



# It's 2023 Is Your Used Car Department in Shape? It is Time to Trim the Fat

## 4 Focus Areas For Success in Your Used Car Department

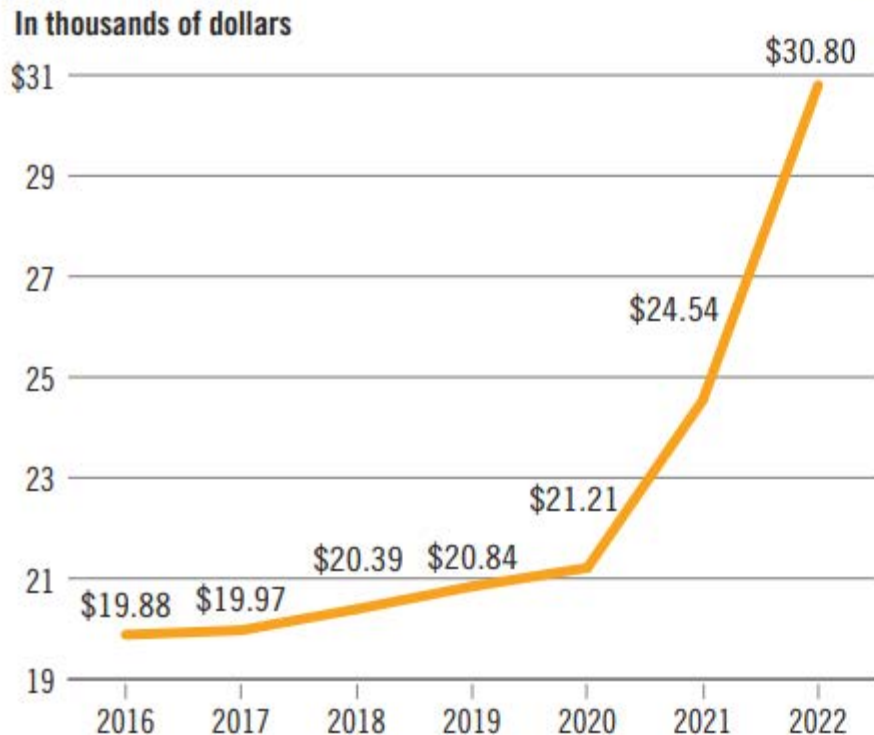
**RANDY BARONE**, ACV Auctions  
VP Business Development

**STU ZALUD**, ACV Auctions  
Director, Strategic Partnerships

## STATE OF THE INDUSTRY

- Used car demand is dropping
- Used car values are dropping
- Interest rates are climbing
- Special finance is growing
- Tax season is here
- Inventory average cost amount increased
- Market is still in a used car shortage

## Average Retail Selling Price of Used Vehicles Sold by New-Vehicle Dealerships, by Year, June YTD



Source: NADA



# \$30,796

AVERAGE RETAIL SELLING PRICE  
OF USED VEHICLES SOLD  
*(by new-vehicle dealerships)*

## Total Franchised Dealership Advertising Expenditures by Year, June YTD

In billions of dollars



Source: NADA

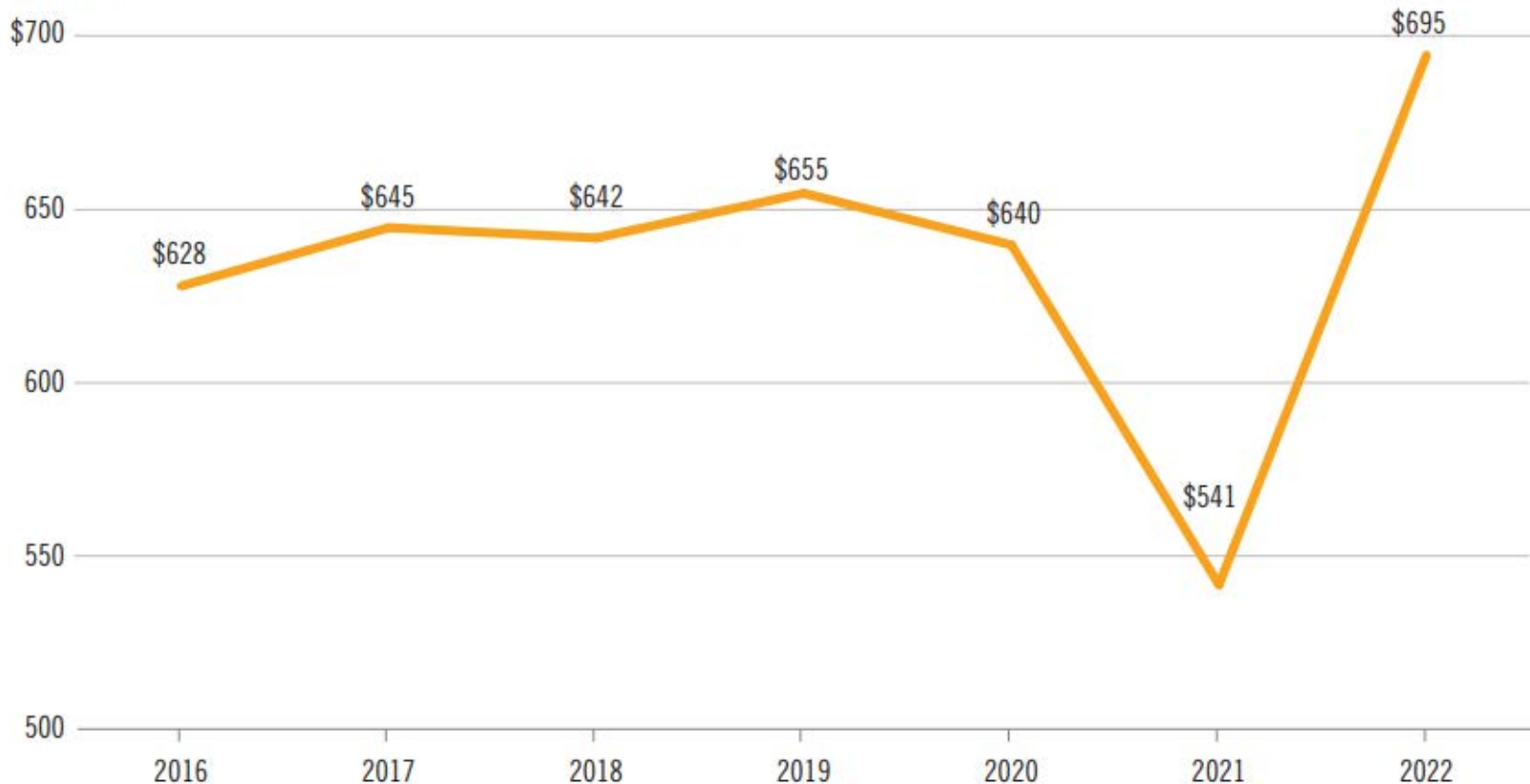


# \$4.26 billion

TOTAL DEALERSHIP  
ADVERTISING EXPENDITURES

## Average Dealership Advertising per New Unit Sold by Year, June YTD\*

In dollars



\*Advertising expense includes advertising and sales promotion minus advertising rebates. Some advertising data is reported in one account that includes sales promotion and already is minus advertising rebates.

Source: NADA

# Tools you are paying for and not utilizing

- Inventory Management System
- CRM
- Equity Tools
- Recon Tools
- Certified vehicles
- Listing Tools
- Marketing and advertising programs and programs like Autotrader, Cars.com, Cargurus, and others

# Inventory management tool

- Get presentations on latest systems and pricing
- Glorified appraisal tool
- Reports- Appraiser performance Mgr./Salesperson
- Lost trades reports
- Buying reports- Buying based on data/Buyer report card
- Adding inventory daily keeping correct supply even
- Dashboards/Alerts
- 30 day supply
- Turn rate of 12-15 times per year
- Pricing alerts/Pricing process/Automated pricing

## YMM Report Filters

Choose Specific YEAR

- No Subprime Vehicles  
 Only Subprime Vehicles

Select Dealers

Apply Selection

### Selected Search Options:

- Model: Camaro  
 --Make: Chevrolet  
 --Year: All Years  
 --Subprime?: No Subprime Vehicles  
 --Dealers Selected: Britain Chevrolet

Export To Excel

				\$0 - \$10,000 (45 days)		\$10,000 - \$14,999 (45)		\$15,000 - \$19,999 (45)		\$20,000 - \$24,999 (45)		\$25,000 - \$29,999 (45)		\$30,000 - \$34,999 (45)		\$35,000 + (45)		Total		
DEALER	YEAR	MAKE	MODEL	Inv/Sold	Buy/Sell	Inv/Sold	Buy/Sell	Inv/Sold	Buy/Sell	Inv/Sold	Buy/Sell	Inv/Sold	Buy/Sell	Inv/Sold	Buy/Sell	Inv/Sold	Buy/Sell	INV	Sold	Dealer Day Supply
Britain Chevrolet	2013	Chevrolet	Camaro	0/0		0/0		0/0		0/0		1/0	-1	0/0		0/0		1	0	
Britain Chevrolet	2017	Chevrolet	Camaro	0/0		0/0		0/0		1/0	-1	0/0		0/0		0/0		1	0	
Britain Chevrolet	2021	Chevrolet	Camaro	0/0		0/0		0/0		0/0		0/0		0/0		0/1	1	0	1	0



# STOCKING BASED ON FACTS

CHEVROLET TRAVERSE SUV	7	2	(5)
2020	2	0	(2)
2019	4	2	(2)
2018	1	0	(1)
CHEVROLET TRAX SUV	2	2	0
TOYOTA HIGHLANDER SUV	1	0	(1)
FORD EXPLORER SUV	1	0	(1)
JEEP GRAND CHEROKEE SUV	1	1	0
TAHOE / YUKON SUV	1	2	1
BLAZER / JIMMY SUV	2	1	(1)
Other - SUV	6	18	12
<b>Truck</b>	<b>18</b>	<b>13</b>	<b>(5)</b>
SILVERADO / SIERRA 1500 TRUCK	9	5	(4)
2022	0	1	1
2020	0	1	1
2019	4	3	(1)
2018	4	0	(4)
2017	1	0	(1)
CHEVROLET COLORADO TRUCK	4	2	(2)
2019	0	1	1
2018	0	1	1

# STOCKING BASED ON FACTS

Range: 26 Weeks ▾

Retail Avg. Gross Profit	Units Sold	Avg. Days to Sale	Avg. Mileage	No Sales	Units In Stock
<b>\$3,536</b>	<b>33</b>	<b>31</b>	<b>35,338</b>	<b>6</b>	<b>5</b>

## Year Analysis 17

	Year	Units Sold	Retail Avg. Gross Profit	Avg. Days to Sale	No Sales	Units In Stock	Annual ROI	Local Market Share
1	2019	16	\$3,116	37	0	3	85.1%	10%
2	2018	7	\$3,922	32	1	0	126.1%	10%
3	2020	5	\$4,205	14	0	1	258.4%	7%
4	2017	2	\$3,478	22	0	0	187%	7%
5	2014	1	\$4,740	10	1	0	48.9%	8%
6	2015	1	\$2,427	54	1	0	39.3%	7%
7	2013	1	\$4,222	31	1	0	128.6%	2%
8	2016	0	\$0	0	0	0	0%	6%
9	2008	0	\$0	0	0	0	0%	5%
10	2004	0	\$0	0	0	0	0%	4%
	Overall	33	\$3,536	31	4	4		

## Trim Analysis

	Trim	Units Sold	Retail Avg. Gross Profit	Avg. Days to Sale	No Sales	Units In Stock
1	LT	12	\$4,251	35	4	3
2	CUSTOM TRAIL BOSS	5	\$3,975	13	0	0
3	LTZ	4	\$2,543	40	0	0
4	RST	3	\$3,197	17	0	1
5	CUSTOM	3	\$2,130	22	0	0
6	WORK TRUCK	3	\$2,079	62	1	0
7	LT TRAIL BOSS	1	\$5,806	5	0	1
8	SLT	1	\$5,170	18	0	0
9	DENALI	1	\$2,427	54	0	0
10	UNKNOWN	0	\$0	0	1	0
	Overall	33	\$3,536	31	6	5

## Color Analysis

	Color	Units Sold	Retail Avg. Gross Profit	Avg. Days to Sale	No Sales	Units In Stock
1	BLACK	19	\$3,175	23	2	0
2	SILVER	4	\$3,834	64	2	2
3	BLUE	3	\$3,152	45	0	1
4	GRAY	3	\$4,254	22	2	0
5	WHITE	2	\$5,533	14	0	1
6	SHADOW GRAY MET	1	\$5,806	5	0	0
7	SUMMIT WHITE	1	\$1,925	94	0	0
8	UNKNOWN	0	\$0	0	0	1
	Overall	33	\$3,536	31	6	5

## Price Range Analysis

	Unit Cost Range	Units Sold	Retail Avg. Gross Profit	Avg. Days to Sale	No Sales	Units In Stock
1	Under \$29,000	5	\$2,848	14	6	0
2	\$29,000-\$32,000	2	\$2,438	5	0	0
3	\$32,000-\$35,000	7	\$3,991	37	0	2
4	\$35,000-\$38,000	4	\$1,525	41	0	1
5	\$38,000-\$41,000	9	\$4,546	23	0	0
6	Over \$41,000	6	\$3,770	51	0	2
	Overall	33	\$3,536	31	6	5

# STOCKING BASED ON MARKET

MDS ↑	Year	Make / Model / Body type	Listings	Sales	Average Price	Average Mileage
⊕	5	2018 2018 Honda Clarity Plug-In Hybrid Sedan	1	20	\$26,473	35,305
⊕	5	2018 2018 Volvo S60 Sedan	1	18	\$25,490	61,116
⊕	8	2020 2020 Ford Fusion Hybrid Sedan	1	11	\$30,099	17,668
⊕	8	2018 2018 Chevrolet Volt Hatchback	1	11	\$25,500	65,842
⊕	9	2019 2019 Honda Civic Si Coupe Coupe	1	10	\$27,900	46,210
⊕	9	2018 2018 Ram ProMaster City Cargo Van Van	1	10	\$29,000	33,000
⊕	9	2021 2021 Nissan Kicks SUV	1	10	\$21,888	7,000
⊕	9	2019 2019 Hyundai Veloster Hatchback	2	19	\$25,765	27,314
⊕	10	2019 2019 MINI Convertible Convertible	4	37	\$32,161	25,558
⊕	10	2019 2019 GMC Savana Cargo Van Van	1	9	\$39,977	40,911
⊕	10	2019 2019 Kia Rio Sedan	1	9	\$17,500	58,016
⊕	10	2019 2019 Buick Cascada Convertible	1	9	\$29,800	61,643
⊕	10	2020 2020 Lexus UX SUV	1	9	\$38,998	23,572
⊕	10	2021 2021 Hyundai Kona EV SUV	1	9	\$40,981	2,014

# Top Appraisal Techniques

- Dealer group current or 1yr old off brand check sister stores
- Single store current or 1yr old off brand ask or have live appraisal
- Check Carfax/Autocheck – Order an inspection
- Check factual data
- Check short or hot- Do not rely on market data alone
- If dealer group and vehicle does not match need utilize sister store data

# Top Appraisal Techniques

## Appraisal

- Drive Every Vehicle
- View Carfax/Autocheck
- Make sure vehicle has VIN Plate
- Take pics of front, back, sides
- Take pics of Damage inside and out
- CK for signs of rust wheels/underneath
- Turn wheel to expose full tire tread
- Take pic of tire tread
- Take pic of Dash and Odometer
- Take pic of Interior
- Check wheels for scrapes
- If paintwork or bad Carfax inspect further
- Check AC if cold out feel it come on
- Check Heater
- CK power windows and locks
- CK for warning lights
- CK power seats

## Checklist

- CK power roof
- CK Radio/Entertainment
- Turn on headlights
- Start vehicle and rev motor
- Diesel CK Factory Exhaust
- Drive long enough to see ODO move
- Turn 180 both ways listen for noise
- While driving hit brakes hard
- Auto trans drive fast enough to feel shift
- Manual trans take off in 2nd or 3rd gear
- Open Hood look for leaks/smells
- Oil cap look for sludge
- Under hood look for bolts turned on H/F
- Open trunk look for damage/Water
- Check for spare car/ Truck underneath
- If 4x4 Put in 4x4 turn wheel feel it work
- Check windshield

# Customizable Questions – Engaging the Client in the Process

Consultant: \_\_\_\_\_  
Date: \_\_\_\_\_

*Rick Hendrick*  
**CITY** APPRAISERS  
www.cityappraisers.com

**GUEST INFORMATION**

NAME: \_\_\_\_\_  
Phone 1:  H  W  C  
Phone 2:  H  W  C  
Email: \_\_\_\_\_  
Is this the address for your insurance: \_\_\_\_\_  
Desired Vehicle: \_\_\_\_\_  
Required Features: \_\_\_\_\_  
How did you hear about us: \_\_\_\_\_

*Driver's License Copy*

**TRADE INFORMATION**

YEAR \_\_\_\_\_ MAKE \_\_\_\_\_ MODEL \_\_\_\_\_ TRIM \_\_\_\_\_

LENDER/BANK: \_\_\_\_\_ EST. PAYOFF: \_\_\_\_\_ PAYMENT: \_\_\_\_\_

**WALKAROUND**

FRONT FRONT FRONT  
REAR REAR REAR

Certified Appraisers notes: \_\_\_\_\_

Year: \_\_\_\_\_ Make: \_\_\_\_\_ Model: \_\_\_\_\_  
Trim: \_\_\_\_\_ Color: \_\_\_\_\_ Mileage: \_\_\_\_\_

**Vehicle History**

Are you the original owner? \_\_\_\_\_  
Do you have free and clear title? \_\_\_\_\_  
If No. Is your vehicle financed or leased? \_\_\_\_\_ Payoff \$ \_\_\_\_\_ Payment \$ \_\_\_\_\_  
Does your vehicle have a clean Carfax history report? \_\_\_\_\_  
Has an insurance claim ever been filed on this vehicle? \_\_\_\_\_  
If Yes. How much were the total claims? \$ \_\_\_\_\_  
Has anyone ever smoked in this vehicle? \_\_\_\_\_  
Are complete service records available? \_\_\_\_\_  
Are 2 sets of keys available? \_\_\_\_\_  
Has this car ever been used as a rental car? \_\_\_\_\_

FRONT FRONT FRONT  
REAR REAR REAR

Certified Appraisers notes: \_\_\_\_\_

**VEHICLE ASSESSMENT**

Registered owner?  YES  NO  
Ever been in any type of collision?  YES  NO  
Any damages such as salvage or major repairs to \_\_\_\_\_  
**NO Amount:** \_\_\_\_\_  
Odometer accurate or has it been replaced?  YES  NO  
Aftermarket modifications?  YES  NO  
Anything changed or changing anything on the vehicle?  YES  NO  
2nd Key & Remote?  YES  NO

**Rating:**

6 7 8 9 10=Perfect, New, No miles, All Matching  
6 7 8 9 10=Perfect, New pads and New rotors  
6 7 8 9 10=Perfect, No Scratches, No paint  
6 7 8 9 10=Perfect, No chips or cracks  
6 7 8 9 10=Perfect, Needs Nothing  
6 7 8 9 10=Perfect, No Stains, Rips, or tears  
6 7 8 9 10=Perfect, No Pits or scratches  
6 7 8 9 10=Perfect, No Defects, all working  
6 7 8 9 10=Perfect, No clucks or creaks  
6 7 8 9 10=Perfect, No leaks, misses or noise

**Total above ratings for percent score** \_\_\_\_\_ %

Consultant: \_\_\_\_\_  
Date: \_\_\_\_\_



**GUEST INFORMATION**



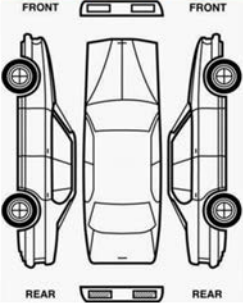
NAME: \_\_\_\_\_  
Phone 1:  H  W  C  
Phone 2:  H  W  C  
Email: \_\_\_\_\_  
Is this the address for your insurance: \_\_\_\_\_  
Desired Vehicle: \_\_\_\_\_  
Required Features: \_\_\_\_\_  
How did you hear about us: \_\_\_\_\_

**TRADE INFORMATION**

YEAR \_\_\_\_\_ MAKE \_\_\_\_\_ MODEL \_\_\_\_\_ TRIM \_\_\_\_\_

LENDER/BANK: \_\_\_\_\_ EST. PAYOFF: \_\_\_\_\_ PAYMENT: \_\_\_\_\_

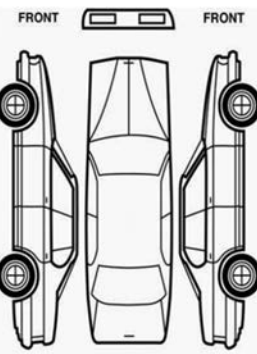
**WALKAROUND**



Certified Appraisers notes: \_\_\_\_\_

**VEHICLE**

- Are you the registered owner?
  - Has this vehicle ever been in a collision?
  - If so, are there any damages such as salvage or major repairs to disclose?  YES  NO **Amount:** \_\_\_\_\_
  - Is the odometer accurate or has it been replaced?  YES  NO
  - Are there any aftermarket modifications?
  - Are you removing or changing anything on the vehicle?
  - Do you have the 2nd Key & Remote?  YES  NO
- Please Rate the following:**
- Tires: 0 1 2 3 4 5 6 7 8 9 10=Perfect, New, No miles, All Matching  
Brakes: 0 1 2 3 4 5 6 7 8 9 10=Perfect, New pads and New rotors  
Body: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No Scratches, No paint work  
Glass: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No chips or cracks  
Service: 0 1 2 3 4 5 6 7 8 9 10=Perfect, Needs Nothing, Up to date  
Interior: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No Stains, Rips, or tears  
Wheels: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No Pits or scratches  
Elect: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No Defects, everything works  
Suspension: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No clucks or creaks  
Engine: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No leaks, no misses, no noise
- Overall condition: Total above ratings for percent score \_\_\_\_\_ %



Certified Appraisers notes: \_\_\_\_\_

- Tires: 0 1 2 3 4 5 6 7 8 9 10=Perfect, New, No miles, All Matching
  - Brakes: 0 1 2 3 4 5 6 7 8 9 10=Perfect, New pads and New rotors
  - Paint/Body: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No Scratches, No paint work
  - Glass: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No chips or cracks
  - Maintenance: 0 1 2 3 4 5 6 7 8 9 10=Perfect, Needs Nothing, Up to date
  - Interior: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No Stains, Rips, or tears
  - Wheels: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No Pits or scratches
  - Electronics: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No Defects, everything works
  - Suspension: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No clucks or creaks
  - Engine: 0 1 2 3 4 5 6 7 8 9 10=Perfect, No leaks, no misses, no noise
- Overall condition: Total above ratings for percent score \_\_\_\_\_ %

**VEHICLE ASSESSMENT**

Registered owner?  YES  NO  
Ever been in any type of collision?  YES  NO  
Any damages such as salvage or major repairs to \_\_\_\_\_  
**NO Amount:** \_\_\_\_\_  
Odometer accurate or has it been replaced?  YES  NO  
Aftermarket modifications?  YES  NO  
Anything changed or changing anything on the vehicle?  YES  NO  
2nd Key & Remote?  YES  NO

**Rating:**

6 7 8 9 10=Perfect, New, No miles, All Matching  
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6 7 8 9 10=Perfect, No clucks or creaks  
6 7 8 9 10=Perfect, No leaks, misses or noise

**Total above ratings for percent score** \_\_\_\_\_ %

# MAX My trade

- Search “MAX My Trade - MAX Digital”
- Names & email address required to create user ID\*



iPad

iOs 11.3 or higher required

OR



iPhone



Android Tablet

Android 4.1 or higher required

OR

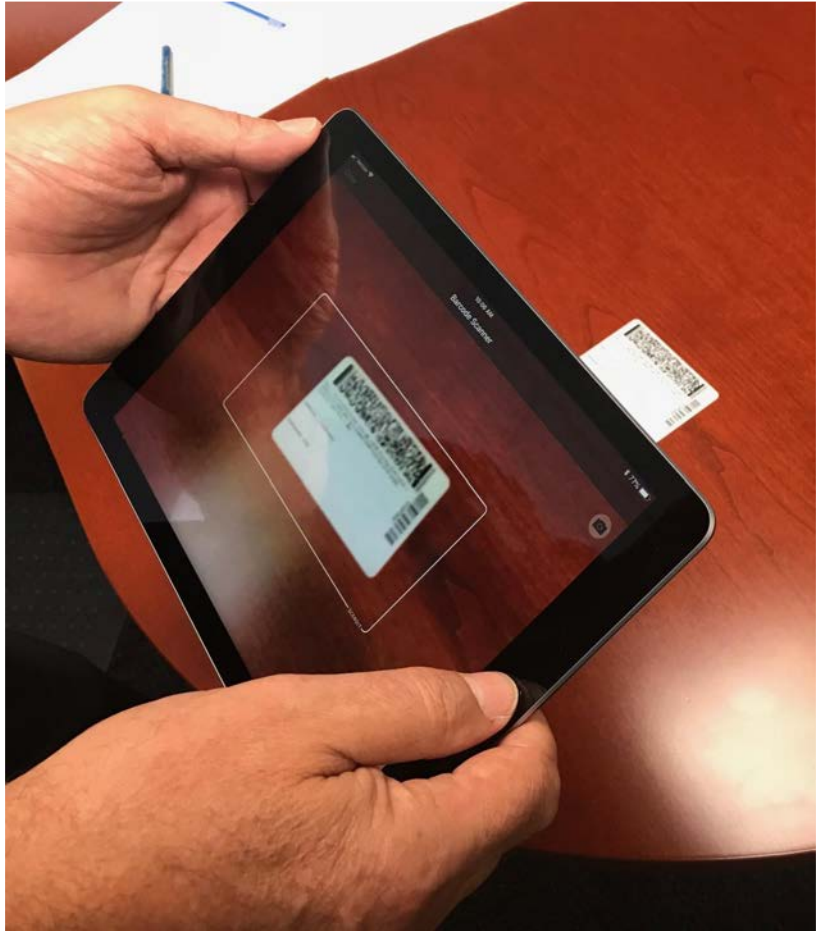


Android Phone

# Collect Customer Data

The screenshot shows a mobile application interface on an iPad. At the top, it displays the time as 11:43 AM and battery level at 77%. The user is identified as 'Max Maxwell' with a 'Log Out' option. The main heading is 'Check Your Car's Fair Market Value'. Below this are three numbered steps: 1. CUSTOMER, 2. VEHICLE, and 3. TRADE-IN QUESTIONS. The current step is 'Enter customer data below', with an option to 'Scan Driver License'. The form contains the following fields: First Name (Max), Last Name (Maxwell), Address (555 Main St.), ZIP (60007), City (Chicago), State (Illinois), Phone ((555)867-5309), and Email (max@maxdigital.com). A 'Back' button is on the bottom left and a 'Next' button is on the bottom right.

# Scan The Back of DL





# Collect Vehicle Data

The screenshot shows a mobile application interface on an iPad. At the top, it displays the time as 1:26 PM and battery level at 68%. The app header includes a logo for 'SMART CITY WINDA' and the name 'Tim Scott' as the customer. Below this, the text 'Client Advisor: Tim Scoutelas | Log Out' is visible. The main heading is 'Check Your Car's Fair Market Value'. There are three numbered steps: 1. CUSTOMER, 2. VEHICLE (which is currently selected), and 3. TRADE-IN QUESTIONS. The instruction 'Enter Trade-In vehicle data below' is followed by 'OR' and a green 'Scan VIN' button. Below that, there are input fields for VIN (1FTFX1EF7DFA38093), Year (2013), Make (Ford), Model (F-150), Exterior Color (Blue), Trim (2WD SuperCab 6-1/2 Ft Box XLT), and Mileage (67891). At the bottom, there are 'Back' and 'Next' buttons.

Customer: Tim Scott

Client Advisor: Tim Scoutelas | Log Out

Check Your Car's Fair Market Value

1 CUSTOMER 2 VEHICLE 3 TRADE-IN QUESTIONS

Enter Trade-In vehicle data below

OR

Scan VIN

VIN: 1FTFX1EF7DFA38093

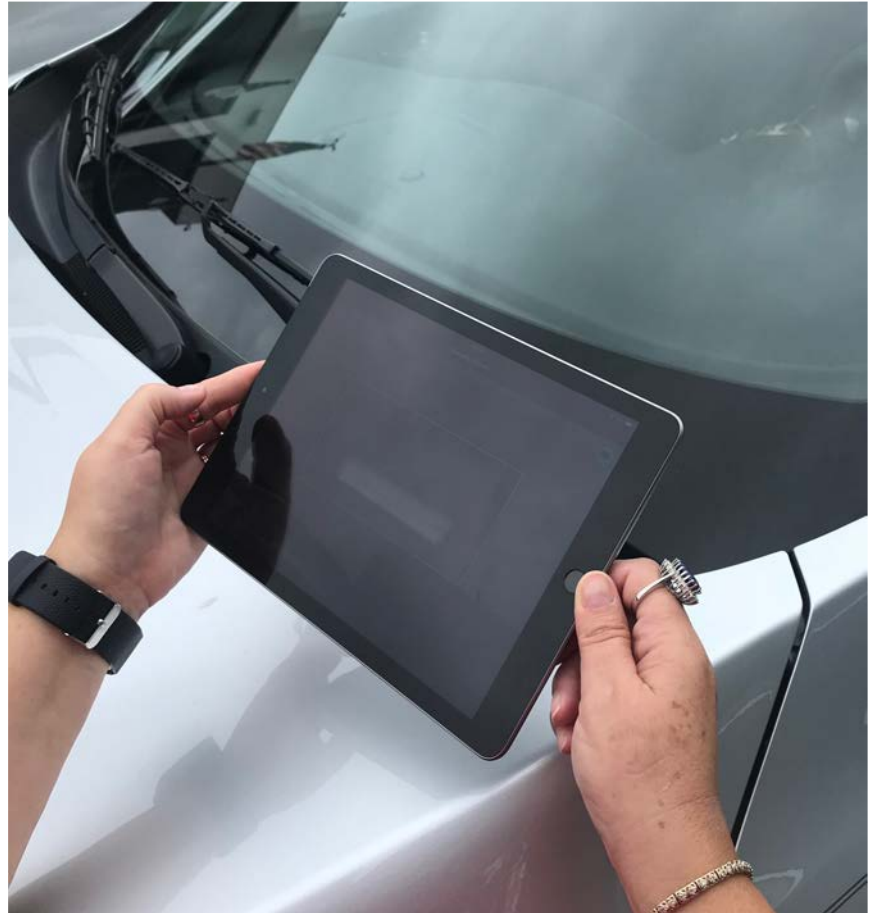
Year	Make	Model
2013	Ford	F-150

Exterior Color: Blue Trim: 2WD SuperCab 6-1/2 Ft Box XLT

Mileage: 67891

Back Next

# Collect Vehicle Data





Customer

Patrick McMullen

Client Advisor: **Patrick McMullen** | [Log Out](#)

## Check Your Car's Fair Market Value

✔ Customer

✔ Vehicle

3 Questions

Are you the registered owner?

Yes

No

Does this vehicle have a salvage/reconditioned title?

Yes

No

Has your vehicle ever been in any type of collision?

Yes

No

Is the Odometer original & accurate?

Yes

No

Do you have the 2nd Key/Remote?

Yes

No

Are there any aftermarket modifications?

Yes

No

## Engine

1 2 3 4 5 6 7 8 9 10

10 = Perfect, No Leaks, Hisses or Noise

## Transmission

1 2 3 4 5 6 7 8 9 10

10 = Perfect, No Defects, All Working

## Suspension

1 2 3 4 5 6 7 8 9 10

10 = Perfect, No Defects, All Working

## Electrical

1 2 3 4 5 6 7 8 9 10

10 = Perfect, No Defects, All Working

## Glass

1 2 3 4 5 6 7 8 9 10

## Interior

1 2 3 4 5 6 7 8 9 10

10 = Perfect, No Stains, Rips or Tears

## Brakes

1 2 3 4 5 6 7 8 9 10

10 = Perfect, No Defects, All Working

## Wheels/Tires

1 2 3 4 5 6 7 8 9 10

10 = Perfect, No Defects, All Working

## Paint/Body

1 2 3 4 5 6 7 8 9 10

10 = Perfect, no cracks or dings

## AC/Heat

1 2 3 4 5 6 7 8 9 10



## MARKET BASED APPRAISAL

Offer Created: Aug 04, 2020

2017 HONDA ACCORD SEDAN Exterior Color: BLACK Mileage: 62,352

VIN: 1HGCR2F18HA077110

Patrick McMullen (312)279-1237

Appraiser: Appraiser Name (909) 090-9090 appraiser@domain.com

### Highlights & Adjustments

- ✔ Accurate Odometer
- ✔ Clean Title
- ✔ Has All Original Keys
- ✔ No Accidents
- ✔ No Aftermarket Modifications
- ✔ Original Owner

### Book Values



Trade-In **\$15,079**

### Vehicle Condition



Vehicle Condition (83/100)

**83%**

### Trade-In Value

Market-Based Appraisal **\$12,516**

Estimated Tax Savings **+ \$950**

**Net Trade Allowance \$13,466**



## REAL LIFE SCENARIO



**Customer searching for a  
2017 Honda Accord on the  
web and finds yours**

Customer pulls Carfax and  
see that the vehicle has an  
accident reported

# WHAT THE CUSTOMER IMAGINES



# THE REALITY



## **Cosmetic Damage:**

A minor collision resulted in a pushed in grill and scuffed bumper.

# Reality

## Both Vehicles Show Accident Reported to Carfax

A True360 Inspection report uploaded to the Carfax and available on the web link makes them very different

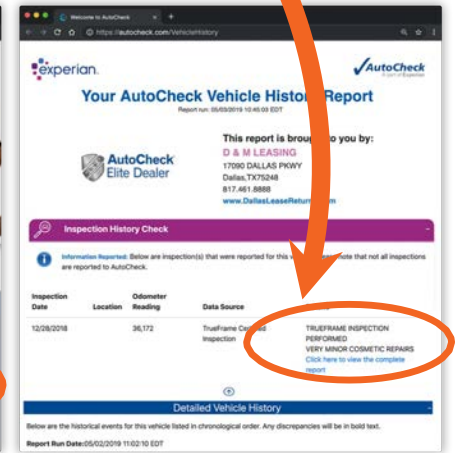
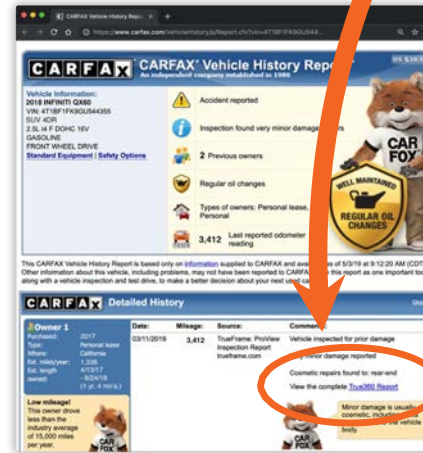
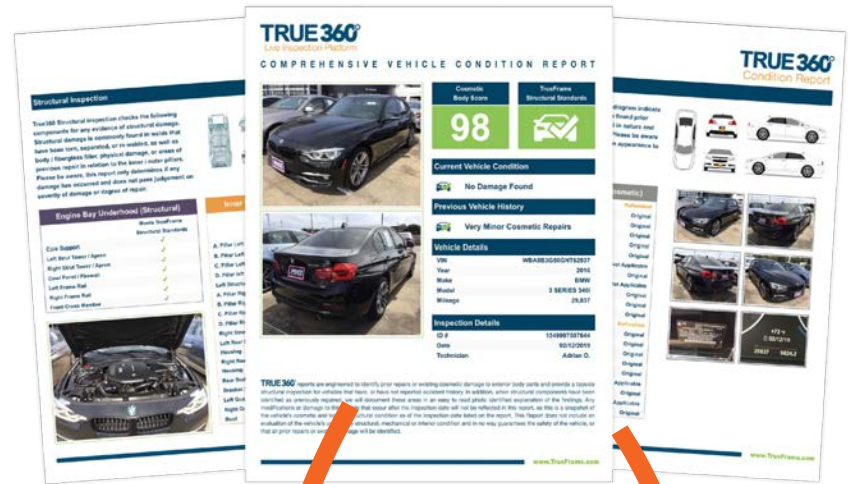




# Neutralize Accident History

We're the company that created the **True360 Inspection**. The Report was developed to help Dealerships retail all vehicles with confidence...

Both Carfax and AutoCheck trust the True360 Report as the true condition of the vehicle.



# CRM

- Everything goes in
- Proactive vs. Reactive
- Ability to track activity on used inventory weekly
- Ability to track salespeople opportunities and closing ratios
- Ability to assign salespeople opportunities per day

# Equity tools

- Use them or lose them
- Verify results
- Check if CRM company includes a solution
- Automated program to market to data based and service
- Process- Technology does not solve problems/Processes solve problems and good technology holds in place processes

## Recon Tools/Recon Process

- Manage how long it takes for a vehicle to be ready to sell
- Know what stage a vehicle is in during recon process
- Ability to recognize the bottlenecks in the recon process (Time at stages)
- Ability to have outsourced vendors managed in the solution
- Ability to have the recon performed built into the description of the vehicle

# Certified Vehicles

- Certify the right vehicles
- Unique description showing value of a certified vehicle
- Sales staff highly trained in value of a certified vehicle
- Features and benefits of a certified vehicle printout

# Reducing Overall Unit Cost

- Buy from consumers
- Trade for more vehicles
- Acquire vehicles from service
- Use alerted buying or automated buying tools with filters
- Buy from better sources with better inspections

# STEADY SUPPLY OF INVENTORY

## Break it down daily

Determine how many vehicles you need daily to keep your inventory levels correct to maximize your sales potential.

### Example:

- We need to acquire 4 vehicles per day
- We trade for 2 vehicles per day on average and keep 50%= 1 acquisition
- We average 2 street purchases per day and keep 50% = 1 acquisition
- We average 0 vehicles per day out of service = 0 acquisition

We get 2 vehicles net per day from **trades** and **street purchases**, so we need to purchase 2 vehicles per day from **auctions** to keep the correct level of inventory.

# Can You Compete for Consumer Loyalty?



**Consumer Direct Purchase Vehicles 383,000 in Q3**  
**Approximately 1,250,000 units annually!**

- Across 264 Locations
- 20.3 vehicles per day, 261 days a year!



**Consumer Direct Purchase Vehicles 203,000**

- Across 24 Locations
- 32.4 vehicles per day, 261 days a year!

**Approximately 1.5 Million Direct Purchase Vehicles per Year!**  
**An Average of 19.3 Vehicles per day, 261 days per year.**



**THIS IS NOT A  
COMPLETE PLAN**

Sell Us  
Your Car

New  
Inventory

Pre-Ov  
Inven

We War

ASKED QUES

WE BUY USED  
CARS &  
TRUCKS  
573-2  
21-9350

WE WANT YOUR CAR

# CONSUMER SOURCING MODEL

PROACTIVE VS. REACTIVE: STAYING AHEAD OF THE USED CAR MARKET





## Grow Your Business With Consumers

Drivably's Trade-in Tool  
from consumers

SIGN UP NOW

# Your offer is ready, Randy Barone

The Drivably Offer™ for your  
2019 FORD MUSTANG ECO  
2D COUPE is

**\$22,525**

Expires 6/30/2022



2019 FORD MUSTANG  
ECO 2D COUPE  
VIN: 1FA6P8TH4K5178236

### You've got your offer. What comes next?

This offer from Drivably is good for seven days, and is contingent on your providing accurate information. To confirm the vehicle condition matches the information provided, we will conduct a verification of your vehicle and evaluate other vehicle use and history information prior to finalizing the offer. Any differences between the information you provide about your vehicle and the vehicle's actual condition, use, and history may impact the offer you receive from Drivably. The first thing to know is that Drivably will never charge you. We make money from the buyers who ultimately purchase your car through us, and it's our mission to help everyone have the best car-selling experience of their life. Our proof of that? We match you with a personal Auto Buddy, a car of your choice, and we'll help you sell it through the same platform.

SIGN UP NOW

CONDITIONS

Vehicle and get on

MAKE A  
MODEL

Drivably

# Live Auction Event



# 40+ SOURCES OF INVENTORY

- Increase trade closing ratio over 50%
- Save a trade meetings
- Pay salespeople to buy vehicles
- Equity tools
- CRM data
- Fundraisers
- Carwash/Tire shops/waiting rooms
- Valets
- Pay Uber/Lyft drivers
- Have a mobile unit
- Offer certificate in F&I to bring back vehicle
- Advertise everywhere you buy vehicles
- Market Data
- Churches/Associations/Alumni
- QR Codes Shopping Carts
- QR Code on Service Receipts
- Retirement Homes/Funeral Homes/Attorneys
- Lease Turn-ins
- Have a live auction event at your location
- Target competitors
- Social media
- Addressable Geo Targeting
- Credit monitoring tools knowing when auto credit is being pulled
- Pay consumers to find vehicles
- Service Drive
- Insurance agents/Wrecker Drivers
- Program with local banks and credit unions
- Programmatic Buying
- Ads on TVs at gas stations
- Ads on receipts (Dry cleaners, Car wash)
- All employee social media, contacts text
- On all signatures email and text
- QR Code on local sports event shirts
- Air freshener with QR code and message
- Info booths large events/Auto Shows
- QR codes on restaurant menus
- Wrap cars
- Oil change sticker with message
- Using social media Influencers
- Sports events/Tickets/souvenir cups
- QR code on preview movie screen before movie starts
- Advertise you will beat Carmax or Carvana's bid

# Sources of Inventory

- Buy Vehicles Directly From Consumers-

1. V

The image shows two business cards placed on a speckled surface. The card on the left is for Texas Direct Auto, featuring a black background with white text and a photo of a couple. The card on the right is for Luxury Valet Services, featuring a white background with black text and a hole punch.

**12053 Southwest Freeway**  
Stafford, Texas 77477  
281-499-8200 Office  
Call 832-310-2094 to Sell Us Your Car!  
**TEXASDIRECTAUTO.COM**

**Spice Up The Night**  
With a Little  
Va-Va-Va Vroom

**Sell Us Your Car!**  
**TEXASDIRECTAUTO.COM**

Location: Blossford 147811  
Emp/ Name: KG  
**Luxury VALET SERVICES**  
832.434.3431

**147811**  
**Luxury VALET SERVICES**  
832.434.3431

**THIS CONTRACT LIMITS OUR LIABILITY - READ IT**  
Customer and Company agree as follows: Customer agrees to inspect vehicle before leaving parking lot. Customer's claim of damage or loss must be reported and itemized in writing before the vehicle is taken from premises following a claim of loss, and if not so made, any such claim is waived by customer. Claim only accepted with valet ticket. Key Chain (part) please verify you have it before you leave. Luxury Valet has the option within 48 hours after filing of claim to choose the place and person to make repairs. Luxury Valet is not responsible for damage by fire, theft, vandalism, hail damage or defective brakes or parts. Total liability of Luxury Valet is limited to \$250 for all damages or loss by customer.  
LUXURY VALET IS NOT RESPONSIBLE FOR ANY ARTICLES LEFT IN VEHICLE INCLUDING, BUT NOT LIMITED TO, RADIO, TAPES, CD'S, RADAR DETECTOR, PHONE, PAGER, CAMERA, SUNGLASSES, PC'S OR PERSONAL ITEMS.  
ALL EMPLOYEES OF LUXURY VALET SERVICES ARE REGISTERED FOR POLYGRAPH EXAMINATION.  
LUXURY VALET SERVICES & ALL RESTAURANTS ARE NOT RESPONSIBLE FOR VEHICLES LEFT AFTER OUR OPERATING HOURS: ALL FEES ARE NON-REFUNDABLE.  
LVS PARKING IS ONLY RESPONSIBLE FOR THE KEYS ON THE CAR WE ARE OPERATING.

## BUYING MODEL

#0Demo - Ford of  
Murfreesboro1550 NW Broad Street  
Murfreesboro, TN 37129

Core Units

108

Buy List

Class \*

Domestic Chassis ▾

Year From \*

2022 ▾

Year To \*

2022 ▾

Make \*

Model \*

Style

Engine

Transmission

Max Odometer

Excluded Colors

Excluded States

Excluded Drivetrain

 Exclude Fleet/Lease

Auction Lights Criteria

 Exclude Blue Light ● Exclude Yellow Light ● Exclude Red Light ● Must be Green Light ●

Condition Report Exclusions (0 selected / show) Exclude Risky Condition

Carfax Announcements Exclusions (0 selected / show)

Quantity

Max Transport

Max Bid

of

 ACV Estimate Retail Market Avg Black Book Wholesale

## Auction Lights Criteria

 Exclude Blue Light ● Exclude Yellow Light ● Exclude Red Light ● Must be Green Light ●

## Condition Report Exclusions (0 selected / hide) Exclude Risky Condition

## Exterior

- Minor Body Damage
- Moderate Body Damage
- Major Body Damage
- Scratches
- Glass Damaged/Cracked
- Lights Damaged/Cracked
- Minor Body Rust
- Moderate Body Rust
- Major Body Rust
- Hail Damage
- Aftermarket Parts
- Mismatched Paint Colors
- Poor Quality Repairs
- Previous Paint Work

## Frame &amp; Unibody

- Frame/Unibody Damage
- Undercarriage Surface Rust
- Undercarriage Heavy Rust
- Penetrating Rust

## Warning Lights

- Check Engine Light
- Airbag Light
- Brake/ABS Light

## Interior

- Seat Damage
- Carpet Damage
- Dashboard Damage
- Headliner Damage
- Interior Trim Damage
- Interior Odor
- Crank Windows
- Not Equipped with Factory A/C
- Electronics Issue
- Five Digit Odometer
- Aftermarket Stereo Equipment
- Airbag Deployed
- HVAC Not Working

## Driveability

- Vehicle INOP (Does Not Move)
- Transmission Issue
- 4x4 / 4WD / Drivetrain Issue
- Steering Issue
- Brake Issue
- Suspension Issue

## Wheels &amp; Tires

- Aftermarket Rims / Tires
- Damaged Wheels
- Improperly Sized Tires

## Mechanicals

- Jump Start Required
- Engine Does Not Crank
- Engine Cranks, Does Not Start
- Engine Does Not Stay Running
- Internal Engine Noise
- Engine Runs Rough/Hesitation
- Timing Chain/Camshaft Issue
- Excessive Smoke from Exhaust
- Head Gasket Issue
- Excessive Exhaust Noise
- Exhaust Modifications
- Suspension Modifications
- Emissions Modifications
- Catalytic Converters Missing
- Aftermarket Parts
- Engine Accessory Issue
- Actively Dripping Oil Leak
- Oil/Coolant Intermix on Dipstick

## Title &amp; History

- Title Absent (30 Days)
- Branded Title
- True Mileage Unknown



## Carfax Announcements Exclusions (0 selected / show)

Quantity

1

Max Transport

\$50

Max Bid

\$ 0

of

- ACV Estimate  
 Retail Market Avg  
 Black Book Wholesale  
 Other

Not to Exceed

Start Date

04/25/2022

End Date

04/25/2023

Bid Action

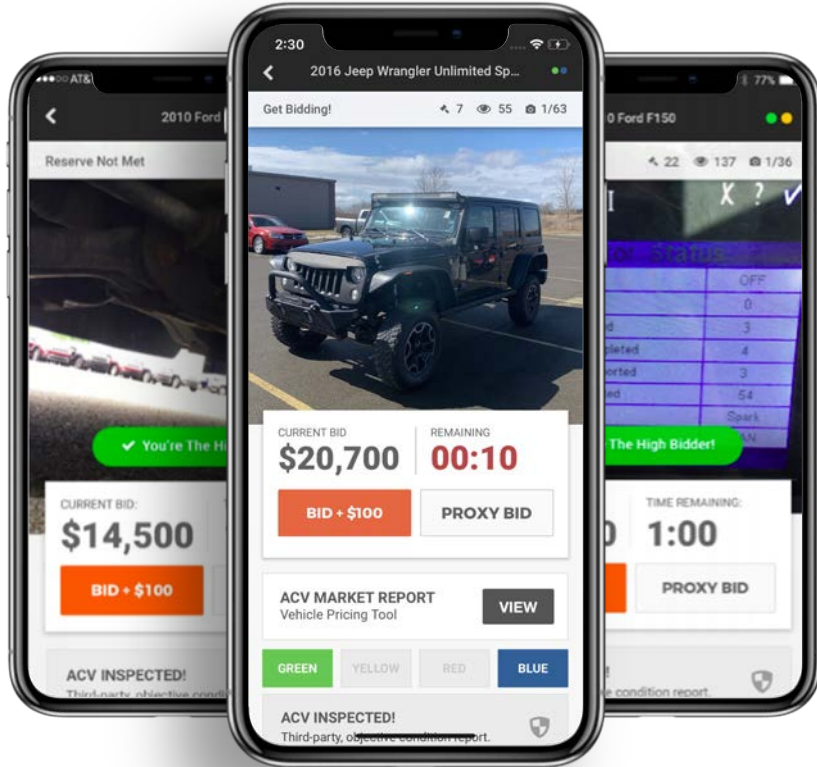
Manual (Inform)

Submit

Cancel

## Rules

ID	Active	Year(s)	Class / Make / Model / Style	Max Bid / Source	Max Qty	Current Qty	Start	End	Actions
394	No	2010-2018	European Sedan BMW 3 Series	+\$2,000 of ACV Sweet Spot	5	0	2021-06-07	2024-06-07	Edit   Activate   Remove
654	No	2016-2018	Domestic Chassis Dodge Journey	+3% from ACV Sweet Spot	1	0	2022-03-27	2022-04-28	Edit   Activate   Remove
671	No	2016-2021	European Sedan	+\$0 of	1	0	2021-08-	2022-08-	Edit   Activate   Remove



# KEY IS TRANSPARENCY

Trusted condition reports equal  
fewer mistakes and more value



40+ Photos  
including  
undercarriage



Paint, tire  
and engine  
readings

# AUDIO MOTOR PROFILE™

- Allows for the clear recording and immediate sharing of a vehicle's engine sound
- Patent-pending custom hardware and software
- Gives buyers the ability to listen to the vehicle running in a better way than physically standing next to the vehicle
- Continues to deliver on our mission statement to provide trust and transparency to our customers



**Proprietary  
Technology**



**Greater  
Transparency**



# VIRTUAL LIFT™

Get a high definition look at a vehicle's undercarriage from wherever you are, without having to put the car on the lift.

## Undercarriage Scan

Full undercarriage reconstruction

## Proprietary Vantage Point

See more of every vehicle



# Matching Inventory to Customers and Lenders

- Know your market
- Watch for market changes
- Special finance market is going to grow
- Know your lenders and their requirements
- Use alerted buying or automated buying tools with filters

Example: Some will only finance certain vehicles, up to certain years, miles and certain carries.

- **Prestige Financial- up to 160%LTV, 135% on front, Multiple Autos ok, Open BK ok, No DL required, No cash down required, No min job time, 72mo up to 100K miles.**
-

# Top Sources of Inventory

- Trade/lease return
- Purchase from service department
- Buy from consumer
- Buy from an auction based on factual data, and market hot and short data

# Top Methods to Drive More Traffic to Your Inventory

- Stock the right vehicles
- Update vehicle listings every few days to have them rank on Google as a new listing
- Use unique automated value add descriptions with factory equipment packages
- Make sure vehicle is not priced out of the market or too far below the market
- Geo, facebook/digital retail component, keyword, pay per click, monitor your sources or marketing company
- Have vehicle inspected to build value to consumer and add a link to the VDP page

# Weekly Activity

Example: Stock #1234 2021 Chevrolet Camaro

SRP Low	Yes	
VDP Low	Yes	
CRM Activity Low	Yes	
Key log Activity Low	Yes	
Website Activity Low	Yes	
Salesperson Opinion Low	Yes	



# Weekly Activity

Example: Stock #1234 2021 Chevrolet Camaro

SRP Low		No
VDP Low		No
CRM Activity Low	Yes	
Key log Activity Low		No
Website Activity Low		No
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# Weekly Activity

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# Weekly Activity

Example: Stock #1234 2021 Chevrolet Camaro

SRP Low		No
VDP Low		No
CRM Activity Low		No
Key log Activity Low		No
Website Activity Low		No
Salesperson Opinion Low		No

# Pricing Plan of Action

Example

Days 1-3 115% of market

Days 4-7 110% of Market

Days 8-15 105% of Market

Days 16-20 #5 rank in the Market

Days 21-26 #3 rank in the Market

Day 27-30 #1 rank in the Market

# Inventory Plan of Action

- Weekly activity of each vehicle monitored
- SRPs/VDPs
- Dynamic vehicle descriptions
- Unique Standouts on 1<sup>st</sup> picture
- Vehicle Inspections
- Pricing plan of action



# 2019 Ford F-150

**\$39,995**

XLT



- Magnetic Metallic Exterior
- 38,388 Miles

- Black Interior
- 2.7L V6 Cyl Engine

**J.D. POWER**

**You Save \$4,830**  
vs J.D. Power Retail Value

**You Save \$1,659**  
vs Market Average

**Includes \$9,970 in Premium Upgrades**

● Magnetic Metallic Exterior

• 38,388 Miles

• Four Wheel Drive

• Stock #: F31913HC

● Black Interior

• 2.7L V6 Cyl Engine

• VIN: 1FTEW1EP9KFB05703

Includes **\$9,970** in Premium Upgrades

original MSRP

### Equipment Group 302A Luxury

**\$4,345** Original MSRP

- Rear Under-Seat Storage
- Heated Front Seats
- Fixed Backlight w/Privacy Glass
- Power-Adjustable Pedals
- Auto-Dimming Rearview Mirror
- Turn signal and black skull caps
- Manual folding
- Power Glass Heated Sideview Mirrors
- 4.2" Productivity Screen in Instrument Cluster
- XM and all related marks and logos are trademarks of Sirius XM Radio Inc
- Sirius
- All fees and programming subject to change
- See SiriusXM Customer Agreement for complete terms at [www.siriusxm.com](http://www.siriusxm.com)
- To cancel you must call SiriusXM at 1-866-635-2349
- Fees and taxes apply
- The subscription plan you choose will automatically renew thereafter and you will be charged according to your chosen payment method at then-current rates
- If you decide to continue service after your trial
- Subscriptions to all SiriusXM services are sold by SiriusXM after trial period
- Service is not available in Alaska and Hawaii
- 7 speakers and 6-month prepaid subscription
- SiriusXM Radio
- Rear Window Defroster

## Highlights



**CARFAX**

### Accident-free

No damage from accidents reported.

## EQUIPMENT

### Popular Equipment



Turbo/Supercharged



Heated Seats



WiFi Hotspot



Satellite Radio



Tow Hitch



Navigation System



Brake Assist



Remote Start



Back-Up Camera



Apple CarPlay

✔ No Accidents Reported

✔ Service History

[View FREE CARFAX Report](#)

## Vehicle Details - 2019 Ford F-150 XLT

Fully Detailed, Passed dealer inspection, Ford Gold Certified, Excellent Condition, LOW MILES - 38,388! JUST REPRICED FROM \$41,495, \$4,800 below J.D. Power Retail! EPA 24 MPG Hwy/17 MPG City! Heated Seats, Navigation, Trailer Hitch, Smart Device Integration, WiFi Hotspot, Onboard Communications System, Back-Up Camera AND MORE!

### WHY BUY FROM LAKE FORD?

Every reasonable effort has been made to ensure the accuracy of the information contained on this site, absolute accuracy cannot be guaranteed. This site, and all information and materials appearing on it, are presented to the user "as is" without warranty of any kind, either express or implied. All vehicles are subject to prior sale. Price does not include applicable tax, title, license, \$397.97 service fee, or dealer installed accessories.

### BUY WITH CONFIDENCE

Service available at any Ford Dealer in the 50 states. 22,000 FordPass™ Rewards Points to use toward scheduled maintenance visits or other rewards, 12 months/12,000 miles (whichever comes first) Comprehensive Limited Warranty Coverage, 7-Year/100,000-Mile (whichever comes first) Powertrain Limited Warranty Coverage, Complimentary 24/7 Roadside Assistance for 7 years, Complimentary SiriusXM 3-month trial, CARFAX Vehicle History Report included, 172 Point Inspection Performed by Factory-Trained Technicians

### OPTION PACKAGES

#### 2019 XLT Chrome Appearance Package

### XLT Sport Appearance Package

**\$1,995** Original MSRP

- Black surround and background mesh
- 2-Bar Style Grille w/2 Minor Bars Painted Dark
- Body-color front fascia
- Body-Color Front & Rear Bumpers
- Accent-Color Step Bars
- Tires: P275/65R18 OWL A/T
- Magnetic painted pockets
- Wheels: 18" 6-Spoke Machined-Aluminum
- Body-color bezel on side doors and black on tailgate
- Body-Color Door & Tailgate Handles
- Single-Tip Chrome Exhaust
- Box Side Decals
- -inc: body-color wheelip moldings and unique interior finish

### Trailer Tow Package

**\$995** Original MSRP

- Upgraded Front Stabilizer Bar
- Smart trailer tow connector and 4-pin/7-pin wiring harness
- 3.5L EcoBoost High Output engine (99G) and 5.0L V8 engine (995)
- Towing capability up to XX00 lbs on 3.3L V6 PFDI engine (99B) and 2.7L EcoBoost engine (99P) or up to XX00 lbs on 3.5L EcoBoost engine (994)
- Class IV Trailer Hitch Receiver
- Pro Trailer Backup Assist
- Tailgate LED
- -inc: Towing ca  0 lbs



# 2018 Audi Q5 Premium Plus

**Odometer:** 7,840

**Engine:** 4 Cylinder Engine

**Color:** Manhattan Gray metallic

**Interior:** Atlas Beige / Gray

**Transmission:** 7-Speed A/T

**VIN:** WA1BNAFY2J2128821

**Stock:** J2128821A

**Drive Train:** All Wheel Drive

## Equipment

- NAVIGATION PACKAGE
- COLD WEATHER PACKAGE
- BANG & OLUFSEN 3D SOUND SYSTEM
- PREMIUM PLUS PACKAGE
- WHEELS: 8" X 20" 5-SPOKE SEGMENT DESIGN
- BLACK PRIVACY TRUNK COVER
- Heated Leather Seats
- Leather Seats
- Sunroof
- Panoramic Roof
- All Wheel Drive
- Power Liftgate
- Rear Air
- Heated Seats
- Heated Driver Seat
- Back-Up Camera
- Turbocharged
- iPod/MP3 Input
- Dual Zone A/C
- Smart Device Integration
- Apple CarPlay
- Rear Spoiler
- MP3 Player
- Privacy Glass
- Child Safety Locks
- Steering Wheel Controls
- Electronic Stability Control
- Bucket Seats
- Electrochromic rearview mirror
- Brake Assist
- 4-Wheel ABS
- Luggage Rack
- Rain Sensing Wipers
- 4-Wheel Disc Brakes
- Tire Pressure Monitoring System
- Vehicle Anti-Theft System
- Trip Computer
- Driver Air Bag
- Passenger Air Bag
- Woodgrain Interior Trim
- Universal Garage Door Opener
- Leather Wrapped Steering Wheel
- Auto-Off Headlights
- Cruise Control
- Power Seats
- Power Windows
- Power Passenger Seat
- Power Driver Seat
- Rear Defrost
- Daytime Running Lights
- Driver Lumbar
- Pass-Through Rear Seat
- Intermittent Wipers
- AM/FM Stereo
- Variable Speed Intermittent Wipers
- Adjustable Steering Wheel
- Driver Vanity Mirror
- Passenger Illuminated Visor Mirror
- Passenger Vanity Mirror
- Driver Illuminated Vanity Mirror
- Tires - Front All-Season
- Tires - Rear All-Season
- Gasoline Fuel
- Front Floor Mats
- Headlights-Auto-Leveling



SCAN FOR PRICE

# Key Takeaways

- Acquire the right vehicles and the right number of vehicles each day
- Strong efficient recon process or use a recon tool
- Monitoring inventory -1 week, vehicles with little to no activity, clicks/searches, CRM hits, key logs, descriptions, re-pricing up or down
- Focus on aged, grouped, Clean, F&I, communication, incentives
- Inventory walk
- Trade walks
- Involved in service- Poor process turns into high wholesale
- Addressing vehicles with Carfax or AutoCheck issues in advance
- Trade process on wholes sale if a group then a group trade process
- Mandatory turn policy
- Organization of wholesale and cash flow



For a more personalized discussion & additional ideas, please contact us for a free consultation.

**Randy Barone**

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Mobile- 832-794-0118