

BD ProcessSM Success Stories

7 Great Stories!



1. T & T HONDA CALGARY, ALBERTA

When Traver did the original Dealer Operating Plan (DOP[®]) with Dealer Izzi Manji back in February of 2004, they had averaged 130 new Hondas and 55 used vehicles over the previous six-month selling period. We outlined for Mr. Manji and his team all of the elements of a Business Development Culture that needed improvement to get the sales staff focused on activities that would bring more customers into the dealership, rather than waiting for them to show up.

At that point, the T & T Honda facility was very small with room for only about four Hondas on the showroom floor. We set up a small Business Development Center (BDC[®]) in the upstairs meeting room with four desks and some telephones and began training their sales staff and managers.

Their commitment to the business development culture has been outstanding and it has been a top down focus both from Mr. Manji and from Dean Sampson, his great General Sales Manager. They focused daily on handling incoming phone inquiries in a professional and consistent manner, working to get a firm appointment as the

result. Managers and salespeople together develop strategies to get customers that left without buying back into the store using the phone skills and dialogs that we taught them. This year began our process to contact previous buyers to prospect for more sales leads within their households and professionally ask for referral business.

The result was that they began to increase traffic at the front door, and consequently, their sales number. Last year, they moved into a beautiful new facility on one of the major arteries in Calgary. At the grand opening of the new facility, Mr. Sampson gave a speech to the President of Honda and all Factory personnel, stating that they would finish the year as the Number One dealership in Canada in sales. In January,

they were recognized as the sales leader for Honda of Canada.

Dean Sampson and Mr. Manji made the goal in August 2006 to finish the month with over 305 new Honda deliveries to break an all time record for a dealership in Canada that was set back in 1998. Along with their used vehicle sales this will put them over the 400 mark in total sales. This is a long way from the 185 average that they started with in 2004.

T & T set a new sales record in August at 315 new Hondas. With this goal behind them, they won't stop there. Mr. Manji and his staff are dedicated to excellence and have a plan to create success, not to wait for it to happen.



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Driving Front-End Solutions

An **ADP** Company

2550 Gray Falls Drive, Suite 400 • Houston, TX 77077-6675

Phone: 281-752-6262 • Fax: 281-556-5400 • 800-929-8478

www.travertech.com

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2. CHERRY HILL NISSAN CHERRY HILL, NJ

Cherry Hill Nissan started with Traver in April 2006. To date, their showroom, phone call, and Internet lead traffic is down 20%. Many dealerships today facing the same challenges are buying into the “doom and gloom” mentality, justifying their slowed sales. Cherry Hill Nissan, however, is growing.

How can a dealership with decreased traffic counts grow? Easy—when you focus on the opportunities you do have. They made the decision to focus on their unsold follow-up efforts and have achieved remarkable growth and consistency considering the market conditions. In July 2006, they scheduled appointments with 40% (30% is the benchmark performance) of their contacted unsold traffic and over 60% is showing and more than half are taking delivery.

This is solid evidence that less traffic does not equal fewer deliveries; moreover, it is evidence that a dealership can grow and overcome challenges outside of their immediate control. Way to go Cherry Hill Nissan!

3. PINE BELT CHEVROLET FREEHOLD, NJ

Our hat is off to Pine Belt Chevrolet for the amazing effort and growth in their Plus Business. Every dealership today has two types of business: asset and plus. Asset Business is everything tied to your advertising expenses. This includes, traditional advertising, SEM, special events, etc. Plus Business comes at a cost of 1/8 of Asset Business, because it is not tied to your advertising expense.

Many dealerships today make a big mistake when calculating their repeat and referral business. The mistake is that they measure backwards and identify sales for that month that previously did business at their dealership. This is not an accurate reflection of your Plus Business. To accurately measure your ability to drive Plus Business, count how many appointments you had today as a result of proactively following up with previous sales and service customers.

Be prepared by knowing their history with you prior to their arrival and recognize them for the value they truly represent to your

organization. If you are not proactively driving this area of your business, you will not experience the kind of growth and success that Pine Belt is achieving.

In January 2006, prior to focusing on their Plus Business, they had set 65 Plus Business appointments, 45 showed, and only 25 made a purchase. After focusing in this area for the past few months, in July 2006 they set 175 Plus Business appointments, 125 showed, and 90 made a purchase.

Well done Pine Belt. Thanks for the incredible efforts and congratulations on the terrific results.

4. SINCLAIR AUTOMOTIVE ST. LOUIS, MO

In a brutal market in St. Louis for July of 2006, Sinclair's market share for retail trucks was 25.9%, for retail cars 21.7%. They will readily admit that if not for ADP/Traver Technologies they would not have been this high. They hovered around 20% market share for years but Traver Technologies helped them sharpen their process which is what pushed them closer to their goal of 30%.



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5. MENLOVE TOYOTA DODGE BOUNTIFUL, UT

This dealership is NOT located in the metro Salt Lake City area. Bountiful is about 15 miles north of Salt Lake City. This dealership is not located on or visible from a major interstate highway. This dealership has, however, been in business for many years and is owned and operated by Wes Johnson, whose father was the dealer before him. Wes is concerned with carrying forward a family tradition of serving the community with quality products and service and ensuring that customers in his dealership are treated in a professional manner.

When Traver Technologies began working with this dealership three and one half years ago, they were selling about 275 to 300 vehicles each month. They have always been an aggressive competitor in their marketplace. They saw the business development strategy that we brought to their dealership as a real competitive advantage. Wes Johnson has expressed to me that he also saw it as a way to ensure that customers were handled better when they called the dealership and when they were in the showroom, by removing the traditional “What will it take?” jargon. One year into the program, the sales staff at Menlove won the Traver fall contest over nine weeks for their expertise in taking incoming sales calls as measured by our shop call process.

In the time that we have been involved with this dealership, they have moved from a culture of waiting for a customer to show up, to one of spending a good part of their day and much of their focus on using the phones to generate appointments. His appointment-based culture has provided them with a planned business model, not the “hopeful” model that most dealerships still embrace.

The results have been outstanding. This year the dealership made a decision to cut back on their advertising expense. At the same time, they have had several months over 500 units

in sales. In July 2006, they sold 489 units, a little short of their goal, but put a little over one million dollars in selling gross on the bottom line. Each new success has bred another for this dealership and Chris Russell, the General Sales Manager, continues to look forward to the next goal with the confidence that there are still some things that could work better and take them to the next level.

The real beauty of this story is that the original General Manager we began with left the store two years ago to become a multiple store operator. In many stores, when a successful GM leaves, things could change and the store could not perform as well. This was not the case at Menlove. The business development culture was so strong in this dealership, that the new GM that took over knew exactly what was working for them and made only small changes in their process to improve their results.

Salespeople in this store are managed by Team Leaders who have the responsibility to hire, train, and grow the people on their team. Chris Russell, the General Sales Manager, and his two Desk Managers work the deals in the Action Center at the front of the dealership. They sit in front of a long list of appointments for that day that have been set by the salespeople. This list is updated several times daily by the dealership Business Development Manager (BDM[®]) from activity taking place in the Business Development Center by the Sales Consultants as they invest their time with their Team Leaders working. During the day, each Team Leader will spend 90 minutes or more with his team in the center following up with customers and prospects and taking sales calls. The rest of the day, Team Leaders are on the sales floor with their teams with the focus of connecting early with customers, and helping salespeople close sales.

Chris Russell knows exactly how many guests he needs to have in the showroom to succeed each day. He explained that he needed 23

closes that day to stay on target and that meant 83 logged guests in the dealership. Most of those will be there by appointment and Chris closely monitors his appointment count during the day. “You can't do these kinds of numbers just by waiting to see if someone shows up.” Chris often tells his people. Chris and his managers work their plan every day with that 500+ sales goal for the month in their sights.

In order to be this good at what you do, you need to track everything! Chris and his management team meet every Friday morning at 7:00 a.m. to go over the numbers for the store. They talk about each individual Salesperson starting with how many prospects they have logged. If a Salesperson is lagging behind, his Team Leader is held accountable for getting him/her on track by the following week. They talk about how many demos, how many were written up, and how many closed, by salesperson. How many phone calls did the Salesperson take, how many appointments were set, were they confirmed by a manager, and did they show up—are all part of the salesperson-by-salesperson discussions. This meeting is about opportunities to do business, not sales and gross, because they understand sales and gross are only the result of getting in front of enough opportunities. They know that to grow your business, you have to focus on opportunities.

At Menlove, corrective action is handled one on one with the Salesperson or Team Leader involved. Negatives are NEVER a subject for a sales meeting. As a result, their Friday morning sales meetings are one of the most exciting events you could attend. They are guaranteed to “Pump you up.”

“Who knows where we can go with this?” says Chris, “I can remember not long ago when we were trying to get to 400.”

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6. SHEPPARD MOTORS EUGENE, OR

Business Development is a culture that takes a while to create and Sheppard Motors in Eugene, Oregon is living testimony to that. Sheppard just renewed their contract with Traver in March of this year and through continued focus by management on the Business Development Center, and the activities surrounding it, they have been consistent in generating 60 percent of their monthly business from the BDC.

GM Phil Spears and GSM Bary Foster are well aware that nothing comes easy and that BDC success requires a consistent focus. They achieve that by making it the first order of business at their daily managers meetings where they discuss today's appointments as well as yesterday's successes and the opportunities that remain.

This Jeep, Volvo, and VW franchised outlet has fared well through the normal challenges that many dealerships face, like turnover. They know the importance of laying out the basic groundwork for new employees so they fully understand the importance of the BDC in their day-to-day activities. They are exposed to the Traver basics right along with the sales process. Each salesperson is required to spend 90 minutes in the BDC everyday they are scheduled and attend it with their respective team leader and salespeople from their department.

They are focused on making nine quality customer contacts during their shift knowing that if they work their business plan they will be successful. They won't be relying on walk-in traffic because they have at least one appointment scheduled for themselves. The bottom line is that everyone understands that the BDC is a valuable tool and sees the BD culture as a productive part of their day.

7. NORTHPOINT FORD LINCOLN MERCURY BASTROP, LA

When John A. Hall and his team at Northpoint Ford Lincoln Mercury began the BD Process in June of 2005, they were averaging 48 units per month (28 New and 20 Used). Initially, our goal at Traver is always to increase a dealer's productivity by 25% in the first year and 10% thereafter.

It was John's foresight and his commitment to what he knew he could make work within his walls that makes this success story even more impressive. John set his initial goal for the dealership to go from 48 to 70 per month, an increase of 22 units or 45%. It was obvious John knew something about his team. An objective to increase productivity by this margin in the first year is fairly aggressive by any measure.

The truly amazing thing about John Hall and his team is that not only did they do what they had set out to do, but they hit 145% of their unit objective and 157% of their gross objective through the first nine months of the year. That is an increase of 81% in their first year. That's right—the increase that was so aggressive was achieved in only nine months rather than 12. With gross profit and unit counts at record levels, John would tell you himself, there is still tons of room for improvement.

As to those not so obvious or sometimes less reviewed measures of success, Northpoint Ford Lincoln Mercury now has less than 20% turnover in 2006. This is a testament to the investment John places in his team.

I know that there are many handshakes to go around for the contributions for his success. We are proud to be partnered with John in the commitment and dedication to the fundamentals of business development. My hat's off to the team at Northpoint Ford Lincoln Mercury and their dedication and for never resting on their own success, however you measure it.



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