




## Profitable Ideas for Automobile Dealers

### Six Ways to Maximize the Market Value of Your Pre-Owned Inventory



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Dealerships that underestimate their pre-owned inventory often miss out on an opportunity with tremendous potential. US personal consumption expenditures on used cars are forecasted to grow at an annual compounded rate of 4 percent between 2017 and 2021. Whether loved or hated, used cars can generate profit and have an impact on every department. Dealerships hoping to maximize the market value of their pre-owned inventory should concentrate on implementing or improving the following six processes.

#### 1. Efficient transition from trade line to front line.

The amount of time it takes to get a vehicle from the trade line to the front line is vital considering the used-car market is constantly declining. The sooner you get the vehicle to the front line the higher market value you will receive. A slow transition from trade line to front line could cost you hundreds or even thousands of dollars per unit. All the departments should be motivated and work together to get the vehicles on the lot quickly. Any departments who are holding up the process must be held accountable.

#### 2. Implement training programs.

Your sales and service team need proper training to effectively sell used vehicles, especially as technology advances make cars and trucks more complex. Since used cars are unique, your sales team must have a grasp on your inventory and knowledge in selling used inventory. Implementing training programs will set your salespeople up for success that will trickle through the entire dealership. To motivate staff, consider offering incentives to complete training programs.

#### 3. Appoint a dedicated manager.

A used-car manager must know their inventory inside and out. Without hesitation, they should know details about each unit such as where its parked, its color, whether it will start and have gas. A desk-manager will not suffice. Always prepared, a used-car manager is in the cars constantly rather than behind a desk.

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**4. Leverage the web.**

When shopping for a used-car, it is becoming increasingly common for shoppers to use the internet to do research and even purchase cars. It is essential that your online used-car inventory is stocked with high-quality photos and accurate descriptions.



**5. Use your best judgement.**

There are many tools available to dealerships for used-cars. While these tools can be used to your advantage, they can also be counterproductive. Use your best judgement to price and market the vehicle accordingly.

**6. Correct mistakes fast.**

There will inevitably be bumps in the road. When you make a mistake, correct it fast. The more time that goes by, the harder it will be to sell the unit. Today, dealerships are under pressure by increased competition, transparent pricing models and rising operational costs to sell more cars in less time in order to maintain profitability.

The professionals in our office can help you maximize the market value of your pre-owned inventory. Call us today.



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