



GRANT THEFT CHEVROLET

“TURNING THE DEALERSHIP INTO A SUCCESS”

FIRST ORDER OF BUSINESS

Change the hours of operations to be consistent
with other dealerships in Florida
Open longer hours & more days a week to ensure
we aren't missing out on opportunities.

SERVICE

MON 7-6

TUES 7-6

WED 7-6

THURS 7-6

FRI 7-6

SAT 8-4

SUN CLOSED

SALES

MON 9-9

TUES 9-9

WED 9-9

THURS 9-9

FRI 9-9

SAT 9-7

SUN 12-5



TALLAHASSEE FLORIDA FAST FACTS

- * While researching Tallahassee Florida we discovered there is no limit on doc fees in the state of Florida. We made the decision to increase the doc fee from \$249 to \$1099. The average doc fee in Florida is \$995, \$77 title fee, \$248 registration fee. We feel \$249 is severely under priced
- * Median household income \$49,077 (We will want to take this into consideration when we are looking at which types of vehicles to bring into the dealership - price point etc)
- * Home to Florida state university - just under 45,000 students per year (Our digital marketing/advertising will target students)
- * Affordable housing options allow your salary to go much farther in Tallahassee - especially since Florida doesn't have a state income tax. The cost of living is 1% lower than the national average. (Helpful for FSM's when starting with credit first and educating customers on financing)
- * The state of Florida imposes 6% sales tax on full purchase price less trade-in.
- * Tallahassee is the capital of Florida with 200,000 people (Research will allow us to spend marketing dollars where we will reach the largest target audience)



STRATEGIES TO INCREASE FINANCE AVERAGE

1. Increase the variety of finance products that we offer.

- Warranty
- Gap
- Disability/Life/Job loss insurance
- Appearance packages
- Dent/Windshield/Key fob replacement

2. Ensure salesperson and FSM pay plans align with our goals.

- Salesperson to endorse products
- Plant seeds during the sales process
- Huddle's with FSM's during sales process
- Turnovers into the business office
- Introductions to the F&I managers prior to finalizing deal
- Starting with credit first: Pre-approving customers
- Educating customers on the credit process & what that entails
- Understanding how to read a credit bureau
- Dealing with young thin credit (Large student population)

3. Coaching and training FSM's. Role plays.

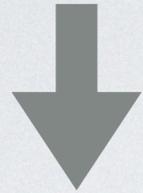
4. Finance deal logs to report new and used averages and the penetrations of each product. Utilize reporting to pinpoint area of opportunities to coach on where they could improve.



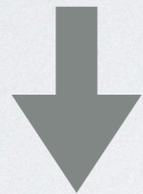
THE SELLING CYCLE

THE BETTER PROCESS DRIVEN WE ARE
THE MORE GROSS WE WILL HOLD, THE STRONGER
LOOK TO BOOK WE WILL HAVE, THE BIGGER OPPORTUNITY FOR FINANCE
AVERAGES.

QUALIFICATION



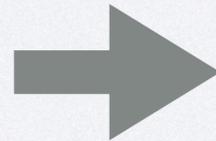
PRESENTATION



DEMONSTRATION



SALES PERSON DEMO



SERVICE WALK

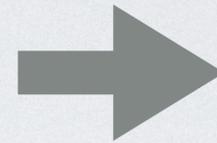
WORKSHEET



MULTIPLE PAYMENT
WORKSHEET



OFFER





**“If you quit on the
process, you are
quitting on the
result.”**

— Idowu Koyenikan

FINDMOTIVATION.ORG

NEW CAR ACTION PLAN

- Currently stocking in way too many cars based off what they are selling. They have an oversupply of new vehicles. (158 days' supply). This will help with our turn rate, which is well below the guide, and help with floor plan costs. We would need to trade some of those vehicles out and stop taking every vehicle the manufacture offers.
- Take vehicles that fit your market and average sales price.
- Start adding addendums to all new vehicles to add to our gross profits, which are well below the expected guide.
- How are we training our sales team and managers? We need to do daily, weekly, and monthly training sessions based off skill levels and what your team needs coached on.
- When we are working on new car deals, are we putting the right money into trades? This also will affect front end gross.
- Mystery shopping our competitors and ourselves to make sure the processes we have in place are being followed and are effective.
- Make sure our website and specials are up to date and competitive with our competition.
- What are we doing to make sure our vehicles are more desirable. (Let's apply our paint protection up front on every vehicle and add it to the addendum, which will not only make the cars look better but also help with the finance department.
- How are we treating our current and new customers? Let's look at our reviews and see what our customers are saying and use that information to change our processes.



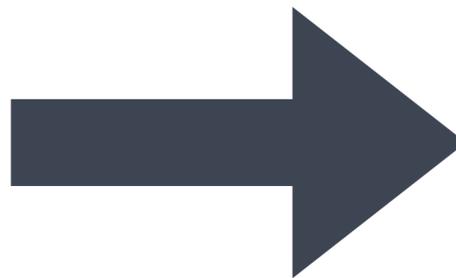
PRE-OWNED INVENTORY

PROBLEM

- 94 Units in stock / Average monthly sales 31
- 50% Floor planned / \$929,150
- Aged Inventory / 44 over 60 / 33 over 90
- \$515 Per unit gross profit
- 12 Days to frontline
- 28 Cars @ \$13,564 / 66 Trucks @ \$22,417
- Work in progress \$8291 / Sublet is \$50,489

ACTION PLANS

- Reduce inventory to 45 units / Reduce's floor plan expense and release's capital
- Implement 60 day turn and/or write down
- Evaluate pricing strategy / Sales training
- Hire Inventory or Used car mgr / Reconditioning flow spreadsheet / Incentive for 4-5 days to frontline
- Review inventory mix for new market area / consider price point and quality of vehicles
- Investigate WIP vs. Sublet / Could reduce recon cost and improve time to frontline



SERVICE & PARTS ACTION PLAN



PROBLEM?	WHY?	PLAN	HOW?
GP PARTS RETURN	CUSTOMER PAID: 36% (-5% VS GUIDE, 41%)	INCREASE THE PARTS % MARGIN, FOCUS IN CUSTOMER	TRAINING FOR SERVICE AND PARTS ADVISORS: TO UPSELL PARTS WITH
SALES	INTERNAL: 33% (-8% VS GUIDE, 41%)	AND WHOLESALE. INTERNAL (2%) AND WARRANTY (7%)	IMPLEMENT INCENTIVES: SPECIAL BONUSES FOR SELLOF PARTS WITH HIGH
	COUNTER RETAIL: 19% (-22% VS GUIDE, 41%)	HAS SMALL PARTICIPATION IN TOTAL SALES	ANALYZE THE SALES DATA AND REVIEW INVENTORY WITH THAT INFORMATION:
	WHOLESALE: 9% (-11% VS GUIDE, 20%)		PARTS THAT ARE SELLING WELL OR HAVE BETTER MARGIN
			RE-EVALUATE PRICING: TO ENSURE TO BE COMPETITIVE
			LESS DISCOUNTS FOR WHOLESALE
GP SERVICE RETURN	CUSTOMER PAID: 63% (-13% VS GUIDE, 76%)	INCREASE THE SERVICE CONTRIBUTION, MAINLY	MULTIPOINT INSPECTION FOR SERVICE, UPSSELL AT RECEPTION
ON SALES	INTERNAL: 58% (-18 VS GUIDE, 76%)	CUSTOMER PAY.	REVIEW CUSTOMER PAY LABOR RATE
	WARRANTY: 59% (-17 VS GUIDE, 76%)	INTERNAL ARE 40% OF TOTAL SALES. WE MUST	IMPLEMENT INCENTIVES: SPECIAL BONUSES FOR UPSELLING SERVICES OR
		INCREASE CUSTOMER PAY PARTICIPATION IN TOTAL	TRAINING TO INCREASE PRODUCTIVITY AND EFFICIENCY
			ANALYZE DISCOUNT FOR INTERNAL
INVENTORY	TOTAL PARTS INVENTORY: \$183,681	LOWER INVENTORY	TRAINING: TO MINIMIZE ERRORS AND HAVE INVENTORY ACCORDING THE DEMAND
	DAYS SUPPLY: 120 DAYS (GUIDE, MAX 45). TARGET \$72,505	SMART INVENTORY	SERVICE / COUNTER OFFERS FOR MODELS WITH OBSOLETE - AGED PARTS AND
	ALMOST \$110K IN FROZEN CAPITAL	BETTER INVENTORY TURNS	FOR THE ITEMS WITH HIGHER INVENTORY LEVEL
	PARTS INVENTORY TURNS: 3 (GUIDE, 8 TURNS)		CHECK THE INVENTORY FOR HIGH DEMAND PARTS
	\$35,429 PARTS AGED TO +12 MONTHS		SPECIAL PRICING FOR OBSOLETE PARTS
A/R	\$167,483 (GUIDE, 50% MONTHLY SALES: \$67,927)	DECREASE AND CONTROL ACCOUNTS RECEIVABLES	DAILY MEETINGS TO REVIEW EVERY CUSTOMER
	ALMOSTE \$100K IN FROZEN CAPITAL		CALL CENTER CONTACT. FOCUS ON 120+: PAYMENT OR ARRANGE PAYMENT PLAN
	DAYS SUPPLY A/R: 36,98 DAYS (GUIDE, 15)		USA A COLLECTION AGENCY TO RECOVER DEBT
FIXED ABS	53% (GUIDE, 60%)	INCREASE PROFIT	INCREASE SERVICE AND PARTS PROFIT
			NEW BODY SHOP SERVICE, TO INCREASE GP. COULD BE A THIRD PARTYBODY SHOP:
			EFFECTIVE (NO INVESTMENT) AND GET FOCUS ON YOUR CORE BUSINESS
SERVICE HOURS	MON to FRI 8am-5.30pm. SAT 8-Noon	BE COMPETITIVE WITH NERABY DEALERS	MOVE TO: MON to FRI 7am-6pm. SAT 8am-4pm

In Summary



In summary the new dealership takeover brings some challenges that we feel would be addressed with initiating the processes we discussed in our presentation. It is currently facing an oversupply of new vehicles. This has led to a 158-day supply of new vehicles and a turn rate well below the guide. By reducing inventory to 45 units we will not only help reduce floor plan expenses but release some frozen capital.

By implementing a 60-day turn and/or write down and evaluate our pricing strategy while providing sales training to our team to help them sell more effectively we will address our turn rate issue. We also plan to hire an inventory or used car manager to ensure our inventory mix for new market areas considers the price point and quality of vehicles.

Our key processes on the sales side will start with a strong management team controlling the floor. Ensuring that our sales process is adhered to with each and every customer. With strong communication and working together with the sales and F&I team we will see increase in averages both front and back.

Regarding our GP Parts Return issue, we plan to increase the parts % margin and focus on training for service and parts advisors to upsell parts with a higher profit. We will also implement incentives, such as special bonuses, for selling parts with high profit margins. We will address our GP Service Return issue by increasing the service contribution, mainly by performing a multipoint inspection for service and upselling at reception. We will review the customer pay labor rate and provide training to increase productivity and efficiency.

We plan to decrease and control our accounts receivables by having daily meetings to review every customer call centre contact and focus on 120+ payment or arrange payment plans. If necessary, we will use a collection agency to recover debt.

Finally, to increase profit, we plan to increase service and parts profit by offering a new body shop service to increase GP. We will also consider having a third-party body shop, which is cost-effective and helps us focus on our core business.