



CHEVROLET

TALLAHASSEE

CHEVROLET

TALLAHASSEE CHEVROLET

NADA CASE STUDY



TO DO/GOALS

1. Increase sales hours
8:30am – 7:00pm

2. Increase doc fee
to \$599

3. Increase Door Rate \$149 Ask
for Warranty Rate Increase
covered in svc slide

4. Reduce front line ready time from
12 days to 2 days covered in
pre-owned slide

5. F+I training to bring Average up
over \$2,000 PRV New and Used
(offer more products, menu sell)
covered in finance slide

6. Parts inventory Right Size and
Right Part Strategy. Covered in
parts slide

7. Parts GP% should be at 41% not
29% **(pricing adjustment
discounts locked down)** covered
in parts slide

8. Parts/Service and body shop A/R
needs help and daily attention to
old items. Too large and too old.
covered in parts slide

AGENDA:

- ➔ Grand Re-Opening
- ➔ Parts & Service
- ➔ Pre-Owned Sales
- ➔ New Car Sales
- ➔ F&I



WHO WE ARE

Tallahassee Chevrolet has been a proud member of the community since 1985. Now under new ownership, we are excited to reintroduce our new state-of-the-art retail operation. Our commitment is to our community, customers, and staff. With that strategy in mind, we are excited to offer you a modern dealership that will provide you with a supreme customer experience, and at the same time, provide our staff with a dealership they can be proud to work for. As a family run business, we want our customers to feel like they are at home each and every time they visit us. That is why we now offer private office pods for our customers, a newly designed café, complimentary WIFI, VIP home or office pickup/drop-off for our service customers and 48 hour test drives. Additionally, we offer a stress free car shopping experience by taking the negotiation out the purchase. You can trust that you are getting the best deal each and every time with our one price approach. Trust is the cornerstone value at Tallahassee Chevrolet!





TALLAHASSEE
CHEVROLET

GRAND RE-OPENING



TALLAHASSEE
CHEVROLET

GRAND RE-OPENING

- ➔ Press release eg. “We are very excited to introduce our new state-of-the-art facility to customers, family and friends. Tallahassee Chevrolet has a deep-rooted history in our community and we are excited to celebrate with everyone”
- ➔ Charitable component - tie event back to the community - get local businesses involved
- ➔ Build a Business to Business network supporting local business. Customers shop or dine at select local businesses and they get discounts for being a Tallahassee Chevrolet customer.
- ➔ Invite GM executives, customers, Mayor, local government representatives, leaders in the community
- ➔ Ribbon cutting ceremony
- ➔ Speeches from Sr. Leadership team, President of GM, other GM executives if willing.
- ➔ GM Car Show, food trucks
- ➔ FULL scale media campaign - social, video, local news
- ➔ Photo campaign - Tallahassee Chevrolet through the years, our history is engrained in the community. Oldest car dealership in the city
- ➔ GALA recognizing staff and history of the dealership along with a sales event

GRAND RE-OPENING

- ➔ Charity Golf tournament
- ➔ Letterhead change over
- ➔ Wrap shuttle buses acknowledging grand opening
- ➔ Service doors branding re-opening
- ➔ Rotunda to display grand opening on windows
- ➔ Tallahassee booklet designed for customers and promotion - will include history, offers, why buy and who we are statements
- ➔ Time capsule
- ➔ VIP Service Experience (**at home pick up and drop off**)
reduce waiting and improve customer experience
- ➔ At home vehicle delivery purchase
- ➔ Buy online - digital retailing (**Roadster**)

PARTS DEPARTMENT

- ➔ Parts Inventory Too Large, Too Old, and Sold Too Cheap: Great employees working here.
- ➔ DMS deep dive reporting active parts, phase in/out, non stock testing, sales per 3,6,9 month. **(Quantify how we got here with such good employees)**
- ➔ Negotiated repurchase of parts excess inventory as part of buy/sell and returned anything possible outside newly establish stocking criteria. Anything left sold on dealer to dealer, ebay, employee purchase, swap meet, aftermarket parts suppliers. Install pre purchase SOP process and management process improvement. **(Goal 8 turns/yr and less than 100k Level)**
- ➔ Install CP parts matrix to move from 35% to 42% GP. 60 days later approved warranty parts reimbursement level to 41%. At that time move internal parts to 41% GP. Adjust wholesale pricing levels to 21% and counter retail to 41%. Remove discounting accept by manager.
- ➔ **(Parts, Service, Body Shop A/R \$102,303.00 over 30 days)** Develop with office manager, service manager, parts manager policy on collecting old

SERVICE DEPARTMENT

- Service Department Too Slow and Too Cheap. Great employee's working here.
- Adjust cp pricing structure to achieve 76% gross profit (**Labor Matrix with \$150 door rate Tallahassee**) Apply discount management tools within DMS. Promote one on one meetings on selling and overcoming objections and set up sales training for advisors. 60 days in warranty labor rate increase approved to 75% GP.
- Install Xtime scheduler to better load shop. Promote lean 6 sigma analysis of shop process/dispatch/workflow/parts delivery. Use DMS and Scheduler to determine true demand. Install production targets for techs with contests and winning for top performers. Post production for all to see in the shop. Manage to targets of 8 in 8 then 10 in 8. Load the shop with appropriate amount of techs for demand.
- Install two tech and one advisor as internal team. Team will work at night. Internal cars in cue will be done at night and detailed next day. Purchase Rapid Recon software for transparency. RR will highlight bottlenecks. Manage to 3 day turn. Once 3 day turn is established as norm move internal labor rate and parts pricing to customer pay GP%
- Change management will be key to not go backwards and keep buy in. One on ones and small huddles...

PRE-OWNED SALES DEPARTMENT

CONCERNS:

- ⚠ Inventory turn 3.1 times per year vs the guide of 12 giving us a 115 day supply.
- ⚠ The wrong cars! We are stocking cars (\$20,210) on average of \$4,625 more than what we are selling (\$15,585).
- ⚠ Grossing only 7.1% vs guide of 12%
- ⚠ Aged units - 35% of inventory over 90 days
- ⚠ F+I Income \$624 PVR (Weak!)
- ⚠ 12 days to front line ready - Too long!!

THE FIX:

- ✔ The goal as our Pre-Owned Sales Manager is to increase sales and gross. Simple right?
- ✔ Subscribe to vAuto to help source and stock the right inventory. **(Cars that move)**.
- ✔ Price them right by using a Market Based Pricing structure.
- ✔ Post inventory on wholesale sites such as OVE or ACV to rid the aged inventory. Cut our losses and start fresh.
- ✔ Work with Service to have a better Recon process, Front Line Ready in 2 days or less. Off the truck straight to detail for clean and pictures. In Service by end of day.
- ✔ Desk our deals to help set up a stronger backend. Work with sales people to turnover to F+I in a more welcoming manner. The right T/O can drastically improve backend PVR.
- ✔ By stocking and pricing the right inventory, reducing our time to front line, and maximizing backend profits we should see a large increase in overall GP and turn our inventory much quicker!

NEW CAR DEPARTMENT

By implementing an inventory optimization plan in conjunction with our targeted marketing strategy, we will achieve consistent, measurable success and drive increased gross profit.

OPTIMIZING NEW CAR INVENTORY

- ④ Review CRM/DMS/Website data to ensure we are maintaining a balanced inventory of vehicles with different price points and features to cater to a wider range of customers.
- ④ Partnering with other dealerships to trade aged inventory to locations where they are in higher demand.
- ④ Select aged units will be sold to the dealership and put into rental service. This will reduce aged units and provide a consistent supply of quality low cost pre-owned vehicles.

SALES & MARKETING STRATEGY

- ④ Develop VIP Department - Offering trade-up deals for customers in service to trade in their old vehicles for new vehicles.
- ④ Create and develop a Fleet department to move aged vehicles in bulk.
- ④ Price and position our aged inventory to sell! Utilize specials pages on website, promote on social media, and digital advertising channels.
- ④ Community outreach to local colleges and universities, “appreciation discount” for students, faculty, and alumni.

FINANCE & INSURANCE

AREAS OF CONCERN:

1. Profit

2. CIT

ACTION PLAN

- ⌚ Get serious about Training
- ⌚ Educate F&I Managers about the product they're selling
- ⌚ Menu Selling
- ⌚ Find New product that cost less and profit more
- ⌚ Start using eContracting for fast and efficient funding.
- ⌚ Increase doc fee to \$599



CONCLUSION

Tallahassee Chevrolet has a bright future and we are excited for the positive impact that the changes made in our organization will have on our staff, loyal customers and our community. By implementing and executing on our business plan presented today , we are confident that we will achieve consistent and measurable success moving forward and drive increased gross profit across all departments.



THANK YOU

