

# Manheim Facilitation Focus Points

**Cosmopolitan Hotel - March 27<sup>th</sup>, 2014**

## **SESSION PURPOSE**

To innovatively and creatively drive new avenues of expansion to remain the industry leader in car sales.

## **DEFINING A 24/7 SALES ENVIRONMENT**

7-day-a-week sales and DRIVING transactions every day with every opportunity.

## **ROADMAP FOR THE DAY**

1. Future vision – what does this look like when you have succeeded
2. Customer Avatars – who do you serve, how do you serve them
3. Generating Strategies
4. Prioritize tasks
5. Brainstorming specific strategies to support key ideas
6. Create an Action Plan – 30 days, 60 days, 90 days
7. Check-In Call 45 days post session
8. Review & Close

## **SESSION OBJECTIVES**

1. Create a prioritized list of ideas and strategies to sell more cars
2. Create a working action plan to drive overall team performance
3. Discover new positive perspectives for approaching future issues
4. Better understand ourselves as a team:
  - a. Strengths
  - b. Challenges
  - c. How we can continue achieving excellence

## **A-HA MOMENTS DURING THIS SESSION**

- Execute and make manageable
- Package content differently
- One piece at a time, get the singles and doubles versus homeruns
- Postcard all units for postcard sale
- Determine best locations to sell cars
- Sharing buyer information across the market
- Pennies

- 80% of something is better than nothing
- Leadership allows us to take risk
- Its not what we can do, its what we will do
- Identify customer pain points
- Identify the customer goals and objectives
- Become more engaged
- Define goals
- Take chances, inaction is worse.
- Remember that the auction is the 3<sup>rd</sup> or 4<sup>th</sup> priority for the customer not their 1<sup>st</sup>.
- Sympathize with external customer even though you might not be able to solve problems!

## **PARTICIPANT DETERMINED OBJECTIVES**

### *Internal People*

1. Employee engagement ideas
2. Talent recruiting

### *Strategies*

1. Site auctions
2. Float sales
3. Conversion
4. Back lot sales
5. Last chance sales
6. Change sale days (7-day-a-week sales)

### *Inventory*

1. Purchasing inventory
2. Carpool right now
3. Group of units ready for sale (detail titles set for 24/7)

### *Brand Identity*

1. Identify goals and path
2. Customer engagement ideas
3. Cross promotion at all locations
4. Identify strengths of each location
5. Leverage captive audience

### *Administration*

1. Real time information for both employees and customers
2. Create technology application to support a 24/7 sales environment

### *Market Intelligence*

1. Utilize Auto Trader data
2. Auto count (monthly report)



### **ACTIONS & BENEFITS FOR ME**

- Improved mood
- New initiative
- Team player/coaching

### **ACTIONS & BENEFITS FOR ORGANIZATION**

- Sell pictures to buyer
- Super sellers

- ATG ties to customer
- Increase in customer trust
- True partnerships, no limitations, ease of business
- Available inventory to meet need and drive revenue
- Customers trust us
- Locations teams to better serve the customer
- Marketing brand (communication is improved)

### **ACTIONS & BENEFITS FOR CUSTOMER**

- Back to the basics
- Auction experience
- Buying consumer inventory
- Featured seller events
- Dedicated team
- Dealer services
- Auctioneers
- Contour for Manheim
- Flavor of the Month
- CR for every car
- Customers want/need list
- Improved customer experience
- “Hot Spot” – What do I still needs?
- Clear concise information on website
- Understanding customers and business
- Split shifts not just 8-5 (Customer needs after 5PM)

### **IDEAL CUSTOMER AVATARS GROUP DISCUSSIONS**

- *Defining the Customer*
  - Age
  - Male or Female
  - Pain points that you can help them solve
  - How long have they been their environments?
  - Demographic of household (i.e. married, children, single)
  - What’s HARD about their environment in regards with dealing with you?
- *Dealers*
  - Independent

- Buy here/Pay here
  - Franchise
  - Re-Marketers
  - Mega Franchise
  - Wholesaler
  - Online
  - Specialty
  - Salvage
  - Mexico
  - Professional buyers
  - High Line
  - Export
  - Second Generation
- *Customers*
    - Retail
    - Banks
    - Rental companies
    - Manufacturers
    - Title loans
    - Government
    - Insurance companies
    - Redemption

## **FRANCHISE DEALER AVATAR – GROUP DISCUSSION**

- Franchise Dealers
  - Male, 40's, divorced, some college
  - Family and community involvement
  - Loyal attributions
  - Obstacles
    - Access to inventory
    - Time/Value
    - Fragmented decision maker
    - Decentralized
    - Understanding current auction products/services
  - Pain Points
    - How to improve retail
    - Free up time

- Money in trade
- Inventory reduction after sale report

### **IINDEPENDENT DEALER AVATAR – GROUP DISCUSSION**

- Male with a family
- Smaller margins
  - Obstacles
    - Franchise cuts into profit and supply
    - Emotionally invested in inventory
    - Policy & Process (float time)
    - Small Fish in a Big Pond
    - Technology hurts their source
    - Full fees
    - Tire kickers
    - Accurate information
  - Pain Points
    - Loveless marriage
    - Information free flow
    - Arbitration

### **INSURANCE COMPANY DEALER AVATAR – GROUP DISCUSSION**

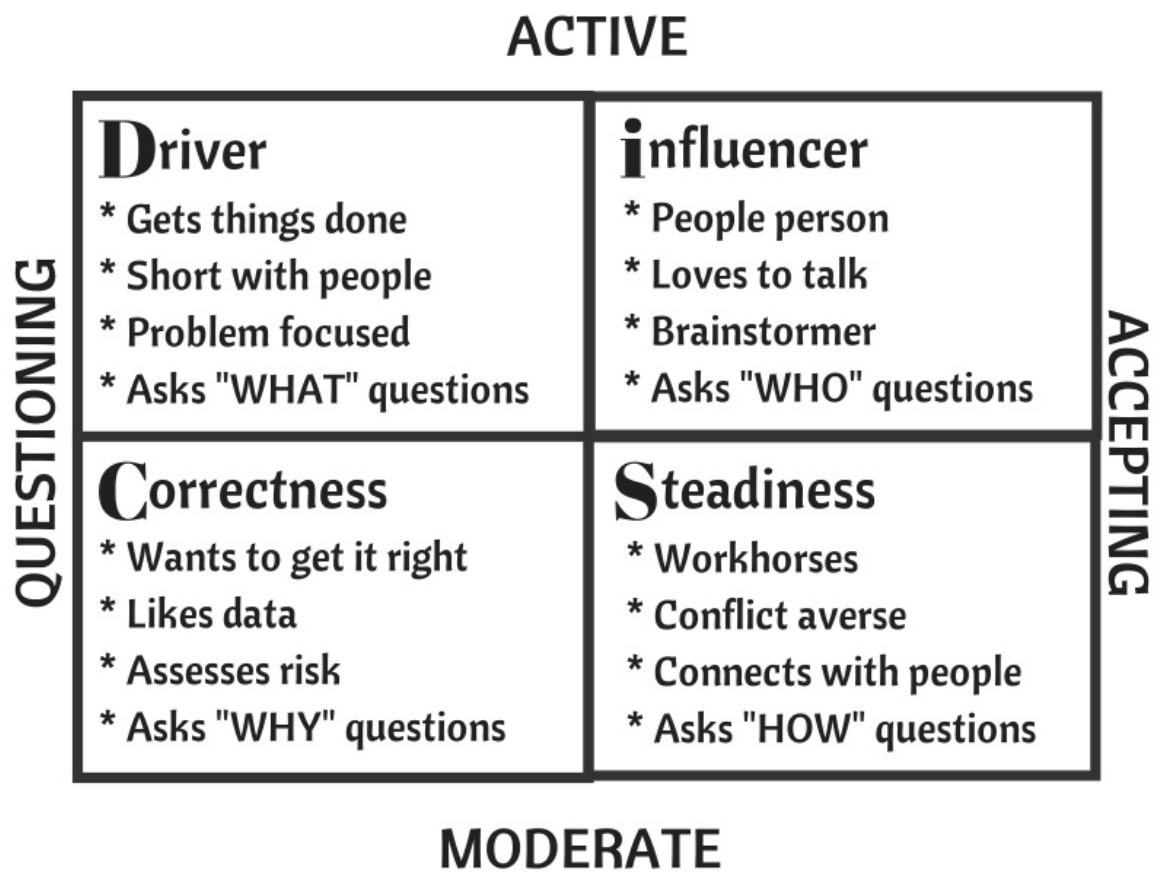
- Insurance Company
  - Male, 40-50's, with a family
  - 10-15 years experience
    - Obstacles
      - Storage/Secure Assets
      - Deadlines
      - Returns
      - Personal property
      - Title process
      - Customer complaints

### **BANKS DEALER AVATAR – GROUP DISCUSSION**

- Well educated
- Male/female split
- Not car folks
- Tenured with compensation packages
  - Obstacles

- We don't deal with decision makers
- Cars are a commodity
- Compliance/Legal issues
- Layers/Red tape
- Economic factors
- Size of institution
- Improvements
  - Ease of use
  - We are the END LOSS

**DISC TOOL FOR CUSTOMERS & EMPLOYEES**



**BUILDING BLOCKS DISCUSSION - PRIORITIZED BY POINTS GIVEN**

1. CR all cars (13 points)
2. Enhance Vehicle Images - EVI (12 group points)
3. Dealer match registration process (9 group points)
4. Data and experience: use, share, make relevant (8 group points)

5. Super seller (4 group points)
6. Lane by price not seller (4 group points)
7. Right price – auto grade on simulcast (3 group points)
8. Double blocks (2 group points)

#### **OTHER BUILDING BLOCKS THAT RECEIVED 0-2 GROUP POINTS**

- Featured seller events
- No sale – OVE
- Back to Basics: building blocks of Manheim foundation
- Training for both employees/customers
- Brick and mortar vs. digital
- Digital block
- Manheim site
- Data
- Pre-registration
- Auction experience

#### **NEW IDEAS DISCUSSION – PRIORITIZED BY POINTS GIVEN**

1. Identify “Hot Spot,” what does the customer need that they did not find today? Customer want/need list. (12 group points)
2. Float Sale & LHM Sale (8 group points)
3. Lanes by price not seller (6 group points)
4. No sale listing – Market no sales – Monitor (6 group points)
5. High Resolution Images, exporting for retail (4 group points)
6. Barcode on CR (3 group points)
7. Barcode kiosk in lane (3 group points)
8. Market frontline better – book sheet? (3 group points)
9. Split shifts not just 8-5pm (2 group points)
10. 24/7 broker mentality, dealer services and auctioneers (1 point)

#### **OTHER NEW IDEAS THAT RECEIVED 0-2 GROUP POINTS**

- Recon Application
- Detail every car
- Surge pricing
- Move sale days – market

#### **GROUP DISCUSSION ON LANES BY PRICE**

- Lanes by price bucket



- Unit prices at the 6 month average
  - Percentage of MMR
- Outsource auction for customer
- Have the right car in the right lane the right time
- Benefits include: reduced time at the auction, reduce missed opportunities, and targeted

### **GROUP DISCUSSION ON CR ALL CARS**

- Create scripts for sales people
- Have expectations and deadlines
- Provide pictures only
- Certified, super sellers
- Introduction offer

### **GROUP DISCUSSION ON CUSTOMER NEED “HOT LIST”**

- Market exposure by strategically creating a market plan
- Shared data drives
  - Available inventory
  - Needed inventory
- Location “War Board”
  - List make/model needed
  - Customer information not shared
  - We broker the deal
- Dealer services own process
- Get an automated process

### **GROUP DISCUSSION ON LAST CHANCE SALES**

- Every no sale car with CR will be post carded into the next closest sale on Wednesday
  - Post card to every remaining sale in the week
  - Each unit at every auction
- Remaining no sale cars will be in a Friday live post card sale with broadcasting in other location lobbies
- Tailgate on existing lane

### **GROUP DISCUSSION ON BETTER USE OF DATA**

- Utilize Auto Trader
- Utilize Auto Count

- Market/Location/Manheim
- Kiosks need to communicate with customers
- Shared buyer data (automate and implement)
- Building anticipation
- Employee “data” tour to create buy-in and understanding

### **ACTION PLANNING CRITERIA – LAST CHANCE SALE**

- Car on property
- CR complete or image
- Non-TRA
- No “if” bids
- \$200 variance off floor price
- Hand picked by DSM/GM or AGM
- Whoever physically has the car gets the fees & arbitration
- Realistic price based on MMR (105% MMR max)

### **ACTION STEPS – LAST CHANCE SALE**

- PHX Tuesday cars flip to Tucson on Wednesday
- ABQ Wednesday cars flip to ELP Thursday
- SLC Wednesday to PHX on Thursday
- DEN Wednesday to PHX on Thursday
- Any remainders will move to Friday sales
- Early Bird Tucson at 9:30AM and Phoenix at 8:30AM
- Buy & sell fee = \$100
  - National contract apply
  - Simulcast fees apply

### **OUTSTANDING QUESTIONS TO TAKE BACK TO TEAMS**

- What lane (placement & time)?
  - Answer will come from the receiving location
  - Unique computer lane number (Michelle)
- Michelle gets information to GM’s by Monday
- Preliminary look on the week of March 31<sup>st</sup>, 2014
- Stage post card inventory
- “SW Early Bird” = name for rolling
- Friday name ideas:
  - Flat Fee Friday
  - SW Express

## **ACTION PLAN DAY OF IMPLEMENTATION**

- April 11<sup>th</sup>, 2014 – First Friday sale
- April 15<sup>th</sup>-16<sup>th</sup> – First rolling sale - PHX Tuesday cars flip to Tucson on Wednesday
- Implementation with employees = “How can we make this work?”
- Will work the current action plan for a period of eight weeks before reassessing changes that need to be made.