

**GSA** Gart Sutton &  
Associates, Inc.

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**Help Me, Hurt Me**  
How to Convert All 5 of Your Profit Centers  
into 'Help Me' Moneymakers  
Using Best Practices You Can't Afford to Ignore

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# **LEADERSHIP PLUS**

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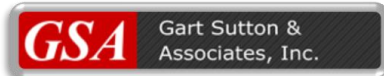
**Friday, September 27**  
**8:30 p.m. to 9:30 p.m. (60 minutes)**

# Help Me, Hurt Me

## How to Convert All 5 of Your Profit Centers into 'Help Me' Moneymakers Using Best Practices You Can't Afford to Ignore



- Who is Gart Sutton?
- How long has Gart Sutton & Associates, Inc. been in business?
- What is the *Best Operators Club*?



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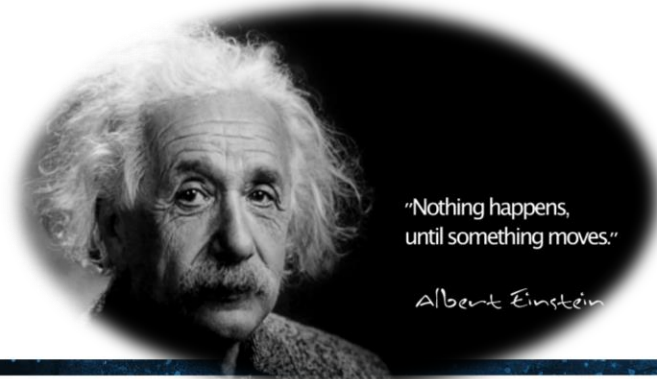


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First, let's  
talk reality



**"NOTHING HAPPENS UNTIL  
SOMEONE SELLS SOMETHING"**  
- HENRY FORD

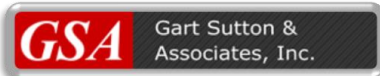


"Nothing happens,  
until something moves."

Albert Einstein



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### THE FOUNDATION

1. **SALES:** The amount of money received for products sold after discounts, trade over-allowances and giveaways.
2. **COST OF SALES:** The cost of buying, shipping and getting products ready-to-sell (i.e., new unit PDI, pre-owned unit reconditioning).
3. **GROSS PROFIT:** Sales minus cost-of-sales



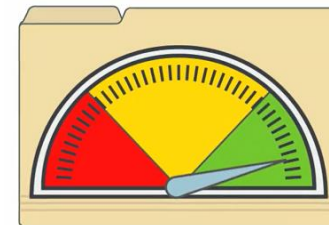
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### OVERALL DEALERSHIP GROSS PROFIT BENCHMARK



*Sales*



*Cost-of Sales*



*25-30% Gross Margin*



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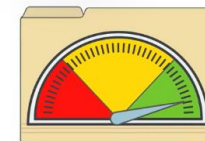
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### NEW UNIT SALES DEPARTMENT: GROSS PROFIT BENCHMARK



*Sales minus Cost-of Sales minus Concessions\* equals New Unit Gross Profit*

\*Price reductions,  
trade over-allowances,  
free accessories &  
free apparel



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NEW

### **PROFIT CENTER #1: NEW SALES DEPARTMENT**

1. Log 100% of customer contacts in the dealership's CRM.
2. Sales Manager sits down with each salesperson individually at the beginning of their day and reviews each contact.
3. Write up every customer offer.
4. No customer leaves the Sales Department without meeting additional person.
5. "Audience non-negotiable"



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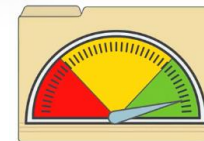
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### PREOWNED MAJOR UNITS: GROSS PROFIT BENCHMARK



*Preowned Sales* minus *Cost-of Sales* minus *Concessions\** equals *Preowned Unit Gross Profit*

\*Price reductions,  
trade over-allowances,  
free accessories &  
free apparel



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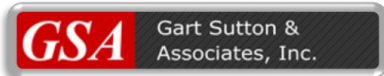
PRE-  
OWNED

### **PROFIT CENTER #2: PREOWNED SALES DEPARTMENT**

1. All appraisals are done on a written appraisal form.
2. Trade-ins with over-allowances must go into inventory at ACV (actual cash value).
3. Four (4) inventory turns per year.
4. Promote trade-ins and “we buy pre-owned” on our website, social media, print ads and Service/Parts department notices.
5. “Audience non-negotiable”



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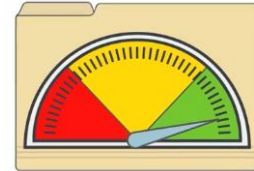
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### PROFIT CENTER #3: FINANCE & INSURANCE DEPARTMENT

### GROSS PROFIT BENCHMARK



*F&I Gross Profit* divided by *Total New/Used Units* equals *F&I Per Vehicle Sold*



\$450 to \$1,000 PVS

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### **PROFIT CENTER #3: FINANCE & INSURANCE DEPT**

1. All customers are introduced to the Business (F&I) Office at the point-of-sale. There are no exceptions.
2. Salespeople refer customer questions about rates, exact payments or insurance programs to the Business (F&I) Manager.
3. Follow the 400% rule: 100% of customers are offered 100% of our F&I products...100% of the time with 100% compliance.
4. Business Manager never accepts a decline/rejection from the preferred lender without qualifications ("What would it take?").
5. "Audience non-negotiable"



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### **PARTS, ACCESSORIES & APPAREL DEPT: GROSS PROFIT BENCHMARK**

*Sales minus Cost-of Sales minus Concessions\* equals Parts Gross Profit*



\*Price reductions,  
clearance, giveaways

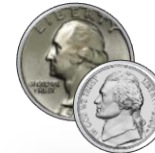


34% to 38%

*Sales minus Cost-of Sales minus Concessions\* equals Accessory Gross Profit*



\*Price reductions,  
clearance, giveaways



30% to 35%



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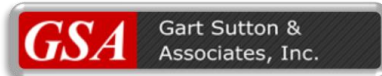
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PARTS,  
ACCESSORY  
& APPAREL

### PROFIT CENTER #4:

#### PARTS, ACCESSORIES & APPAREL DEPARTMENT

1. Daily huddles with staff to ensure daily goals are achieved.
2. All major unit sales include an introduction to the PA&A Dept.
3. Inventory daily.
4. Frequently rotate and clean displayed merchandise.
5. "Audience non-negotiable"



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### SERVICE DEPARTMENT: GROSS PROFIT BENCHMARK

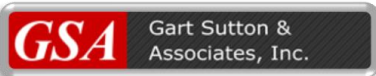
*Labor Sales* minus *Tech Pay* equals *Service Gross Profit*



70%



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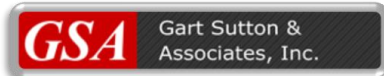
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SERVICE

### **PROFIT CENTER #5: SERVICE DEPARTMENT**

1. All service labor is recorded on a repair order (including internal & warranty jobs).
2. All repair orders are signed by the customer before any work is begun on the unit.
3. All labor on a repair order is documented with a time clock.
4. Service Writers use a Reception Checklist to maximize add-on sales
5. "Audience non-negotiable"



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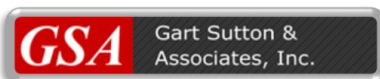
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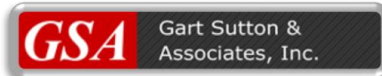
### ACRES OF DIAMONDS



1. A farmer who lived in Africa became excited about looking for diamonds.
2. The idea of millions of dollars worth of diamonds motivated him to **sell his farm** and head out to find his fortune.
3. He wandered all over the continent searching for diamonds which he never found.
4. As the years slipped by, he eventually went completely broke and died.
5. Miraculously, the **new owner** of the farm later discovered he had actually purchased land that turned out to become one of the richest diamond mines in the world.
6. The **original farmer** was literally standing on **"Acres of Diamonds"** which he unfortunately sold to seek his fortune elsewhere.



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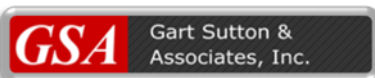


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