

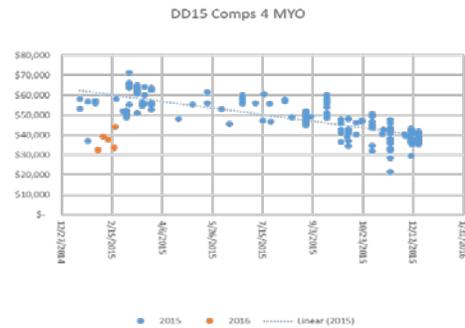


## KEA Used Truck Intelligence Part 1

Legendary statesmen Daniel Patrick Moynihan is possibly best known for the famous phrase, “Everyone is entitled to his own opinion, but not to his own facts.” Our used truck intelligence business was founded because there were plenty of opinions running around, but it felt like folks were having a hard time settling in on facts. Used truck departments needed better data if they were going to increase the PROFIT in their department and we were willing to invest in the necessary infrastructure to provide it. Instead of a symposium to tell you about our methodology, we’re going to take the next few weeks to show you how it works and how we can make your business better with a few cases of how our customers use data to make better decisions. **The simplest and most impactful way our customers use us is to make sure they’re investing properly in trucks.**

“I’m going to be taking a package of 30 trucks on trade over the next 6 months, how much should I put in them?” **(Full disclosure this case is several years old, this is not indicative of today’s market.)**

Packages of trucks rarely come in all at once, our investment strategy should be adjusted for when a truck is going to hit our lot but how do we do that? Well our valuation work is fact based, so let’s get the facts on the table (shown in graph) by looking at all the trucks in our database that are exact matches for the truck we’re talking about. We use this to get a base line of where the values have been and where they are going. *In this case we had a HEAVY concentration of trucks below the trendline, indicating we were likely to see more downward pressure on values in the next few months. We had to adjust our recommendations downward.*



Based on historical data and the trends we were seeing, we made the following recommendations:

- 2016 started around \$20,000 less than 2015, a pattern likely to persist.
- Recommend basing trade value off this gap and accelerated roll out.
- Table on the right details average sales price based on previously outlined methodology.

|        | Average Price |
|--------|---------------|
| Aug-16 | \$29,338.73   |
| Sep-16 | \$28,461.98   |
| Oct-16 | \$25,039.48   |
| Nov-16 | \$23,319.48   |

Our data allowed our customer to look farther into the future and develop a sound investment strategy for these trucks. They didn’t win this deal, the dealer who did ended up losing \$20,000/ unit before reconditioning costs. Sometimes you win for losing, and knowing what price you AREN’T willing to pay and why is more important than what you ARE willing to pay.

**All current subscribers to our service have unlimited access to our database, which is over 7 times the size of the most popular value book on the street right now.** If you’re not currently a subscriber and would like to have us take a look at a deal you’re working on, we’re offering a free deal analysis to see what working with us looks like. Simply reach out to [Bennett@KEAadvisors.com](mailto:Bennett@KEAadvisors.com) and I’ll let you know what we need!