

## Strengths

- Funding is typically immaculate. We are **rarely** paying off vehicles on our floorplan before they are funded
- Our finance employees are a cohesive group. Everybody in the department gets along and work well together as a team
- There is a strong focus on compliance within our finance department. Paperwork is typically strong amongst all our finance employees
- Our Finance Director brings a lot of experience to the table and he does a wonderful job overseeing all three of our rooftops

## Weaknesses

- A couple of our finance employees are newer to the position and have been working in the department for less than a year. Our GMF rep. will come in weekly to help with product knowledge/selling. This has been beneficial and at no extra cost to us. We also send our finance employees to a Minnesota state Titling class off-site to train on the paperwork side of the job.
- Our PVR is solid but is more towards the middle of the pack at \$1,200 a copy. Some of this is related to us not having as many available products to sell as other dealerships. We are constantly monitoring the focus on product penetration. Our finance team is very aware of their penetration goals, which does help keep them accountable.
- Our finance team is split amongst all three rooftops. This can sometimes be viewed as ineffective, as each employee is not able to

concentrate all their efforts on one store. There is also more finger pointing when mistakes occur. We have just recently implemented a primary point of contact for each store even though those contacts will be working at all the locations. This should reduce confusion and keep things more organized.

### **Opportunities**

- We could add more products to sell (such as a maintenance plan) to induce higher PVR numbers.
- More experience over time will allow for higher sales volumes
- One of our main company goals is to increase used car sales. Our PVR is higher on used, and with more volume to the used vehicle department, this would create a massive uptick in our finance department's profitability
- We have been introduced to new capabilities in our DMS that would allow us to push registration straight to the state's DVS at signing. This would increase efficiency in the department, while also taking some pressure off the office as well.

### **Threats**

- With online retailing becoming more prevalent, we are keeping an eye on how this affects our finance process as people are signing out remotely. Our company values in-person interaction with customers,

and online retailing is something we will have to monitor going forward.

- Rising interest rates are a concern. With rate eating up a larger chunk of the customer's monthly budget, there is less room for rate reserve markup
- Data breaches are always a threat. We keep a lot of paper files on hand at our stores, which can be worrisome if that file gets in the wrong hands. We are switching our DMS to Tekion, and we are excited about having customer files being in the cloud going forward with them.
- Employment shortages has narrowed are choice for banks to get calls from. We have had problems with credit unions getting backed up significantly and we are sometimes having to wait 10 business days to get paid for the deal. Because funding is of most importance to us, we have strayed away from using these credit unions whom we've always done business within the past.
- Customer Defaults on loans could cause a major chargeback problem with a possible incoming recession underway. With the average vehicle payment over \$700 now, a recession has the potential to bury the department.