

## Client Profile

**\$20+ million automobile dealership established in 1932 with 43 employees. A second family-owned dealership was acquired to give two sons the opportunity to earn a living. Sons lacked the business and financial management skills to run the dealership.**

### Programs Implemented

- ☑ Designed process to increase new car sales margins in “one price” environment
- ☑ Established used car sales and profitability goals
- ☑ Developed and implemented an incentive program for service technicians
- ☑ Measured inventory turns in used cars

### Results Achieved

- ☑ Trained sons and New Car Sales Manager in promoting add-on options and up-selling
- ☑ Implemented a system of financial accountability for the Used Car Department
- ☑ Capitalized on used car sales which are more profitable than new car sales
- ☑ Trained the service manager to reward rather than penalize better-performing technicians
- ☑ Rewarded technicians beyond the flat rate system
- ☑ Reduced excessive inventory, investment savings of 35%

#### CHALLENGES

#### BEFORE

#### AFTER

#### RESULTS

**NEW CAR GROSS PROFIT**

Average \$450

Average \$600

**MARGINS UP**

**\$600,000**

**USED CAR MARGINS**

Average \$700

Average \$900

**MARGINS UP**

**\$800,000**

**USED CAR INVENTORY**

Average 75 Cars

Average 50 Cars

**REDUCED BY**

**\$75,000**

**SERVICE DEPT. MARGINS**

28%

35%

**MARGINS UP**

**\$630,000**

**3-YEAR CLIENT RETURN ON INVESTMENT**

**6300%**