



Comprehensive Used Truck Intelligence

Over the last two weeks we've discussed some of the way that our data set can work to help you make better decisions when purchasing trucks and make sure your finger is on the pulse of the used truck market. For dealers that are looking to make sure that they are maximizing opportunities to generate PROFIT in the used truck business, we have developed our Comprehensive Used Truck Intelligence program. Dealers participating in this program will communicate sales and inventory data with us monthly, and we'll use that information to answer the three most important questions you should have about the used truck business:

- 1.) Did we maximize our revenue opportunities last month?
 - a. We take your sales results and compare them against our database. This gives you a chance to understand, outside of margin performance, if any potential revenue dollars were left on the table. You may have lost \$5,000 on a deal and not be very happy about that, but if you beat the market and should have lost **\$10,000** on the same deal all the sudden it doesn't feel so bad. Conversely, if you hit your 10% GM target on a truck you might feel pretty good. You're going to feel less good when it turns out you could have made 20% on that truck because you bought it well.

4/1/2015	05	INTL	9200	C13	Y	10	269,000	\$31,000.00		\$15,000.00	\$18,000.00	\$25,000.00
4/1/2015	12	INTL	PROSTAR	MF13	Y	10	259,000	\$46,500.00		\$26,000.00	\$32,000.00	\$49,000.00
4/1/2015	11	INTL	PROSTAR	CUMISX	Y	10	463,000	\$54,500.00		\$41,000.00	\$45,000.00	\$52,000.00
4/1/2015	05	INTL	9200I	C13	Y	10	269,000	\$23,000.00		\$11,000.00	\$15,000.00	\$20,000.00

In this example, the customer has sold 4 units. 2 of them represent book losses that had caused some issues within the dealership. As it turns out both of those were "green" transactions that beat the market. Still plenty of pain to be spread around, but less than we thought. One of these transactions was a GM "home run" that slightly underperformed the market represented by the yellow bar. We should have made MORE on this truck!

- 2.) Where should we focus our next 30 days?
 - a. We take the same methodology and apply it to the trucks on your lot. We compare our market data against your trucks. Then we point out areas where you are exposed and need to limit your losses or have bought very well and should be making lots of money.
- 3.) What is the underlying health of my business?
 - a. We also make sure we don't lose sight of the forest for the trees. While it's important to know specific areas of strength and weakness, the overall health of the lot is important to see. To make sure everything is OK here we take a step back and make sure that some key metrics are improving month over month. In this example, things are getting better. Red means bad, yellow means OK, and green means good.

Dealership Location	2018 Target	11/'17 Value	12/'17 Value	1/'18 Value	2/'18 Value	3/'18 Value	4/'18 Value	5/'18 Value	6/'18 Value
Stock Inventory - # Units	25	51	52	38	35	33	31	28	29
Stock Inventory - \$	\$1.25M	\$1.72	\$1.75	\$1.7	\$1.4	\$1.2	\$1.1	\$1.0	\$1.0
# Units over 180 days old	0	25	25	25	25	18	16	14	12
Total Turnover (90-day)	4+/-	2.1	2.1	1.8	2.9	3.1	4.3	4.1	3.1

Our Comprehensive Used Truck Intelligence service impacts how you run your used truck business. KEA Advisors is offering the opportunity to get a look at the tools and an understanding of how your department stacks up. All we need is a copy of your July sales, an inventory report and an hour of your time.

Questions about the service and how it works? Give Bennett a shout at (310)-874-4209, or contact him via email at Bennett@keadvisors.com.