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Assessing the Health of Your Dealership

By: Jim Kahrs



Introduction

Jim Kahrs
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31 years of office systems sales, operational, executive management experience at dealership, manufacturer, consulting levels.



Introduction

Started Prosperity Plus - 2001

- Real-world tools for improving profit, cash flow & growth
- Marketing & promotional programs, presentations
- Mergers, acquisitions, succession plans
- Consulting based on industry experience + highly successful Hubbard® Management System.



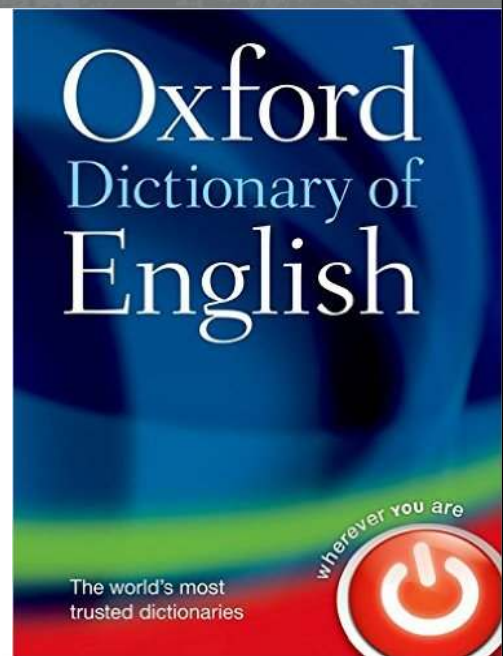
Today's Agenda

- What does it mean to assess a dealership
- Why assess your dealership?
- Areas to assess & assessment tools to use
- Getting started
- Questions



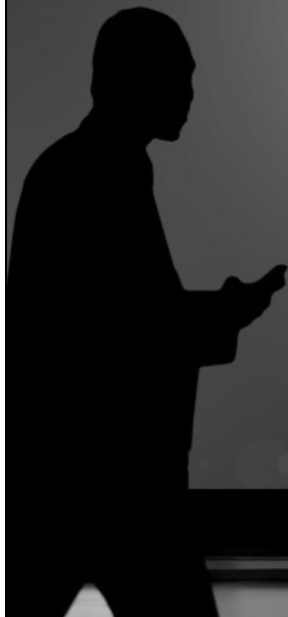
What Does it Mean to Assess a Dealership?

- **Assessment** (v) evaluate or estimate the nature, value or quality of.
- There are many measures of success in a dealership
- Let's name a few
- Countless degrees of success



What Does it Mean to Assess a Dealership?

- **"Look Don't Listen"**
- Hubbard Management System Policy Letter
- Proper assessment is based wholly on looking at the current scene as it really is today.



Prosperity Plus

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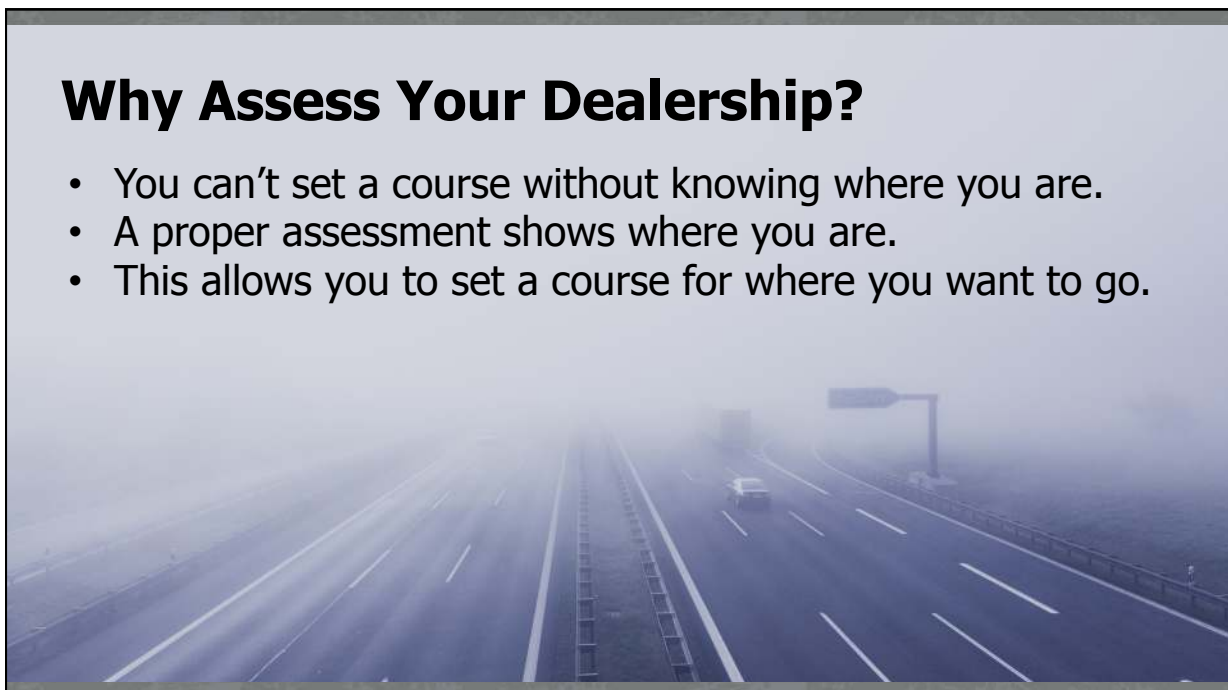
What Does it Mean to Assess a Dealership?

- A true assessment of any business requires a great deal of **confront**
 - **“To look at without flinching or avoiding.”**
Modern Management Technology Defined

A small logo in the bottom right corner of the slide that reads "Prosperity Plus" in green text with a green checkmark icon to its left.

Why Assess Your Dealership?

- You can't set a course without knowing where you are.
- A proper assessment shows where you are.
- This allows you to set a course for where you want to go.

A photograph of a multi-lane highway stretching into the distance, completely obscured by thick fog. A few vehicles are visible in the distance, and a highway sign is visible on the right side of the road.

Areas to Assess & the Tools to Use

Finances

- Income statement
 - Revenue sources, percentages
 - Gross profit margins by category
 - Net income
 - Historical comparison of all of the above



Areas to Assess & the Tools to Use

Finances

- Balance Sheet
 - Asset values, trends: Cash, A/R, Inventory
 - Liability values, trends: A/P, Unearned Revenue, Loans, Notes
 - Equity values, trends: Distributions, Net Income, Overall Equity



Areas to Assess & the Tools to Use

Finances

- Industry Benchmarks
 - These help identify weak & strong areas
- Remember Confront!
 - Absolutely vital when dealing with financials



Areas to Assess & the Tools to Use

Your Staff

- **Productivity**
 - Who is productive. Who is not. Based on empirical data, not speculation or hearsay.
 - Measurable production records?
 - Annual reviews?
- **Skills Assessment**
 - Methods for assessing skill sets of each staff member
 - Create a tracking grid of skills (sample)



Areas to Assess & the Tools to Use

Your Staff

- **Training**

- Who is trained on what
- Create a training grid with/for them
- Create, track certification processes with/for them
- Assess all staff, not just service & sales



Areas to Assess & the Tools to Use

Your Customers

- **Profitability**

- Important to assess profitability of ALL customers regularly
- Companywide, long-term profitability is achieved one account at a time
- Assess sales profit, service profit, emotional profit
- Don't forget MPS, MNS, software & other programs



Areas to Assess & the Tools to Use

Your Customers

- **Demographics**
 - What customers are you successful with?
 - Vertical markets, geographic markets
- **Customer Considerations, Beliefs**
 - Survey customers about products, service, dealership strengths, weaknesses
 - You can get great feedback from customers
 - Make them comfortable enough to be honest



Areas to Assess & the Tools to Use

Your Competition

- None of us live in a vacuum
- Who do you lose business to?
 - Look closely & find out exactly why you lose
- Who do you beat regularly?
 - Look closely & determine why you win
- Do you have detailed files on competitors?
 - Can't assess your dealership without proper data including competition



Areas to Assess & the Tools to Use

Your Company as a Whole

- Conduct SWOT analysis with your managers
 - Strengths, weaknesses – within
 - Opportunities, threats – outside
 - Write them out
- Have staff write up ideal scene
 - Consider Be-Do-Have
 - What should the business look, act like
 - What should the results be?



Areas to Assess & the Tools to Use

- There are many more areas to look at
- Keep the opening policy in mind
- **Look Don't Listen**
- Assessments are all about confronting



Getting Started

- A good exec sets aside time to work ON the business not just IN the business
- Looking closely at each of the areas listed is working ON the business
- As you assess, set plans in place for improving outpoints you find
- If you identify & correct one issue/week, you'll be on a very fast track



Getting Started

- Looking for help?
- Do our Dealership Analysis Program
- Remote program that looks at your dealership & creates a plan
- Cost just \$1,495.00



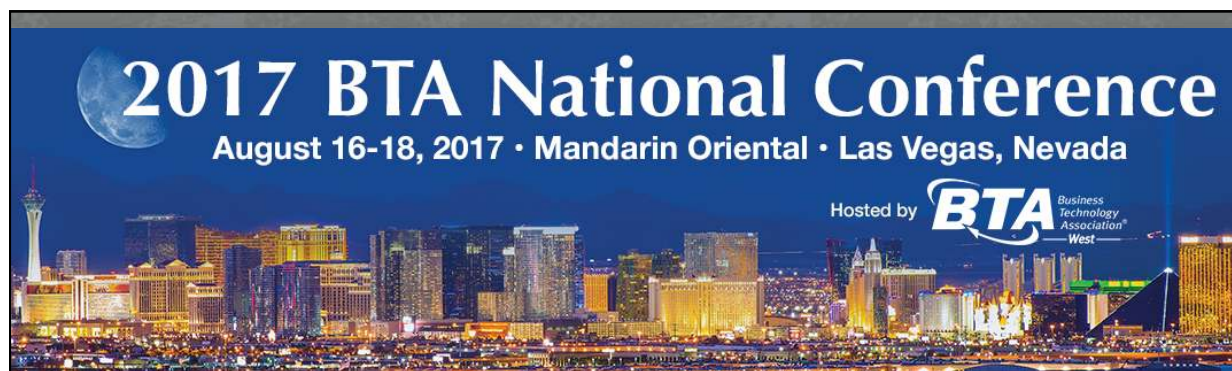
Questions?

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Thank You!

