allow learners to see how changing their behavior can lead to better performance— and therefore better commissions.

## Behavioral Change

## Key Business Metrics

### 90 Days After Hire

1. Effectively explain to customers the sales process using OBP (Overview Benefits Permissions)
2. Arrive at the sales manager desk prepared to share the customer profile
  - A. Understand the value proposition
  - B. Actively attempt a trial close
3. Use the Sales Menu Method for presenting the numbers
4. Sell to customers using AutoNation’s 5 steps of negotiation
5. Close the sale

1. Increase in Sales Menu close percentage
2. Increase in PVR (profit per vehicle retailed)
3. Increase in average vehicles sold per month per Sales Associate
4. Increase in retention percentage of Sales Associates



Construction of interactions within the e-learning course was guided by Allen Interactions' Context, Challenge, Activity, Feedback (CCAF) Design Model:



## Context

As a course for newly hired Sales Associates at dealerships across the country, the e-learning course was set in the meaningful context of a car dealership sales floor consisting of a very busy sales manager and customers looking at the new cars on the showroom floor.



## Challenge

The learners were given a series of realistic, motivational challenges, such as:

- Presenting an effective benefits statement
- Recognizing the concerns of the customer
- Identifying the appropriate time to pause conversations with the customer and to speak to the sales manager



## Activity

Learners participated in memorable activities to meet these challenges. They strung together sentences and presented a customer with a benefits statement. They chose responses to overcome the objections of customers. They determined, while in a simulated conversation with customers, when they should go to speak to the sales manager.



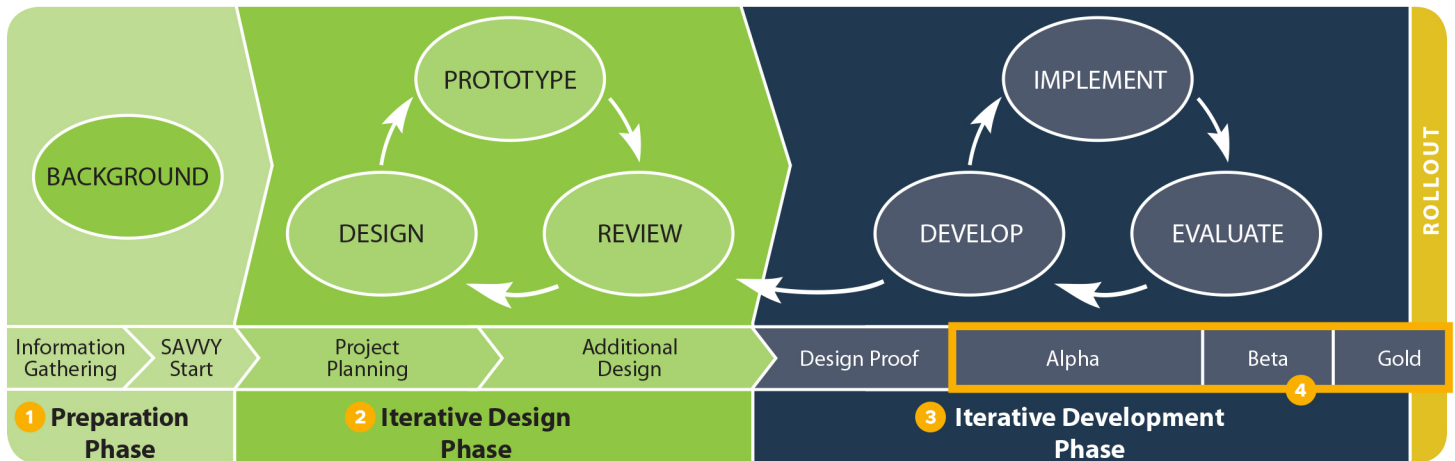
## Feedback

Throughout the course, learners were given feedback in the form of consequences of actions taken. Would customers smile and respond positively to a statement the Sales Associate made? Would they become angry and walk out the door? Perhaps customers would be somewhere in between, with doubt starting to creep in. Would the sales manager ask questions about the customer that the Sales Associate had not yet asked? Would the vehicle profit remain high or would it dwindle with each misstep?



# A Process Focused on Performance Change

The Allen Interactions team used *SAM, the Successive Approximation Model* (shown below), to design and develop the e-learning course. Unlike traditional stage-gated processes, such as ADDIE, SAM is an agile process in which design and development cycle through iterations from prototype to a final deliverable.



## 1 Preparation Phase

Present at the SAVVY Start were team members from Allen Interactions along with AutoNation subject matter experts, recently hired Sales Associates, sales managers, and business stakeholders. From these discussions, the team prototyped a variety of interactions that would allow learners to experience and participate in the sales process, not simply read and react. The prototyped interactions would challenge learners to gather necessary information from a customer, to engage in negotiations with a customer, and to arrive at the sales desk prepared to speak to the manager.

## 2 Iterative Design Phase

Following the SAVVY Start, prototypes were placed online to allow AutoNation to provide feedback. During the Iterative Design Phase, the revised prototypes were evaluated along with interface design options and an initial project plan.

Simultaneously, early content development began by gathering materials from AutoNation subject matter experts and project team members. Source material came

in the form of presentation slides, corporate marketing documents, existing facilitator and participant guides as well as through content gathering questionnaires sent to a select group of Sales Associates and sales managers. By asking specific questions about common mistakes, consequences of inappropriate actions, and success stories, the Allen Interactions team was better able to formulate realistic scenarios.

## 3 Iterative Development Phase Design Proof

After gathering feedback on project plans, media treatments, and functional prototypes, the project moved into the Iterative Development Phase with the development of a Design Proof, which provided updated prototypes, sample graphics and media elements, and draft content grids (documents used to present Context, Challenge, Activities and Feedback in a structured format).

## 4 Alpha, Beta, Gold

Moving from the Design Proof to the Alpha occurred over just two weeks. During the

Alpha review of each course, a project team member at AutoNation provided input and recommendations for changes to text and graphics. Conflicting comments were discussed and decisions were made, providing specific direction for moving from the Alpha release to the next deliverable, Beta.

Between the Alpha and Beta releases, slight modifications to interactions occurred to ensure they would resonate with the learner audience as meaningful, memorable, and motivational. These minor adjustments are acceptable and encouraged in SAM. Moving from the Alpha to Beta release occurred quickly.

The Beta release incorporated all of the changes requested in the Alpha release. The media, content, and interactions were complete. From the Beta release to the Gold release minor adjustments were made, primarily to the image selections and some slight rephrasing of sentences. Once the Gold release was approved, it was easily loaded

## The Right Blend of Learning Modalities

While the e-learning course was being developed, the AutoNation team was designing and creating activities with facilitator and participant materials for an instructor-led course. Having the same project team on both development efforts ensured alignment of classroom training with the skills learned in the e-learning course.

## Sequencing and Spacing of Learning

Sales Associates were provided access to the e-learning course in advance of the classroom training. By allowing them the opportunity to succeed and fail in the safe environment of computer interactions, they came to the classroom with confidence. Instructor-led sessions provided advanced role-plays and feedback on interpersonal and non-verbal communication skills. Facilitators commented on how much richer conversations were after the launch of the blended program.

Perhaps the biggest benefit of the blended program was that the e-learning course provided learners with experiences from which to ask questions during the classroom training. Sales Associates, even those who had not been on the sales floor prior to training, came to class armed with insightful questions and were able to be active participants in discussions.

To demonstrate Return On Investment (ROI), AutoNation learning leaders took results figures and extrapolated to the total new Sales Associates each year. The revenue gains alone (without including the cost savings on new hire recruitment and training from increased retention rate) were in the tens of millions of dollars per year.

## The Numbers Say it All

AutoNation followed the performance of 100 newly hired Sales Associates for six months. Using a homogeneous population of newly hired sales people divided into a control group, which received only the existing classroom training, and a pilot group, which received the new blended learning program, AutoNation was able to use existing metrics to compare the two groups of learners. Metrics used included: profit per vehicle retailed (PVR) compared to the overall store average, units (vehicles) sold, Sales Menu closed, and retention.

The pilot group improved retention by

**20%**

which means AutoNation should be able to retain an additional

**480**

Sales Associates each year.

AutoNation saw a

**22%**

increase in productivity, which equates to a

**1.2**

vehicle sales increase per Sales Associate for the first 6 months. Multiplied out to the

**2,400**

new Sales Associate hires each year, the company should see an annual

**2,880**

incremental increase in vehicle sales. Coupled with a higher profit—another outcome of the pilot group—these improvements project over

**\$10** MILLION

in additional annual profit.



## Key Takeaways

Because of input from recent Sales Associate learners in the initial brainstorming and course design discussions, course designers were better able to understand real performance challenges. Recent learners provided valuable details about their experiences when they faced negotiation discussions with customers. The real performance challenge was not a lack of understanding of the five steps of negotiation, but rather recognizing the appropriate time to ask for the sale, differentiating when to stay involved in the conversation with the customer, and when to leave the customer to talk to the sales manager for adjustments to price. Such frank input led to the design of interactions that offered learners the ability to practice making those same decisions.

Another major takeaway was the importance of using existing business metrics and having both a control group and a pilot group. Through this comparative study, the project team was able to overcome many objections to typical ROI studies—such as untested data or a nationwide change in consumer spending—which may have caused an increase in purchases regardless of the training the Sales

## Continue to Improve Learning

Following the huge success of the initial pilot launch, the blended learning program was rolled out for all new Sales Associates nationwide. An additional module on Leasing was added to the e-learning course. The e-learning was also translated into Spanish to help those Sales Associates who speak English as a second language.

Because the value of e-learning for soft skills was demonstrated, AutoNation is partnering with Allen Interactions to build a “used-vehicle sales” course for new Sales Associates. This program will also use a blended strategy and be evaluated through a control group, a pilot group, and specific used-vehicle metrics.

## Award-Winning Learning

The e-learning course has been recognized by industry peers, earning a Communicator Award of Distinction, a Bronze Horizon Interactive Award, and is a Stevie Business Award Finalist, with other award submissions pending.

**\$10**  
**MILLION**



IN ADDITIONAL  
**ANNUAL**  
PROFIT PROJECTED





"We realized there was tremendous opportunity for growth by investing in our Sales Associates. Developing blended solutions easily met a financial condition to reduce cost, but we knew we also needed to improve performance in the field. To train 3,000+ employees by sending them to classroom training was both price-prohibitive and not as effective as it could be. In addition, the speed-to-competence was traditionally a lengthy process.

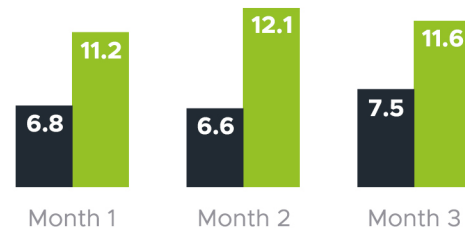
We needed to improve the interpersonal skills of our Sales Associates for presenting purchase options and reaching a sales agreement. We had used e-learning for process and tool knowledge transfer, but taught interpersonal skills only through instructor-led training. Allen Interactions opened our eyes to a new way of thinking about e-learning, changing our preconceived notions, and delivering a blended learning solution that dramatically improved our performance results."

**Ken Gregson**

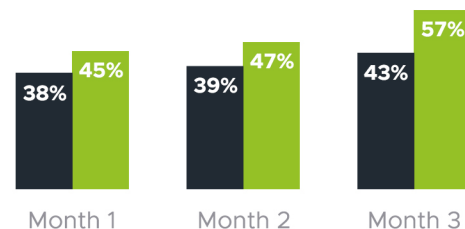
Director Variable Operations Learning & Performance  
AutoNation

## Real Results. Real Performance Change.

Vehicles Sold



Sales Menu Close Percentage



Profit Per Vehicle  
(Increase Over the Store Average)

