



# A Look at Automotive Retail and What's Next in Learning

## The Current State of Retail

The global automotive retail environment is under immense pressure, and despite our best efforts, disruption has come from external forces rather than within. Most retail networks were not ready and are still slow to acknowledge the changes, let alone move to adapt by designing and implementing next practices.

Ecommerce and demand for transparency are reducing margins on new and used vehicles, while parts and accessories profitability is impacted by third-party digital retailers operating with lower overhead to aggressively buy market share.

Operating costs continue to increase, with escalating technology investment adding to a fixed cost structure that is choking profitability.

And to top it all off, consumers are less and less happy with their car shopping experience.



## Shifting to a Customer-Centric Operating Model

Car shoppers are increasingly self-sufficient, and they have ample access to information on product specifications, content choices, financing options, and more. Sales associates must move out of the customers' way and enthusiastically facilitate their purchase journey.

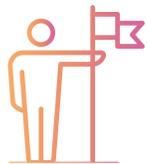
To thrive in a modern consumer economy, retailers need to realign their operations to support roles and processes that elevate the modern customer experience. This includes transitioning from selling "the deal" toward providing expert knowledge to help customers buy.

The good news is customer- and digital-centricity allow the dealership to redesign its workforce for greater efficiency. From the buyer's perspective, dealing with four staff members to purchase a vehicle is three too many, especially when the process slows with each pass of the baton. Retailers need to shift their top-heavy staffing structure toward the development of generalists, who are empowered to curate highly personalized purchase experiences.



## New Skills for a New Breed

Sales consultants need the skills to build relationships virtually and serve as a single point of contact, beginning with meeting each customer in their process, not the dealer's. Giving shoppers space to progress through self-serve experiences reduces the time and friction and creates a more professional and attractive environment—both to the buyers and to a new breed of retail employee.



## Reimagining the Manager Role

As technology plays a larger role in dealership operations, the performance gap between the traditional and modern manager is growing—at an accelerating pace. Retail leaders need the skills to manage across technology platforms, as well as the expertise within systems to leverage their full capabilities, including harnessing the power of big data.

Unfortunately, these skills are in short supply, resulting in wasted technology investment while perpetuating the friction online customers experience when the promise of a faster, easier digital store-front experience derails.



# The Future of Learning

## Learning Solutions are now Performance Solutions

When considering the future, it's essential to recognize that learning is no longer a "training" activity. It is now a vital engine that drives the performance of an organization. In short, learning has to perform.

And to perform, learning needs to resonate with audiences. Learning should not be a disruption; it needs to flow seamlessly into work lifestyles. There is no time in the day for content that is "pushed." We must generate content that our audience seeks and consumes, or "pulls." To do this, we must recognize and build for the modern learner.

### Managing Cognitive Load and the Modern Learner

Our everyday lives now involve the processing of an unprecedented amount of data. The ability to skillfully manage one's cognitive capacity (cognitive load theory) becomes especially important as information from people, objects, and other sources continues to grow.

Managing cognitive load calls for the delivery of small, bite-size content as part of a continuous offering. By "chunking" information, we create assets rather than obstacles. (Think sound bites and shorter articles.) This is how society consumes content. This is also how we create curiosity, and *pull*. When we can create that curiosity, we quickly see a shift from the ineffective *push* method of learning to the more successful *pull* method.



### Next Generation Learning—Hyper-Personalized

As learning developers, we need to rethink our role and purpose. It is time to reposition ourselves as curators, facilitators, and enablers of learning based on the needs of our audiences. It's a mind shift for learning professionals. Developers were once considered "the experts." We are now the caretakers and nurturers of the learning experience.

If we're successful, audiences will be able to access and consume exactly what they need, when they need it—in a highly personalized way: **Just enough. Just for me. Just in time.**

## Developers Need to Become Students (of Their Learners)

To deliver more relevant and engaging learning, developers must also become genuinely curious about their audiences. Track what people are searching for and viewing vs. what they are completing. The focus on completion is something we need to leave behind as well. We should look at frequency of engagement, time spent engaging, preferred content types, and trending data.

The data will be at our fingertips in quantities we can't possibly consume. But we need to focus on what that data is truly telling us. With every click, every fast-forward, and every recommendation, our learners provide us with critical information to help improve their experience. By focusing on the learners' curiosity, the learning experience, and the underlying technology that delivers it, we will be able to achieve the goal of a human-centric learning outcome.

With tools like algorithms, machine learning, and digital automation, there is no excuse for delivering mass-produced content. Our audiences are served hyper-personalized subject matter in every facet of their online experience. And they expect nothing less.



## Reimagining the Online Experience—Digital Gets Personal

The future of learning will be built on the framework of speed, scale, accessibility, efficiency, effectiveness, and engagement. This begins with a simple assumption: All learning is not created equal.

Developers must reimagine the possibilities of online experiences. There is an unprecedented opportunity to connect digitally in a very personal way through video meetings and real-time virtual coaching.

Today's learner consumes constantly, with learning and content taking shape in a variety of forms, both formally and informally. For learning organizations, this creates new opportunities to deliver content in innovative ways, to increase efficiency, and to reduce time to market and cost.

GP Strategies follows a **Borrow, Bend, Build, Burn** methodology when developing learning content strategies:

- **Borrow** content that is readily available online: Think YouTube and TED talks combined with some contextual instruction and coaching; this content is essentially free.
- If available content isn't perfect, **bend** it. Add, trim, adjust—and deliver learning at a fraction of the cost to build.
- **Build** only when necessary, focusing on content that is native to the organization and non-volatile.
- **Burn** anything that isn't essential. We believe in ruthlessly relevant learning content. Only build what is essential to the learner. There is not time for "nice to have."

Organizations need increased focus on the overall learning experience. There has been an explosion of new, AI-driven learning experience platforms (LXPs) in the marketplace. CLOs, now possessing CIO-level responsibilities, must create the right ecosystem to support their end users. Just as all learning is not created equal, nor are all audiences. Different LXPs offer distinct features and benefits. Creating the right experience is as vital as the content, to increase *pull*.





### **Creating an Agile Learning Enterprise**

Adopting processes and techniques like design thinking can create the agility that is increasingly essential to align learning and technology with audience needs: rapid prototyping to create an MVP (minimum viable product). Working to conduct low-cost, low-risk experiments is a hallmark of high-performing learning organizations. These practices also accelerate time to market, so the organization can address performance needs faster.



### **Looking Forward**

By now, most companies have realized that they were not adequately prepared for the disruptions emerging from ongoing societal shifts in digital culture. According to a global survey of managers and executives conducted by MIT Sloan Management Review and Deloitte, nearly 90% of respondents stated their industries would be disrupted by digital trends to a great or moderate extent.

This leaves learning executives scrambling for answers—for solutions to efficiently transform their workforce in support of lofty corporate goals and complex business strategies. We believe the right answers come from asking the right questions.

### The Questions CLOs Should Ask ...

1. What is the right learning model to prepare our workforce for the future?
2. How does the learning organization provide the workforce with digitally available resources that are updated in real time?
3. What are the right organizational design, roles, and skills required for key learning and development teams?
4. How can the organization deliver personalized learning solutions that are also scalable?
5. How will the learning organization demonstrate agility in working with its customers and developing solutions that are responsive to a range of learners' needs?
6. What can be done to ease access to the learner experience, in terms of both system interface and process interface?
7. Which learning technology should the organization invest in, and how will adoption be implemented?
8. How will the learning organization stay fluid in anticipation of future trends?

**GP Strategies helps CLOs answer these questions and more, then to put those answers into action.**



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