

NEW STRATEGY OF A GERMAN SPORTS CAR MANUFACTURER

The used car market is of great importance to OEMs in order to secure its long-term brand strategy. How can this goal be reconciled with the short-term sales orientation of Chinese sales managers?



CLIENT CHALLENGE

- ▶ A German sports and luxury car manufacturer wants to adjust its local portfolio, since the used car market is important in order to remain competitive in the long term.
- ▶ Therefore, the company aims to make the future trends tangible for its most important stakeholders (investors, dealers, top managers) at the China Strategy Summit.
- ▶ The purchase of used cars represents a risk for Chinese consumers („losing face“).
- ▶ However, the consequences of neglecting the pre-owned car business in China for OEMs are:
 - Losing potential customers to third party vendors.
 - Potential image loss since the product quality of third party vendors cannot be controlled.
 - Negative effects on the highly profitable spare parts and after-sales business.



OUR SOLUTION

- ▶ Development of a customized TOPSIM – Automotive Strategy Simulation, which particularly focuses on used car dealers in China.
- ▶ Inclusion of real data to realistically illustrate the economic development of the used car market in the future.
- ▶ War gaming exercises within the simulation enable participants to test new strategies for resilience.
- ▶ Within teams, the simulation was played by managers, car dealers and investors as part of an extensive training.
- ▶ The seminar allowed an exchange between managers regarding the neglect of the used car business and its impact on the OEMs business model.



VALUE FOR THE CLIENT

- ▶ The stakeholders jointly developed a comprehensive strategy for the future of the Chinese market.
- ▶ Supporting strategic processes of car dealers to understand the meaning and the importance of the used car market:
 - Team members were able to acquire a better understanding of the dynamics of different disruptive strategies.
 - The dominant growth strategy became evident and was experienced by the participants.



FORMAT

- ▶ Development of a TOPSIM – Automotive Strategy Simulation.
- ▶ Computer-based war gaming and management simulation, which allows to evaluate individual strategies within the Chinese automotive market.
- ▶ Seminar was conducted in English and Mandarin simultaneously.



IMPACT

- ▶ *Due to the business simulation over 90% of the participants were activated for the objectives of the Strategy Summit.*
- ▶ *Intensive networking between local managers to implement uniform standards.*
- ▶ *Establishment of an internal team of experts to support the strategy implementation.*

CLASSROOM

CUSTOMIZED

AUTOMOTIVE

STRATEGIC TRANSFORMATION