

## What Is UpYourGross?



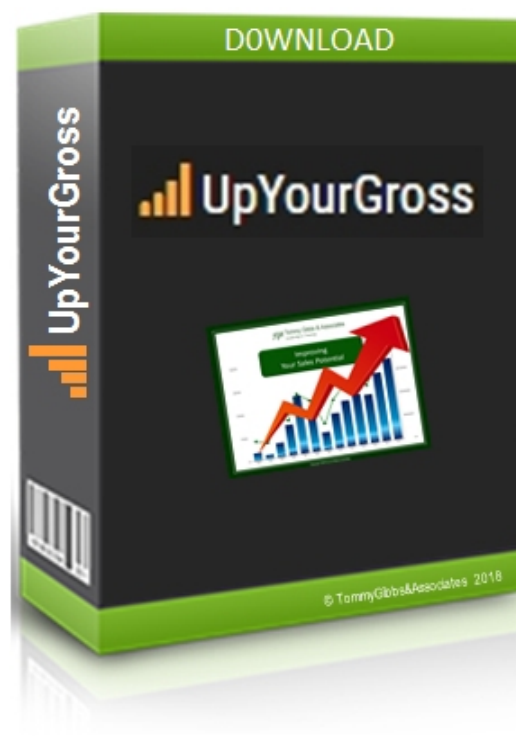
# Dealers Have Software for . . .



Strategic decision-making for each unit and a way to hold management accountable for those decisions

## THE ANSWER IS a new software:

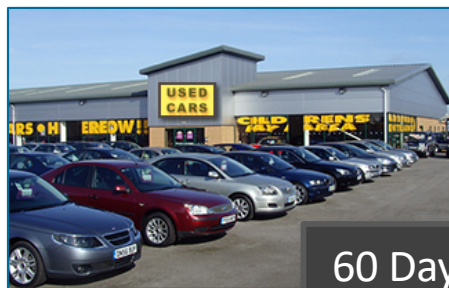
- Fast
- Easy
- Convenient
- Simple to Monitor
- Daily Alerts to Keep You On Track



# Myth: “All Cars Are Created Equal”

## FACT #1

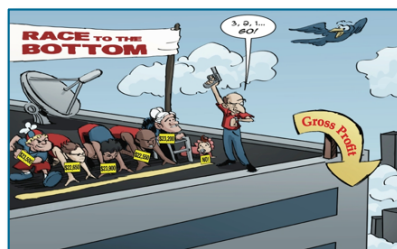
- We all know every used car is different, yet most dealers treat them the same.
- It is very common that in spite of a dealer's aging policy, all cars are given the same shelf life.
- Typically, if a dealer is on a 60-day turn, they all get 60 days.



60 Days

## FACT #2

- Dealers and managers often want to blame the low grosses on the *race to the bottom*, a commonly used term to describe how dealers competitively price used vehicles on the internet.
- As a dealer's pricing becomes more competitive, more traffic shows up and grosses go down.



## FACT #3

- Speed has never been more critical in today's automotive world than right now.
- It's a fact that dealers make the most money on a vehicle they sell in the first 20 days of ownership.
- Research has proven that very little money is made once a vehicle reaches the 30-day mark.




# Myth: “All Cars Are Created Equal”

Dealers use software to determine what to buy, where to buy it, what to keep and how to price their inventory.



*Up until the introduction of “Up Your Gross” (Life Cycle Management), dealers haven’t had a strategy in place to identify and maximize the return on each individual unit as it comes into inventory*

**Solution**

 **UpYourGross** software allows the Management Team to assign each unit a Life Cycle based on a number of known factors.



**Life Cycle Management** is a Strategic Plan  
for every unit that comes into stock  
starting on Day One

- Units are assigned a Life Cycle Expiration Date based on a number of factors.
- Once assigned a date, the goal is to find a retail buyer prior to the expiration date.
- If a unit reaches its expiration date and has not been retailed, then it must immediately be wholesaled. *(This actually improves gross profit and reduces wholesale losses.)*





# What Do We Mean by “Life Cycle Management”?

## *Some of the More Commonly Known Factors*

1. Buried in the trade. You Stepped Up. You have far more in the vehicle than it's worth.
2. It's a 'make-a-deal' unit. The reason you traded for it was to make something else go away. Now you are super buried in it.
3. It's a bad color. Don't you know which colors work and which ones don't?
4. The wrong equipment. Some vehicles need leather, sunroof, GPS, specific wheels. Some have a stick shift, which may make them harder to sell.
5. Previous sales history. There are some units that just don't work well on your lot. You know which ones they are.
6. You have a bad gut feeling. Surely when you've seen thousands of horses, you can spot a Zebra once in a while.
7. It's a purchase unit. Purchase units create the greatest risk when it comes to potential profit and aging.
8. The repair order was much higher than anticipated and has buried you in the unit.



## *How Does LCM Improve Gross Profit and Volume, and Reduce Wholesale Losses?*

### 1) LCM Improves Volume

- Because it speeds up the selling process.
- Now there's a strategy to retail the most problematic vehicles.
- It's all about retailing units, rather than wholesaling them.



### 2) LCM Improves Gross

- Because you are now making money on units that you would have either lost money on or broke even on.
- The LCM Results table shows the outcome of recent studies of two dealers; one with LCM and one without LCM.
- Part of the LCM Process involves focusing on retailing more units in the first 30 days, rather than the second 30 days.

LCM Results			
	Units	GPU	TOTALS
<b>Without LCM</b>			
Retailed 1 <sup>st</sup> 30	28	\$ 1,758	\$ 49,432
Retailed 2 <sup>nd</sup> 30	52	\$ 711	\$ 36,972
Average w/o WS	80	<b>\$ 967</b>	<b>\$ 77,404</b>
Wholesaled	18	-\$ 746	-\$ 13,428
Average w/WS	80	<b>\$ 799</b>	<b>\$ 63,976</b>
<b>With LCM</b>			
Retailed 1 <sup>st</sup> 30	62	\$1,576	\$ 97,712
Retailed 2 <sup>nd</sup> 30	27	\$1,126	\$ 30,402
Average w/o WS	89	<b>\$1,439</b>	<b>\$128,114</b>
Wholesaled	6	-\$1,114	-\$ 6,684
Average w/WS	89	<b>\$1,364</b>	<b>\$121,430</b>
UpYourGross			<b>+ \$57,454!</b>



## *How Does LCM Improve Gross Profit and Volume, and Reduce Wholesale Losses?*

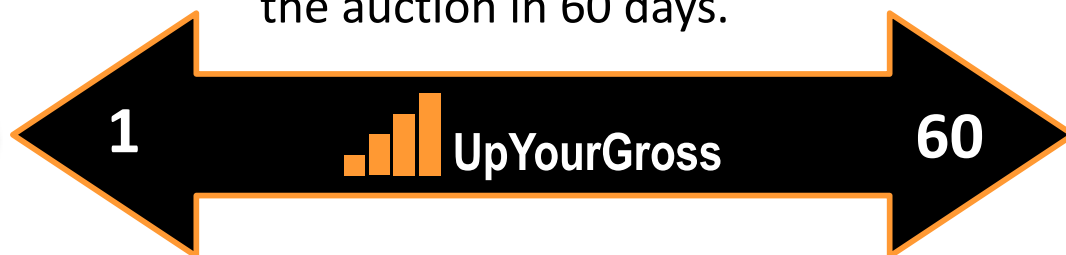
### 3) LCM Reduces Wholesale Losses

- Losses are reduced since you are now retailing units early in the life cycle vs. dumping them at 60 days and beyond.
- It creates a strategy for finding a retail buyer for the most problematic units that dealers historically lose money on in the wholesale market.



You should always have a **Mindset of Retailing Units.**

- Being on a 60-day Turn does not mean dumping units at the auction in 60 days.



- It means ... finding a retailing buyer at some number ASAP.

**The Faster you Retail a unit, the More Gross you will receive.**



## Why This Tool and Why Now?

- Dealers have learned to use and maximize valuable inventory software tools such as vAuto.
- Dealers have a clear strategy on what units to stock and how to price them in order to drive the maximum traffic to the dealership.
- There are two keys to the used car business; the right inventory and the right pricing.
- The correct utilization of software has dramatically changed the new car dealer's business model forever.

- **The Missing Piece** has been a clear strategy for each unit as it enters the dealer's inventory.
- **Life Cycle Management** gives the management team an easy, efficient means by which to strategically manage the life cycle of each unit in stock.
- With just a **Couple of Clicks**, the clock starts clicking, profits go up and the wholesale headaches go away.



## What's the **GOAL**?

- Improve Gross Profit and Volume
- Have A Strategy for Every Unit That Comes Into Your Inventory



## Is This the **RIGHT SOLUTION** For You?

*Of course I say it is, but . . .*

- Only if the Dealer/GM and the Used Car Manager have the discipline to log in each day to make strategic decisions and pay attention to the daily alerts



---

## A Small **INVESTMENT** of Time and Money



- Will Immediately Change Your Used Car Strategy
- Will Immediately Change Your Bottom Line



 UP YOUR GROSS



850-251-2310

*That's All I'm Gonna Say,*

Tommy  
Gibbs

