GM do Brasil taps into the power of broadband to create state-of-the-art “information interchange” with dealer network

Hughes Network Systems delivers DIRECWAY™ satellite-based solution that connects GM dealerships throughout the country, while enabling a wide variety of powerful new business applications including real-time parts replenishment, high speed Internet/intranet access, file transfer capability, and video broadcasting for distance learning.

In any organizational structure that includes a diverse network of field locations, continuous and timely communications links between the field and the home office can make the difference between a sale won or lost, and ultimately, the difference between business success or failure.

Take the case of GM do Brasil (GM B). The auto manufacturer sells vehicles in Brazil using a network of 460 dealerships spread throughout an area almost as large as the United States, with many storefronts in remote areas surrounded by challenging terrain. Still, in nearly every area of the country, people want cars. And GM is only one of many players looking to meet that need.

“Brazil is considered a potential high growth market for automobiles, and a lot of new brands are entering the market,” explained Mauro Pinto, Chief Information Officer for GM Mercosul. “It is a very competitive environment.”

One of GM B’s keys to staying successful, says Mauro Pinto, is keeping in constant touch with its dealers, no matter where they are located. “Good communication is absolutely crucial because our business is made up of individual processes that depend on a constant flow of accurate and timely information—delivery information, sales information, parts information, warranty information, technical and repair bulletins, financing information, employee skills training and more.”

VSATs (very small aperture terminals) provide complete connectivity

Back in the early ’90s, timely organization-wide communication was nearly impossible because of the lack of reliable terrestrial telephone infrastructure in many areas of the country.

“Many dealers had to suffer with lines that were unstable. There were a lot of problems with disconnects and having to redial again and again,” remembers Mauro Pinto. “Even when a connection was successful, data transfer was very slow.”

“There were many complaints and it was not good for the relationship between the dealers and headquarters. We had to do something to provide uniformly high quality telecommunications to 100% of the dealers throughout the country.”

GM B investigated solutions and soon chose a VSAT satellite network from Hughes Network Systems. The network provides instant and cost-effective connectivity anywhere, simply by installing a small terminal on site.

“Very quickly, we had a fast and reliable communication channel between GM B headquarters and the dealer body, allowing us to integrate many processes,” said Mauro Pinto.

The vision of GM Connect

A few years after the immediate problem of quality connectivity
was solved, changes in the Brazilian market led GM B to reassess their needs.

“We found ourselves in an intensely competitive scenario that drove us to seek an even more advanced information technology, one that would allow us to provide dealers with many new capabilities,” said Mauro Pinto.

“The GM B vision was to create a whole new environment of information interchange to meet the demands of the business, such as parts and accessories inventory management and a video broadcast facility. Finally, GM B and the dealers would be part of the same intranet,” said Mauro Pinto. “To embrace this vision, we launched the initiative named ‘GM Connect.’” GM B proposed this initiative with three broadband providers, evaluated their solutions and ultimately chose a HUGHES DIRECWAY satellite solution.

“HUGHES offered the best solution,” said Mauro Pinto. “Their system demonstrated flexibility, technical functionality and a cost/value scenario that others could not match.”

Implementing the system, however, required the buy in of the dealers and their powerful association— as well as shared investment. Headquarters prepared a compelling business case to present to the dealers and, ultimately reached an agreement to implement GM Connect.

“HUGHES partnered with us on the new network,” said Mauro Pinto. “Our dealers were impressed with the leap in reliability and up-time provided by the original VSAT network and had high confidence in what HUGHES could do.”

New DIRECWAY broadband capabilities drive business success

“With GM Connect we have created a whole new environment and are now able to meet the increased demand for information interchange of our growing business. We are able to implement a number of programs and applications that would be impossible without a broadband network and high speed Internet/intranet access,” said Mauro Pinto.

According to Mauro Pinto, GM Connect supports a real-time parts inventory replenishment effort that ensures that needed parts are always on hand through a system named
AutoGiro. This new system is able to handle the dealers’ information on parts inventory and consumption, generating the parts requisitions to be supplied by GM B. Technical bulletins and new product information can be broadcast to all locations instantly, ensuring timely distribution of information at dealerships throughout the country. Up-to-the-minute financial information can flow among dealers, headquarters and the financing arm, GM Bank, enabling forecasting efforts. SIGA, a system to support pre-owned car sales, rides on GM Connect, and is helping dealers profit from this growing aspect of the automotive business. The system also supports incentive efforts for sales people, such as GM B’s Leaders Club, as well as system-wide email and instant electronic access to manuals and documentation on the corporate intranet. “However,” says Mauro Pinto, “there is another emerging application that is perhaps most exciting to both the dealer network and corporate headquarters.

“One of the biggest incentives of the system is the capability of video broadcasting for distance learning and training, sales campaigns, technical communications, etc.,” said Mauro Pinto. “Take the example of a new product launch. Now, instead of taking people off the floor and making them travel perhaps hundreds or thousands of miles to a hotel or headquarters for a seminar, we can pre-record video transmissions and broadcast them several times over the course of a day. Everyone gets high quality information quickly and at the same time, the dealers don’t lose their people, and the company saves a lot of money on travel and lodging. It is an advantage for everyone.”

According to Mauro Pinto, GM Connect would not be as successful as it is and promises to be without the efforts of GM do Brasil’s partners at Hughes Network Systems.

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“HUGHES technology is very important to us, as is the support they provide,” said Mauro Pinto. “They are definitely helping our business be more profitable.”

Hughes Network Systems
Hughes Network Systems, a unit of Hughes Electronics Corporation, is the world’s leading provider of broadband satellite network solutions for businesses and consumers, with over 400,000 systems installed in more than 85 countries. HNS pioneered the development of high-speed satellite Internet access services, which it markets globally under the DirecPC® and DIRECWAY™ brands. For terrestrial access, it offers the comprehensive AIReach® family of broadband wireless point-to-point products. In addition, HNS is a leading manufacturer of DIRECTV® satellite television receivers. Headquartered in Germantown, Maryland, USA, HNS maintains sales and support offices worldwide. The earnings of HUGHES, a unit of General Motors Corporation, are used to calculate the earnings per share attributable to the General Motors Class H common stock (NYSE:GMH).