

Transformed a stand-alone import dealership by identifying new profit opportunities and customizing product mix

Explore how PRO Consulting Team leveraged its expertise to help a dealership grow F&I profits by 9% per car and over 90% increase in service retention.

Overview:

A stand-alone import dealership needed a better strategy to increase F&I profit, retain customers and make a second sale. To accomplish this, the PRO consulting team conducted a thorough product assessment and fashioned a unique profit opportunity in the form of a customized pre-paid maintenance program. It increased the F&I revenue and service retention drastically and doubled the prospects of selling more cars.

The Challenge:

The challenge was twofold.

- First, the dealership struggled to identify opportunities to make a profit in the F&I department that impacted the dealership's overall profitability.
- Second, they needed a strategy to retain customers and make a second sale.

A typical approach of selling products for high price was not well received by the customers. Therefore, to grow profit, the dealership needed to focus on selling customized products that served the customers' needs.

The Solution:

We leveraged our industry experience to quickly identify that the dealership required a customer-centric approach and offer products that customers needed.

We customized a pre-paid maintenance program that would provide discounted maintenance coverage to the customers. We also added glass and key coverage as a benefits package for the customers to further enhance their overall ownership experience. The process involved a series of training sessions for the dealership staff to sell the products that would add value to both the customers and the sales personnel.

The Result:

- The customized maintenance program and the PRO team's expertise helped the dealership create a profit center in the finance department and grow profits by 9% per vehicle retailed. It substantially contributed to the overall revenue of the dealership.
- The sales department experienced a significant increase in the service retention of over 90%.
- Additionally, the pre-paid plan tied the customers to the dealership that opened the door to more revenue opportunities and doubled the possibility of making a second sale.

Additional Benefits:

The customized maintenance program strategy was highly successful as nine out of ten customers returned to the dealership multiple times to use the maintenance plan. Furthermore, it provided more opportunities to engage with the customers, generate more referrals, and considerably reduced the cost of acquiring new customers.

9% increase
in F&I Profit PVR

90% increase in
Service Retention

200% increase in
Prospects of Making a Second Sale