



CASE STUDY

PXT® HELPS AUTO
COMPANY DRIVE SALES
INCREASES



Automotive Industry

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CLEAR-CUT RESULTS, LOGICALLY

ProfileXT



AT A GLANCE

CHALLENGES:

- Improve productivity of new car salespeople
- Improve Hiring Process
- Manager Support & Utilisation

SOLUTION:

- Assess the entire organisation
- Restructure the Hiring Process
- Identify strengths of high performers
- Create Performance Models
- Provide training in candidate selection, interviewing, manager/employee relationships, coaching, & developing employees

RESULTS:

- Maintained a strong organisation during the Automobile Industry Crisis, even gave out bonuses during the crisis
- Employee buy-in
- A thoughtful and efficient hiring process
- 306 more units sold! Using an average sale price of \$28,400 that's an increase in revenue of \$8,690,400!

People in the auto business know the importance of superb service and regular maintenance. So it makes sense that an auto group, founded more than 100 years ago, would use Profiles International to help develop and maintain its workforce.

The organisation has enjoyed a relationship with Profiles since 2003, the year the auto company completed new corporate headquarters. The partners often revisit the mechanics of hiring, developing and keeping excellent employees. A significant benefit has been an increase in auto sales even during a nationwide economic recession.

The Background

"The company is family-owned and as a result, they celebrate families. We are close with our employees," said a top executive.

"We do groups of meetings where I can talk to people and find out what's going on in families. We know the lives of employees' families as well as we do employees. It is commonplace to talk to a spouse about insurance coverage. The company is very personal and I love that," said the 14-year veteran of HR.

By the early 1900s, the company was selling automobiles and auto parts. Throughout the years, it has sold new and used automobiles, trucks and motorcycles, and auto parts. The company also owns and operates a full-service insurance agency. When new corporate offices were finished in 2003, those moving in included senior staff, the graphics/advertising department, employees of the business development centre, and the insurance agency. Also included in the new corporate offices are a training centre, the building maintenance staff, workshop and record storage centre.

The company began at one location and now sells new and used autos at five locations.



KEY TAKEAWAY

With broad usage, the company's managers immediately saw a variety of helpful features in the PXT - from judging a candidate's job fit to their growth potential and interest level.

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Introducing Profiles

In 2003, when a Profiles representative first introduced herself, the auto dealer group already used an assessment for employees in higher-level positions. But she persisted, and staff members scheduled a meeting. After the Profiles presentation, company leaders agreed to do a trial.

“We chose three employees and had them complete the ProfileXT, and we saw the results. We realised that we needed this,” the executive said. Because the other assessment cost more, managers' use of it was limited. “We had nothing for other employees we hired.” A contract with Profiles allowed unlimited use, which was important to the organisation's goals. “We wanted our managers to feel comfortable using this.”

ProfileXT

With broad usage, the company's managers immediately saw a variety of helpful features in the PXT—from judging a candidate's job fit to his growth potential and interest level. One of the immediate lures, which Profiles and the company continue to tweak, is the PXT's Job Match Performance Model. The match, which each company develops using its own high performers, shows employers how candidates for positions compare in significant ways to their most productive employees. The Performance Models highlight areas in which candidates are most similar to top performers, and where they differ from them. Numerical values provide clarity.

Although the benchmark score for the Job Match Performance Model might change, the overall concept remains the same. The quality of information helps hiring managers judge potential productivity and job fit. This helps a company maintain a more stable workforce. Studies show that job match more accurately predicts success than education, experience, or job training.

Reaching the Goal

A major goal of managers was to improve productivity of new car salespeople. To do that, however, they had to overcome the obstacle of finding car salesmen and women who actually enjoyed the job. That required more information.

To ensure that managers understand the PXT and use it correctly, Robin Eichert, the owner of PeopleSense Consulting, LLC and a Strategic Business Partner with Profiles International, travels to the auto group's office once or twice a year. She

CASE STUDY

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QUICK FACTS

306 Unit Increase

From 2009 - 2010, they saw a 7% decrease in their # of prospects, but they were able to sell 306 more units in 2010

5% Increase

Prospect to Close ratio increased by 5%

\$8 Million

Rough estimate of increase in sales

conducts workshops with the company's entire team of managers, reviews assessment results and helps employees understand what they are seeing. "She gives us interview pointers and other ideas on how to make better hires," the auto group executive said.

Additionally, the auto group and Profiles examine the sales representative benchmark about every two years. "We do a complete analysis of each salesperson's gross wages, number of units sold and profit made on those sales, and we adjust the benchmark accordingly," said the company executive. Results show an "overwhelmingly favourable" performance, she said.

"During a time of dealer struggles, we remained quite profitable. We still gave bonuses in a year when the auto industry was in a recession." Although some of the growth is because the automobile sales increased nationwide, "we know some of the growth is attributable to the fact that we are making better hiring decisions."



A major benefit of ProfileXT is that when organisations use it correctly, they will inevitably hire people who best fit the job. Before using the PXT, the automotive managers were hiring the way most managers hire—they brought in people who made a positive impression during the job interview. "Sometimes you are desperate for a person," the executive said. "And sometimes it's hard to find someone who wants to sell cars. Without a process in place, if our managers liked the person in the interview, they said, 'Let's hire this person and get them in.' We all know that's not a good way to hire somebody." So executives insisted they use the assessment, forcing managers to take a closer look at job candidates.

Before that, they had already used the PXT to assess every person working to establish a company benchmark.

The auto group realised these benefits:

- **Custom markers.** "We used our own people who were performing the job well to set the benchmarks," the executive said.

CASE STUDY

PXT HELPS AUTO COMPANY DRIVE SALES INCREASES

- **Employee buy-in.** Although workers were wary of the process at first, the management team now embraces the process.
- **A thoughtful and thorough hiring process.** This forces managers to take a close look at job candidates.
- **Aid in selecting appropriate people to interview.** “When we do advertise for positions and receive a deluge of applicants, the assessment helps narrow the field to the most appropriate candidates.”
- **Efficiency.** With four new car dealerships and one used car centre as well as the corporate office, applicants used to travel to the location with the job opening as the first step. Now, HR workers call applicants to the corporate office to take the PXT, the manager reviews the results, then he or she calls in the applicants for an interview. This bases the selection process on more than resumes and appearance.

Scheduling every worker to take the PXT was somewhat complicated. “A lot of employees were scared because they thought they had to pass a test. Even top-level managers were leery. But once people got involved in it, the employees had a lot of fun sharing some of their results. Even though many of us took the assessment nearly eight years ago, it is not uncommon to hear employees still joking with one another about their scores. For example, one employee may say to another as an explanation for a particular behaviour, ‘Well, you are a one in sociability.’ This says to me that the assessment has become ingrained in our corporate culture,” said the executive.

The PXT benchmark for the salesperson’s Job Match Performance Model, set at 80 percent, has helped high-level managers realise which traits are important. They include good verbal reasoning and high manageability. Managers learned that the most successful salespeople rank high in both areas. The company’s sales process is very structured and all salespeople receive formal training on how to follow the “steps to the sale.” The higher manageability score indicates an employee who will accept that structure and work within the rules. Those employees scoring high in verbal reasoning have shown that they are more proficient at extracting personal information during conversations with their customers.

Managers use the benchmark as one third of the hiring equation. “We are not hard and fast on 80 percent, although we would like to see it there. The interview, reference checks and the assessment are the three things we rely on.” This means if an applicant scores lower than 80 percent but managers feel the interview and reference checks are strong enough, they still look favourably on a candidate. “And if someone is falling out of the benchmark in an area that is not critical to the position, we would overlook that as well.”

Other Assessments Used

The company has also used other Profiles assessments as necessary:

- **Step One Survey II** to focus on employees’ overall work ethic
- **Profiles Managerial Fit** to help managers and employees with personality or communication issues
- **Profiles Sales Assessment**, for salespeople only, to determine how they will perform in the sales cycle
- **CheckPoint 360°**, which allows managers to see how they are perceived by employees, colleagues and higher-ups.



KEY TAKEAWAY

Summary

With help from the assessments and 360° Survey, the auto company has been able to streamline its hiring process, maintain a more effective sales staff, increase sales, and enhance the relationships between employees and their managers. The company was able to remain profitable during a time that many dealerships were having to close their doors.

One of the specific results that leaders can trace to use of the PXT is an overall increase in sales productivity as a result of hiring people who fit the job better. From 2009 to 2010, the overall number of cars sold increased by 306 units.

Meanwhile, the auto group realised these improvements when they looked at sales by the 80 percent PXT Job Match:

- In 2009, salespeople below the 80 percent benchmark averaged 83.87 units sold, while those at 80 percent or above averaged 145.97 units sold.
- In 2010, salespeople below the 80 percent benchmark averaged 107.69 units sold, while those at 80 percent or above averaged 132.65 units.

Sales representatives with an 80 percent or higher match to the Performance Model sold 62 more units in 2009 and 25 more units in 2010 than those with less than an 80 percent match to the Performance Model. Using an average U.S. new vehicle price of \$28,400, increased money realised from the 80 percent match sales representatives would be about \$1,760,800 per salesperson in 2009 and \$710,000 per salesperson in 2010.

The auto group is also using the PXT results to examine the fit between managers and employees. This allows the company to use coaching techniques to improve performance between managers and direct reports. The managers

like it, so the company scheduled a workshop with Profiles to look at the issue of manager-employee fit. "We have informal sessions where we gather around the conference room table and Robin acts as facilitator. It is so good to be in the room and hear people bouncing ideas and questions off each other. Everybody comes away from those sessions having learned a lot, and they have a new enthusiasm for the product and ways they can use it."

This experience with Profiles illustrates that maintenance of the workforce to keep it performing is as important as maintaining an automobile for optimum performance. Good service creates return customers—which is something the auto group has in common with the assessment company. Said the executive:

“People at Profiles are supportive, which has contributed to the enjoyment of dealing with them. They respond immediately to an email or a phone call.”