



COMPETITIVE ADVANTAGE. REALIZED.



How General Motors is Using Business Relevant Assessment to Transform its US Dealer Network

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Assessment Center Methods*

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Today's Agenda

- GMMDD Background
- Creating a Strong Foundation
- Assessment Tools & Approach
- Decision Making Process
- Results Achieved
- Looking to the Future
- Q&A

General Motors Minority Dealer Development Background



GMMDD—A Brief History

- Industry Firsts
 - GM Minority Dealer Program (1972)
 - GM Women’s Retail Initiative (2001)
- External pressures and Latham Report guided program design
- Best-in-Class approach and now serves as benchmark for other organizations
- Current Dealer Count
 - Minorities = 353
 - Women = 276



GM Current Business Challenges

- Dealer profitability
- Dealer retention
- Increased global competition
- Inconsistent customer experience
- Attracting new talent
- Resource limitations

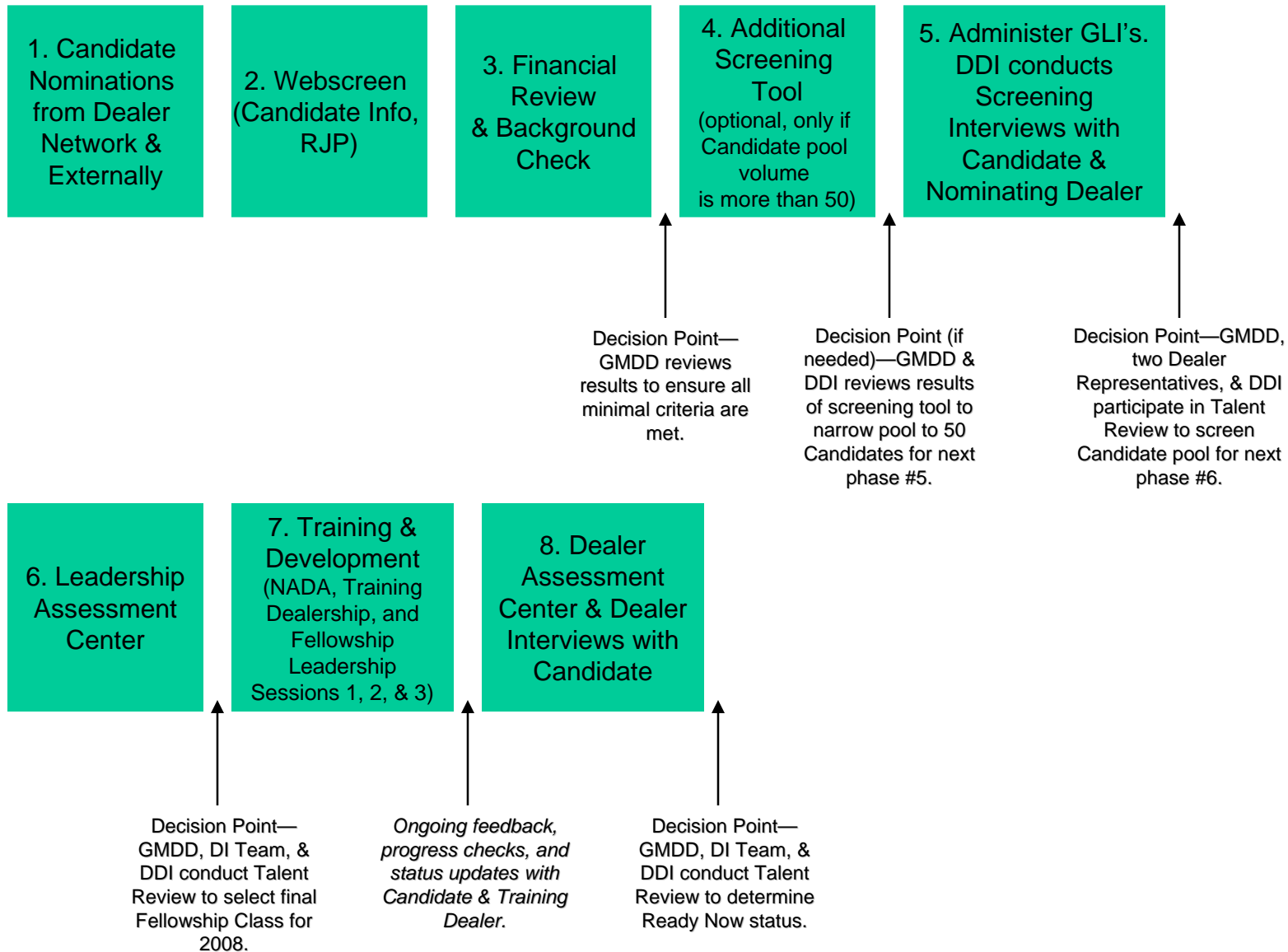


GMMDD Objectives

- High quality and profitable dealers
- Reduce risk of costly failure
- Increased speed to productivity
- Dealers that perform equal to *or better than* the general dealer population
- Increase diversity of dealer organization that reflects customer base



2008 GMMDD Fellowship Candidate Selection and Development Process



Creating a Strong Foundation

Screening Interview

- Used to identify most promising candidates with focus on:
 - Leadership potential
 - Dealer business drivers
- Conducted by experienced DDI executive assessors
 - Candidates *and* Dealer Sponsors are interviewed
- Decision point
 - Exit process
 - Proceed to diagnostic leadership assessment center

Diagnostic Leadership Assessment Center



- Used to determine selection into program
- Conducted by professional DDI assessors
- Set in fictitious organization; measures capability in general leadership & business operations using:
 - Decision challenges / in-basket
 - Strategic customer interaction
 - Performance coaching interaction
 - Supplier partner interaction
 - Strategic business plan
- Does not assess dealership expertise
- Decision point
 - Exit process
 - Accepted into program



Dealer Assessment Center

- Used as final gate assessment to determine “Ready Now” status
- Conducted by professional DDI assessors and GMAC internal consultants
- Measures expertise in dealership operations, management, and general leadership using:
 - GMAC computerized dealership simulation
 - In-basket
 - Customer interaction
 - Bank manager interaction
 - Coaching interaction
 - Dealership vision meeting with key managers



GM Dealer Interview

- Used in combination with Dealer Assessment Center
- Candidates provide examples of past behavior that demonstrate dealer success profile factors
- Conducted by two dealers and one GM wholesale employee
- Results are integrated (consensus) among interviewers and forwarded to final decision making review meeting

Results Achieved

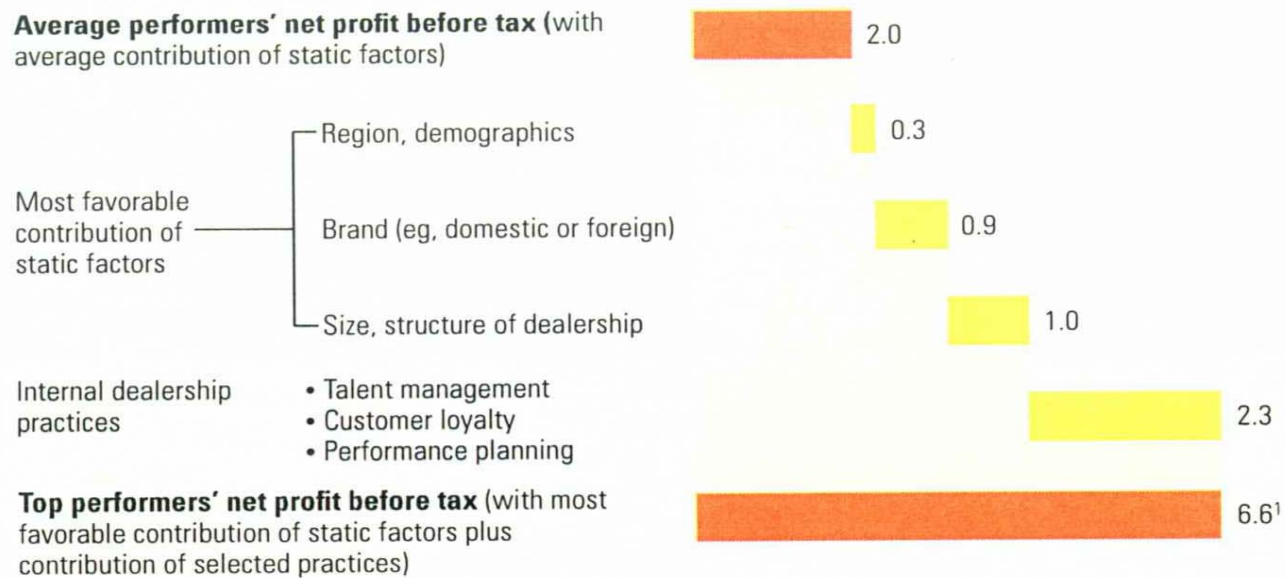
In a Dealership, Leadership Matters...



EXHIBIT I

Better practices, bigger profits

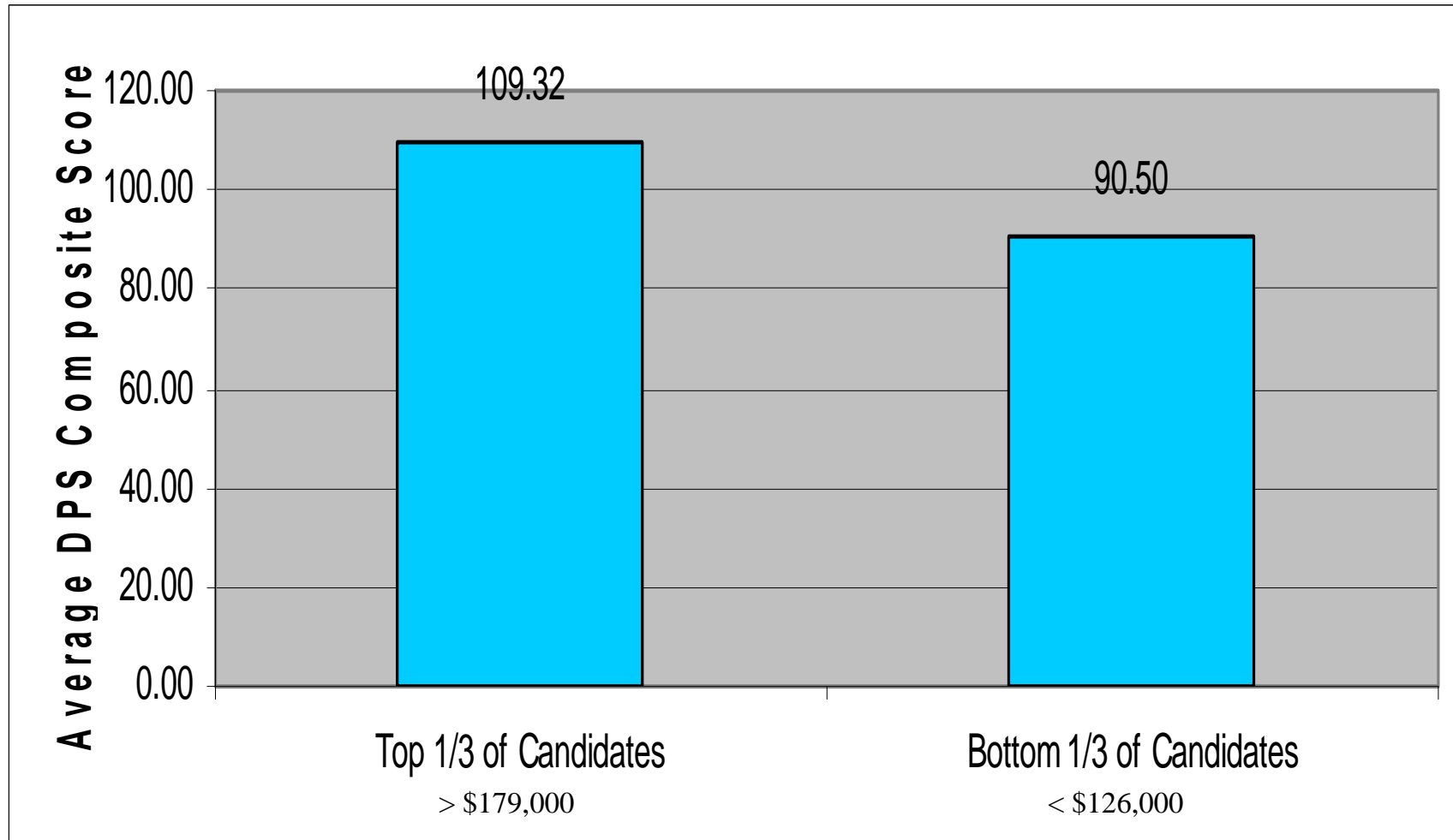
Correlation of selected factors with auto dealerships' performance, net profit before tax as % of sales



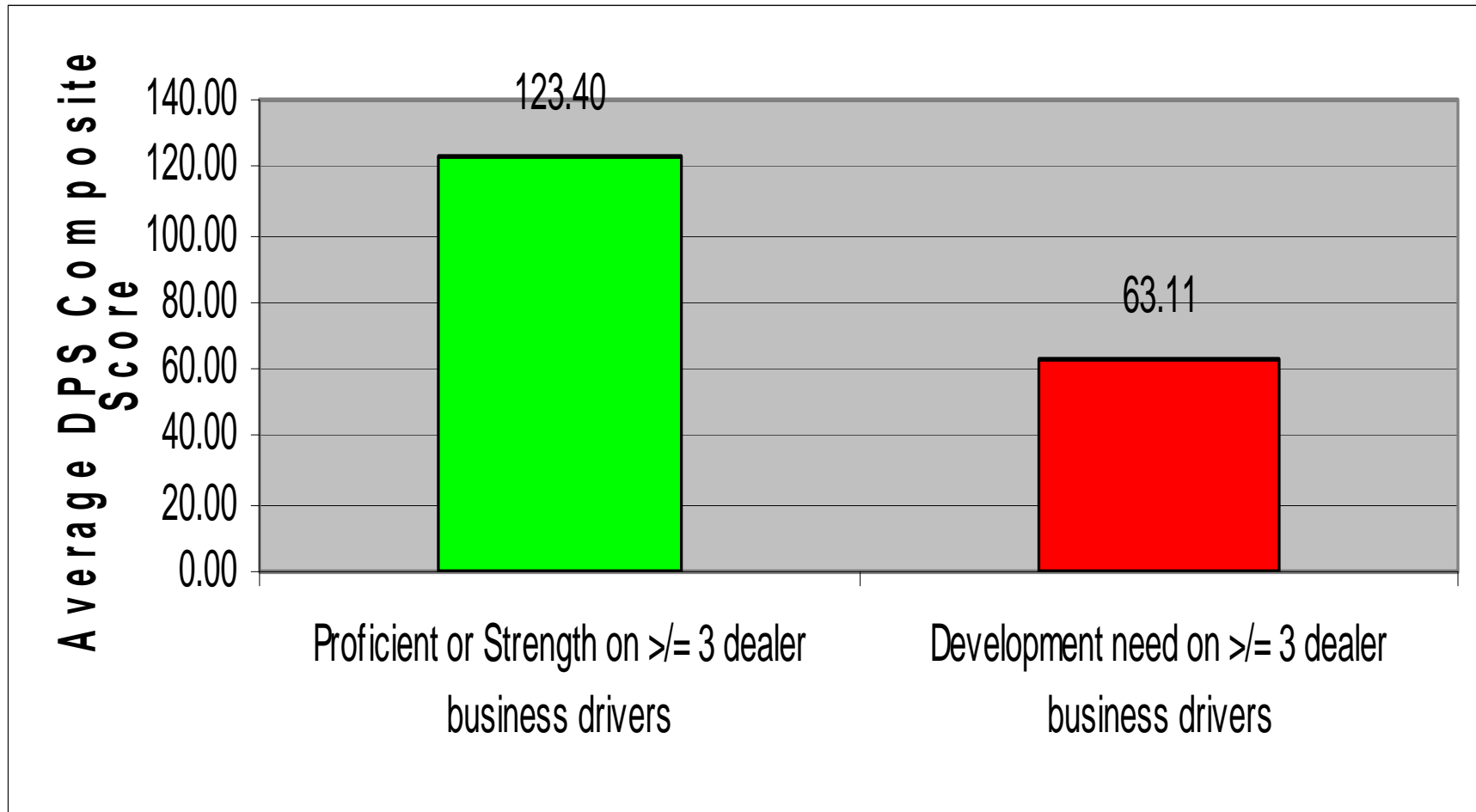
¹ Figures do not sum to 100%, because of rounding.

Source: National Automobile Dealers Association (NADA); McKinsey analysis

Dollars Earned in GMAC Financial Simulation versus Actual Dealer Performance (N=32)



Business Driver Assessment Scores versus Actual Dealer Performance (N=32)



Questions?