



Becoming distinctive

As I see it Christian Chia

*CEO, OpenRoad Auto Group
Vancouver, BC*

How do you differentiate yourself when your product is pretty much the same as that of your competitor down the street? In a word: innovation. For Christian Chia, CEO of OpenRoad Auto Group, which operates nine car dealerships selling seven different brands—Hyundai, Mazda, Toyota, Honda, Lexus, Audi and Acura—in the Vancouver metro area, innovation is not necessarily a process or a product or a service, it is a credo. For that reason, he has built innovation right into his business plan.

“Our tagline for our organization is ‘Experience the Open Road Difference,’” says Chia. “Internally, we talk about creating a totally different experience. When we speak to our customers and staff, we want to create a unique experience and organization. Our core purpose is to bring integrity, innovation and professionalism to the vehicle purchase and ownership experience both for ourselves and for our customers.”

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One of the key innovative differentiators for OpenRoad is its focus on people practices and the retail environment it creates in each of its dealerships. “On the people side, our industry has had a negative stigma—the used car dealer stereotype,” says Chia. “We are trying to change that.” To that end, they have created a series of 11 specific “climate” or cultural goals.

For example, Climate Goal #6: OpenRoad associates are honest and fair in all dealings with each other, customers and suppliers. Climate Goal #8: OpenRoad associates maintain a flexible approach in dealing with changes to staff and operating methods. “It sounds rudimentary, but it’s unique in our industry,” says Chia.

OpenRoad also measures employee engagement each year, tailoring the engagement survey to its organization and holding managers and staff accountable. “Engagement is part of their balanced score card,” says Chia. “Most companies in our industry are financially focused and aren’t necessarily looking at these areas.”

For OpenRoad, this focus on people practices is critical to fostering an environment where innovation is a way of being. “We are in a very competitive business. Net profits for our dealerships are between 2% and 3% of sales. At the same time, our products are the same as those of other dealerships. Our ability to differentiate ourselves is small,” says Chia. “It is in the details. And those details come from innovative initiatives and ideas that are small. Ninety percent of the business model is the same from one dealership

to the other. We have to work within that 10% where we can make a difference. Innovation is critical to differentiate. We cannot be the low cost provider because no matter how many cars we buy, the price is the same as it is for every other dealer. We have to differentiate ourselves by offering the best service provision and that means the quality of our people, our facilities, convenience. It’s about small incremental innovation.”

OpenRoad actively seeks those incremental innovations from its 500 associates and its 44,000 strong client base, but, says Chia, it’s difficult. The company has a staff suggestions box on its intranet site, but “the same 10% of people are responsible for 90% of the ideas.”

“What works is to show people that you are considering their suggestion and provide feedback that everyone can see. I hold a company-wide meeting every year and this year Heather from our accounting office asked why, if we are trying to be green, were we using Styrofoam coffee cups in some of our dealerships? There is now a dialogue with her and the whole organization. By January 1 we will have recycled coffee cups in each of our dealerships,” says Chia, “When people see they can make a difference, they contribute more. We are trying to show off people who have good ideas for everyone to see.”

OpenRoad is also focused on listening to its clients. So when a client suggested creating the capability for customers to book service appointments in real-time online, Chia listened—and took action. The company is now piloting that capability and will be rolling it out soon.

Also in response to feedback from customers and staff, OpenRoad is now building a new, state-of-the-art LEED Gold Lexus dealership. “They want us to be sustainable and to have a real sense of corporate social responsibility. Our commitment to that will manifest itself in this building,” says Chia. “It’s one more way we are trying to live up to our core purpose.”