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# Tata Motors – achieving high performance through sales transformation

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Tata Motors Limited is India's largest automobile company and a leading manufacturer of both commercial and passenger vehicles. It is the world's fourth-largest truck and second-largest bus

manufacturer and has operations in the United Kingdom, South Korea, Thailand and Spain. For the 2009 fiscal year, Tata Motors reported consolidated revenues of US\$19 billion).

## Summary

With Accenture's help, the company launched a comprehensive sales transformation effort to boost sales of its ACE vehicle in four Indian states. By focusing on customer segmentation, network optimization, pipeline management and sales operations, the project team helped Tata Motors generate approximately \$45 million in additional revenue and significantly boost market share in all four states—all in less than nine months. Most important, the company now has a strong foundation for expanded and sustainable growth.

## Business Challenge

The small commercial vehicle (SCV) segment in India was traditionally dominated by three-wheeler vehicles. In 2005, Tata Motors changed the market dynamics in this sub-one-ton segment by introducing a four-wheeler vehicle. This vehicle, the "ACE," quickly became the SCV market leader and one of the most successful launches among Tata Motors' commercial vehicles.

By 2008, however, the sales of ACE had reached a plateau. The effects of the recession extended to the commercial vehicle market and contributed to sales declines across all segments by as much as 45 percent. Tata Motors believed that its SCV segment was best positioned to overcome the challenging environment. But it would need to act quickly. Competitors were preparing to launch products that threatened to erode ACE's market share. To achieve ACE's full market potential, Tata Motors embarked on a comprehensive sales transformation exercise and reached out to Accenture for help in bringing this program to life.

## How Accenture helped

Accenture deployed a team of professionals highly skilled in customer relationship management and analytics to help Tata Motors craft a Sales Transformation roadmap that would achieve quantum growth in a pilot market. The initiative—titled "Race with ACE"—was designed by a joint Accenture and Tata Motors team, piloted in Tamil Nadu and later extended to three other states in India. Specifically, Tata Motors and Accenture:

- Assessed the sales potential of ACE, paying particular attention to the key issues that might impact sales and the opportunities for Tata Motors to make its existing sales operations more efficient
- Applied sophisticated analytics to identify five distinct customer segments and five financing channels customers typically used to purchase their vehicles
- Developed an integrated strategy, proof of concept and action plan to transform sales. The team ultimately recommended a set of improvements that targeted four key areas: customer segmentation and engagement, dealer network optimization, sales pipeline management, and sales process enhancement
- Identified the unique growth levers that would drive incremental volume growth to the next level.
- Piloted the Race with ACE sales transformation program in the Indian state of Tamil Nadu, nearly doubling ACE sales volumes there in the three-month period from January to March 2009. Doubling sales in an environment of steeply declining sales was a significant achievement, given that Tata Motors already enjoyed a market share of approximately 84 percent for ACE in Tamil Nadu. By

focusing on efforts to expand reach and grow the consumer base, the team was able to generate sales volumes in March 2009 that were 50 percent higher than the peak ever achieved by ACE

- Built on the pilot's success by extending the Race with ACE program to the Indian states of Maharashtra, Karnataka and Gujarat
- Established a robust program management office to help coordinate improvement activities and ensure the program's sustainability
- Managed a comprehensive change management effort that introduced training and development programs for dealers and Tata Motors staff, process and structural realignments, and recognition and reward systems
- Developed a dealer scorecard, which broadened the sales-focused perspective of dealer performance management to include quantity and quality of sales, processes and infrastructure
- Documented key processes, trainings, reports, organization structures and job descriptions to ensure that Tata Motors could sustain this initiative over the long term and replicate it across other states

The pilot program in Tamil Nadu and the subsequent implementations in Maharashtra, Karnataka and Gujarat—each with a dedicated transformation team and state-specific assessment of issues and sales levers—drove sales improvements in four main ways:

- By developing sales and marketing programs tailored to meet the needs of five distinct customer segments, from first-time buyers to fleet operators. Sales pitches, financing opportunities and marketing campaigns were all developed with these specific customer clusters in mind. In total, 15 different types of activation programs were

'By tapping Accenture's extensive industry knowledge and deep sales, marketing and customer relationship management skills, we were able to increase sales volumes of our ACE vehicles by an average of 49 percent and achieve our desired market share positions across four targeted

markets. The program has provided a strong foundation upon which we can confidently pursue our long-term growth objectives.'

**Anil Kapur,**  
Small Commercial Vehicles Line of Business Head – Commercial Vehicles Business Unit, Tata Motors

managed during Race with ACE, with approximately 150 distinct market activities planned for each state each month

- By optimizing the dealer networks in each state. This effort involved adding sales locations, hiring new executives and restructuring sales organizations to align with customer segments, and introducing new customer acquisition channels and measures to improve sales productivity
- By launching pipeline management improvement initiatives to achieve lead-generation, prospect-acquisition and sales-conversion superiority
- By enhancing sales operations through customized initiatives aimed at improving planning, communications and sales tracking

## High performance delivered

With Accenture's help, Tata Motors has created a strong foundation that can be leveraged to achieve long-term sustainable growth and high performance. During the project period in the four states that implemented Race with ACE, Tata Motors:

- Added incremental revenues of Rs. 209 crores (approximately US\$45 million) during the 6-9 months of the project duration. The Race with ACE project thus added Rs. 350 crores (approximately US\$76 million) to the top line and an estimated Rs. 66 crores (approximately US\$14 million) to the bottom line on an annualized basis

- Increased ACE market share in the pilot state of Tamil Nadu from 84 percent to 90 percent. This is noteworthy considering the market share of ACE in Tamil Nadu prior to the project was around 84 percent; Tata Motors' dealers and its client sales force believed there was minimal opportunity for achieving an incremental sales increase

- Increased ACE market share in Maharashtra from 43 percent to 65 percent, in Karnataka from 42 percent to 58 percent, and in Gujarat from 44 percent to 52 percent

- Successfully identified and acted on growth levers that contributed to between 50 and 85 percent of sales growth volumes across the states

- Witnessed sales growth increases (compared to the same period one year prior) that were far higher than sales growth rates in the rest of India. Sales growth rates were 52 percent in Tamil Nadu, 56 percent in Maharashtra, 64 percent in Karnataka and 47 percent in Gujarat

- Improved relationships with the top five customer-financing organizations, which now provide more than 80 percent of finance business

In all these ways, Race with ACE was positioned within Tata Motors as a powerful brand—and an example of what is possible when a company is willing to undertake a complete paradigm shift and a complete overhaul of existing processes in its pursuit of high performance.

## About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 190,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US\$21.58 billion for the fiscal year ended Aug. 31, 2009. Its home page is [www.accenture.com](http://www.accenture.com)

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