

## **Key activities of Dr. Andreas Stockert as Interim-COO at EUROMASTER Germany between July 2019 and August 2020**

EUROMASTER is a 100% daughter company of MICHELIN and manages approx. 2.300 service centers for cars, trucks, earth movers etc. in 19 European countries. The German subsidiary is the biggest besides France in Europe. EUROMASTER Germany runs 245 own and 110 franchise service centers with approx. 2.000 employees; 1.480 employees in operations. The company realized a turnover of approx. 240 Mio. € with a loss of approx. 20 Mio. € (negative EBIT) in 2018.

My mandate was to transform EUROMASTER Germany back to the profit zone which the company never reached since the establishment of the firm 20 years ago!

During my mandate the following key activities had been developed and implemented:

- Definition of objectives with clear responsibilities, transparency over all departments and sustainability in activity implementation.
- Implementation of a new organisational structure in operations (smaller span of control, roll out of regional managers in high density regions, recruiting of a few new regional operations managers and my successor).
- Moratorium and repatriation of the „segmentation of the service centers“ (split of light (cars) and heavy (trucks)) to improve the client satisfaction and to restore the synergies in the centers.
- Implementation of a business driven and consistent bonus system for the center managers and the employees in the service centers based on a productivity KPI (service turnover / man hour).
- Implementation of a dashboard in the service centers focused on a few key KPIs for the center self-management.
- Development of automatic transparency reports e.g. for car service, glass and tire sales, compliance of pricing, weekly control of discounts, degree of capacity utilization in the centers and the service trucks, productivity of manpower.
- Concept and realization of quarterly CPC-Meetings (Center Performance Checks) and bimonthly review cycles to improve the quality of implementation of commitments in each individual center.
- Price increase for private clients, leasing companies and car rental agencies (effect in the 1. half-year 2020: 1 Mio. € pure profit)
- Reduction of temporary workers in the tire change season by 90% (cost reduction of approx. 2,3 Mio. € p.a.) without any quality losses.
- Planning and control of vacation and over time as well as usage of flexible working hours (reduction of annual provisions of about 2,5 Mio. €).
- Improvement of productivity in the centers by synchronization of order situation and forecast of manpower capacity (productivity improvement of 10 to 18% on a monthly base; gross profit improvement by up to 4,5%).
- Implementation of mobile breakdown service with coordination of driving times and resources of the service trucks (24 hour service).
- Stock reduction of old and new tires as well as spare parts by defined stock limits and structure supported by an automatic replenishment system.

- Integration of the Operation Academy in the organization of operations to improve the assistance and support of the center by sales and technic coaches.
- Digitalization of the collection of the registration documents via Pad (error-free collection of car and driver data e.g. for marketing activities).
- Tests of new Michelin-assortments in the own centers.
- Renegotiation of existing contracts with key clients like Deutsche Post (approx. 42.000 vehicles).
- Significant improvement of results in April, May, June, July and August 2020 compared to 2019. In spite of Corona the EBIT on a yearly basis could be improved by 10,2 Mio. € or reduction of losses by 50%.
- The profit improvement was not realized by radical cost cutting and layoff activities. It was realized by selective exchange of a few managers, utilization of sustainable control instruments and refocusing of the business model to the different client segments.
- Handover to my much younger successor in permanent appointment to all running activities, open points and to does as well as to the management and employees.

The open points are still:

- Top line management by improvement of sales and marketing activities especially in the glass business and key account management (annual loss in top line performance by about 6-8%).
- Improvement of the performance and service orientation of the back office functions at the headquarters in Mannheim.

Andreas Stockert, Nettetal den 31.8.2020