Retail case study

US automotive retailer modernizes enterprise processes to save $50M

Efficiency improvements across the corporate structure create best-in-class customer and employee experiences

At a glance

Industry
Retail

Location
United States

Challenge
Inconsistent back-office processes across locations with paper- and spreadsheet-based legacy functions

Success Highlights

- $50M in savings over five years predicted
- Improved finance and accounting close cycle by 30%
- Increased employee satisfaction and productivity by 33%
- Reduced dependency on direct service-desk support by up to 20%
- Enhanced supply-chain productivity by 37% using next-gen tools

The challenge

Our client is a leading U.S. automotive service and tire dealer with over 1,300 stores, a growing market share, thousands of employees and a presence across dozens of states. The company has expanded through numerous acquisitions, a strategy that helped it achieve a strong position in the industry but also left back-office operations with outdated and inconsistent processes. Prior to this engagement with Cognizant, many of its key functions remained paper- or spreadsheet-based, leading to significant inefficiencies.

The company sought a partner that could help them leverage standardization and modernized technology solutions that were tailor-made for its needs. It wanted to take a strategic and holistic approach to transformation, making improvements across all aspects of back-office operations, from finance and accounting to the supply chain and digital marketing. Its goals also included:

- Leveraging automation to streamline processes
- Improving customer and employee experiences
- Boosting top-line growth

Shepherding this transformation required a multiyear partnership that would touch nearly every aspect of the company's operations.

Our approach

The company chose Cognizant as its partner due to our team's proven capabilities, industry acumen and prior success in the retail space. The company was keen to collaborate with an organization that understood both the commerce space and industry and had the ability to create solutions customized for their needs.

Cognizant devised a multiyear project plan that spanned five diverse corporate functions, weaving together a program that leveraged both existing and new technologies, built holistic efficiency improvements and standardized activities across the enterprise.

Cognizant's linear approach to elevating these distinct functions looked like this:

Finance and accounting
We redesigned processes from the ground up, introduced new workflows using Basware and ServiceNow and developed a superior BlackLine system for improving insights into month-end accounting. These changes accelerated the close cycle by 30%, improved the vendor chargeback business value delivery by $348K and reduced the Cash App turnaround time by 92%. The team is anticipating a $14M cost reduction over five years from these projects.

Facilities management and service desk operations
We empowered service desk teams with tools (ServiceNow) and information that sped problem resolution and reduced average handling time. This included transitioning to end-to-end problem ownership, optimizing the knowledge base and adding remote troubleshooting, collaborative browsing and real-time dashboards. The new self-service support options leveraged automation to reduce inbound calls by 35% while improving the employee experience and customer satisfaction. Estimated cost savings are in excess of $5M.

Human resources
We reengineered the company's learning and development processes to improve employee satisfaction and reduce costs by 50% (or $14M) over the course of five years. Currently the team is also on track to realize a 33% gain in productivity across all HR transformation processes.

Customer service
Customer service transformation is an ongoing effort that began in 2023 with the establishment of a centralized contact center and includes plans to implement tools for automation including conversational AI, chatbots, a CSM portal and SMS and robocall functions, plus a custom 360-degree customer view for cross- and upselling. In two pilot programs, the efforts increased client booking conversion rates by 69% and reduced the average answer speed from 60 seconds to 13. Going forward, the client is on target to realize an overall improvement in efficiency of 40 to 50%, $10M in cost savings and a $40M increase in product cross- and upsell by the final stage of this program's implementation.

Supply chain and digital marketing
This is the final phase for the project, underway as of this writing. The plan is to implement next-generation tools and intelligent process automation, build a reporting center of excellence and leverage automation tools for content marketing, including mail and ads builder tools, to improve the efficiency and impact of outbound email marketing. Through this work, Cognizant has committed to achieving a 37% uptick in productivity and $7M in realized cost savings in this area of business.

Business outcomes

As of this writing, this client is currently three years into a five-year program that spans multiple business areas. It is realizing multiyear, multitowered enterprise transformation that has not only modernized its technologies, reengineered process flows and operating models and integrated automation capabilities, but it has become a self-funding flywheel for future projects.

The client is expecting an aggregate savings of $50M over five years with outcomes including:

- 30% faster finance and accounting close cycle
- 33% greater employee satisfaction and productivity, leading to stronger employee retention
- 20% less dependency on direct service-desk support
- 37% increase in supply-chain productivity using next-gen tools, resulting in improved metrics around on-time fulfillment and in-store sales

In recognizing the success of their initiatives, our client specifically noted the tactical decisions and strategic support that contributed to the outcomes.

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