

Exit Preparation/Positioning Of Vehicle Service Contract Marketer: Evaluating Call Center Operations, Salesforce Effectiveness, And Partner Activation Processes

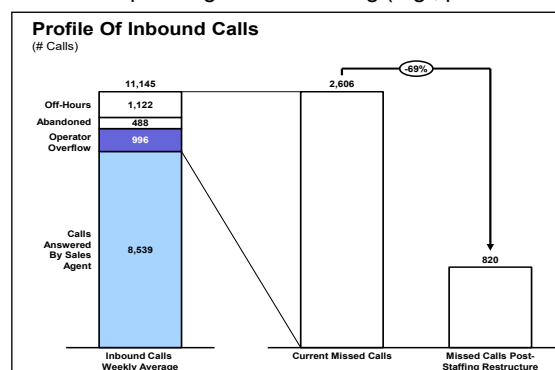
The Challenge: Our client, a mid-market PE firm, wanted to conduct an operations-focused business assessment of one of its portfolio companies, a leading direct marketer of vehicle service contracts (VSCs). The portfolio company partnered with automotive dealerships and VSC administrators to gain access to consumers, who it then marketed to directly. Our client was looking to exit the investment but believed that the portfolio company was underperforming operationally. As such, our client sought to identify and implement near-term improvement opportunities with realistic execution timelines so that some of these opportunities could be captured prior to exit and the remaining opportunities could be used to drive buyer interest. To this end, the client engaged Gotham to develop a roadmap to improve the company's operational performance in 3 key areas: (1) call center operations; (2) salesforce effectiveness; and (3) partner activation process.

Operations Assessment In Order To Prepare For A Successful Exit: Gotham undertook a comprehensive and multi-faceted approach that involved:

- Assessing call center operations to identify staffing and process improvements:
 - Conducted value stream mapping at call center by observing workflows, shadowing agents, and reviewing key processes
 - Interviewed management and frontline staff to understand organizational structure and identify process gaps
 - Reviewed call recordings to evaluate sales approach, call quality, and close-rate drivers
 - Analyzed call data and tracking reports to evaluate volume patterns and agent productivity
- Interviewing sales management to understand the current sales organization structure and identify gaps in coverage
- Analyzing CRM data to assess sales conversion, follow-up behavior, and rep performance
- Assessing IT systems and interviewing managers to understand current partner activation processes and diagnose limitations impacting timely dealer setup, data sharing, and administrator coordination.

10% Contract Sales Uplift Potential by Aligning Call Center Operations To Customer Behavior

Call center performance was constrained by staffing misalignment, inconsistent sales execution, weak agent management infrastructure, and a lack of discipline in quote follow-ups. Analysis of call volumes revealed that 78% of missed off-hours inbound calls occurred just before or after business hours. Extending shifts by 3 hours and incorporating flexible staffing (e.g., part-time or remote agents during peak periods) would enable the company to reduce missed calls by 69%. In addition, review of call recordings revealed wide variability in how agents executed sales conversations. To address this, Gotham designed a uniform sales call guide that included a standardized call flow, guidance on high-level messages, ways to present product and pricing, and scripts for high-frequency objections. A more disciplined quote follow-up framework was also introduced to improve second-touch conversions, including setting callback appointments during the initial call, prioritizing high-potential quotes, and using exception reporting to flag opportunities nearing expiration. To further support consistent execution, Gotham recommended adopting structured hiring criteria focused on sales skills, adding a dedicated sales trainer, realigning incentive structures, standardizing KPIs, and establishing regular call quality reviews.



Potential For 1,000 New Dealers Enrollment Per Year By Setting Up Field Sales Organization And Enhancing Sales Efforts

The company's Service Contract Follow-up (SCFU) program was significantly underpenetrated, enrolling fewer than 10% of eligible franchise dealers, despite most extended warranty purchases occurring shortly after a vehicle's first service. To address this missed opportunity, Gotham recommended introducing a dedicated field sales team to engage agencies, onboard dealer networks, and strengthen relationships with VSC administrators. Gotham also developed optimized territory assignments to expand coverage and reduce overlap. In parallel, the Direct-to-Dealer strategy was realigned to avoid channel overlap with administrators and ensure the field team focused on reaching dealers not already being served by partners. To capture deeper and more structured engagements, administrator account plans were established with clear enrollment targets and quarterly reviews, helping maintain focus and accountability across each administrator's network of agencies and dealers.

Significant Margin Growth Opportunity From More Structured And Process-driven Operations And Robust IT Systems

Inefficiencies in the company's partnership management systems were hampering coordination with VSC administrators, agencies, and dealers, with those inefficiencies including: system limitations and IT issues that led to delays in dealer onboarding; manual reporting that introduced errors and inconsistencies; and duplicative processes that consumed significant time and resources. To address these challenges, Gotham designed a streamlined enrollment process, incorporating parallel workflows, exception reporting, clear escalation protocols, and targeted IT support to minimize disruptions and maintain sales momentum. Additional improvements included automation of the previously manual agency/dealer reporting, along with API integrations with administrator systems in order to reduce redundancies, enhance reporting accuracy, and free up staff to focus on higher-value relationship management.

The Outcome: Gotham identified a \$60-80MM revenue opportunity by transitioning the company from a people-driven to a process-driven organization. Gotham partnered closely with the portfolio company's call center and sales teams to identify sales optimization opportunities, provide structured implementation plans, and establish tracking metrics, positioning the client to achieve both near-term gains and a successful exit.