

MANHEIM GROUP FACILITATION FOCUS POINTS

**Paris Hotel
March 4th-5th, 2014**

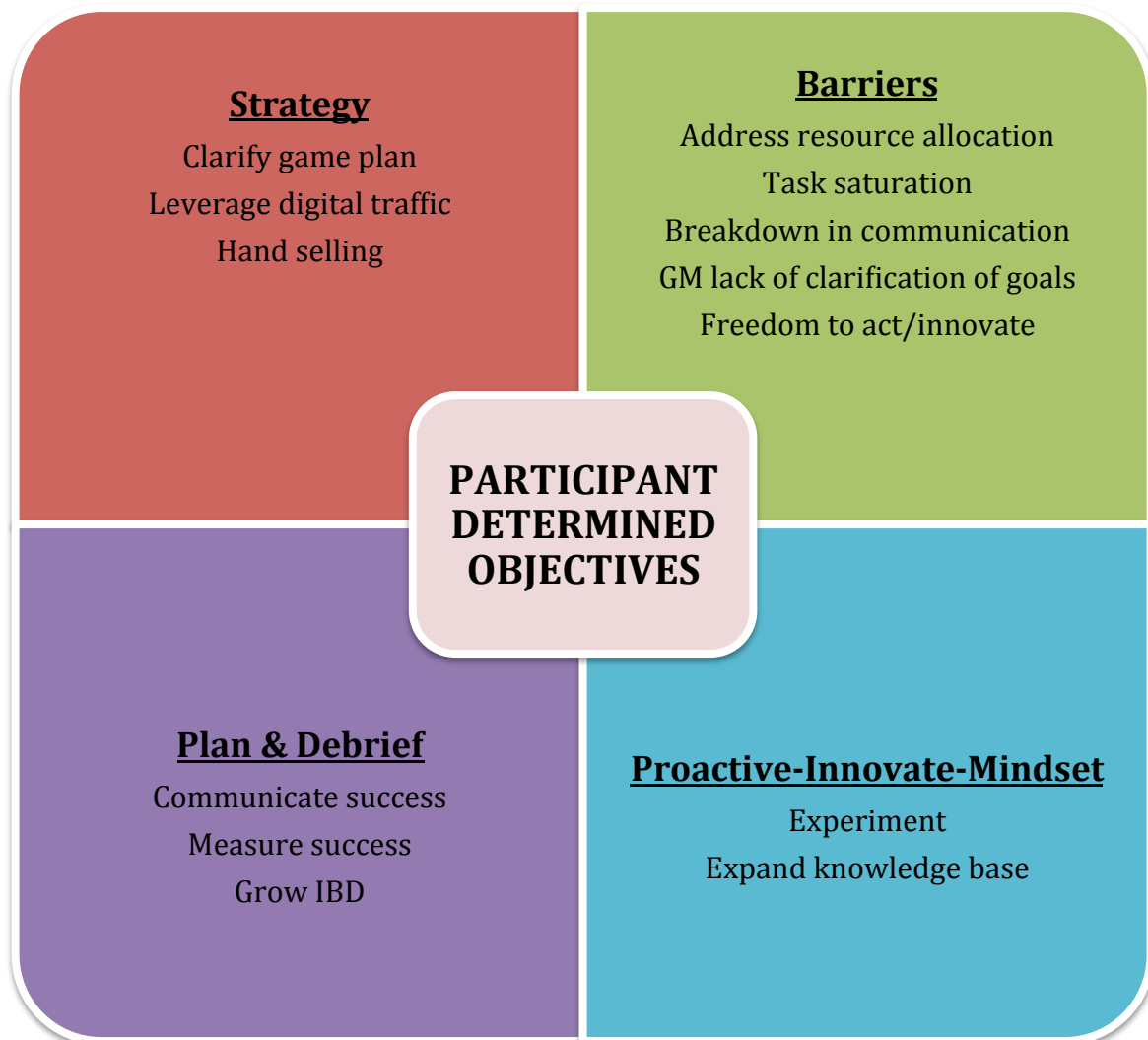
PURPOSE OF SESSION:

- Drive expansion in a 24/7 environment.

GENERAL SESSION OBJECTIVES:

- Define success in a 24/7 sales environment
- Create a prioritized list of potential strategies to sell cars.
- Develop a working plan to implement the top strategies selected.

PARTICIPANT DETERMINED OBJECTIVES:



WHAT IS A 24/7 ENVIRONMENT?

GROUP AGREED UPON DEFINITION:

*7-Day-A-Week sales and **DRIVING** transactions everyday with every opportunity*

WHAT DOES 24/7 ENVIRONMENT SUCCESS LOOK LIKE:

- Sell more cars profitably in all venues (3x more output than competitors)
- Sell cars more efficiently by selling them in all venues at the same time
- Employees and customers see this environment as an opportunity
- Accessibility of dealer network 24/7 driving worldwide exposure.
- Increased customer access to a larger inventory of automobiles.
- Make the process of purchasing a car efficient for both buyers and sellers.

BENEFITS OF A 24/7 ENVIRONMENT FOR:

Me: Increase of productivity, better allocation of resources, less physical barriers and limitations, development of a non-core sales team, leader in a growing business, relevant future, pension, 24/7 staffing and flex hours, advancement of corporation in the future, stronger resume, marketability, improved customer relations, happier place to work.

Customer: Consistency, search by mileage, increased ability to purchase online, inventory efficiency, self-serve component, time efficiency, cost savings, market pricing offered in real time for sellers and buyers, ease of use, inventory transparency, improved mobility and lifestyle, 24/7 guest service, advanced liquidity, access to more inventory, no time constraints, simplicity in the process.

Manheim: Increased efficiency, competitive growth and acquisition, efficient resource allocation, increased revenue stream, offer traditional and technological services, increased sales, inventory availability increased, become industry leader,

IDENTIFYING YOUR CUSTOMER BASE

GENERAL CHARACTERISTICS TO CONSIDER WHEN IDENTIFYING YOUR TARGET BASE OF CUSTOMERS:

- M/F, Age
- Education
- Employment
- Marital Status/Children
- Hobbies/Interest
- Last vehicle (type & mode of purchase)
- Common preferences
 - ✓ Direct/Indirect
 - ✓ Introvert/Extrovert
 - ✓ Fast or Slow Decision Maker

IDENTIFYING STRENGTHS, RESOURCES, OBSTACLES

WHAT'S WORKING

1. Manheim is the leader for an active and vibrant marketplace as well as industry leadership:
 - Electronic auctioneer for daily digital sales
 - Employ Toyota model and target select sellers for format
 - Build more trade desk resources to hand sell cars
 - Integrate better vehicle valuations to enable listed references to sell
2. Market structure
3. Next Gear
 - How can we leverage Next Gear to drive non-stated sale day transactions (i.e. discounted rates and administration fees)
 - How can we leverage discounts at Cox media/AT
4. Simulcast platform
5. Attractive workforce of current and future employees with good compensation packages.
6. OE group consistencies

UNTAPPED RESOURCES:

1. Dealer services at auction
2. Merchandising
3. Market trade desk/hand selling
4. Market control influence
5. Marketing
6. Bundle Cox products
7. Upstream solutions fully
8. Integrated (Canada)
9. Seller advance (UK)
10. More ECR's
11. Broaden the market place by expanding inventory to retail via AT.com/KBB
12. Pricing transparency by integrating auto, MMR, etc.
13. Certify vehicles with KBB/AT.com branded product that is marketed
14. Manheim acquires and sources inventory for buyers
15. Amazon preference/merchandising models
16. Flexibility for auction frequency (i.e. weekend selling)
17. Real-time recons with 7 day and 2-shift work weeks to get cars available for sales ASAP.
18. Sale certified cars on Amazon and use our dealer network to fulfill.
19. Meridian leasing

MINIMIZE OBSTACLES:

1. Hand sale cars over the phone/internet
2. Traditional thinking about HC processes
3. No clear community path/communication overload

4. Escalation protocol for ideas
5. Need better vehicle and image information
6. System is not user friendly for customers to view inventory
7. GM's struggle with multiple tasks with fewer resources (task saturation)
8. Lack of quality touch points with customers at locations
9. Too many strategies to manage to be effective as a team.
10. Alignment gaps between functional areas of business and marketing.
11. Process minded not people minded
12. Do not currently have full buy-in from employees to commit to the 24/7 model of thinking
13. Challenges working in a multitude of environments with varying tasks, goals, and resource challenges.
14. Lack of conviction and trust in the 24/7 process
15. Lack of resources
16. System inefficiencies
17. Lack of bench strength

ACTION PLANNING

HOW ARE YOU CURRENTING DRIVING SALES:

1. Working the offers
2. Extend days of the week by offering global sales
3. Auctions use specific individuals to hand sell
4. Great marketing manager (i.e. targeted calls, campaigns, and advertising)
5. Market collaboration
6. Hold event sales
7. Utilize OVE listing tool (commercial)
8. Driving ECR with dealers
9. Selling four days per week
10. Friday post party sale market wide, segments by geography, and a focus on the dealer side.
11. Toyota weekend sale
12. E-flyers for online sales

MOVING TO ACTION

1. Target
2. By When
3. What was my success
4. What pitfalls can I share so others may avoid them
5. Needed help or resources
6. Potential barriers

ACTION IDEAS

REVISIT IF-BIDS

1. Assign personnel to work "IF-BIDS"
2. Open "IF-BIDS" day after sale

24/7 HAND SELL CARS

1. Market based team selling
2. Sell from any location
3. Commission based
4. Hire the right person
5. Build buyer base
6. Work post-sale (i.e. ifs, day of, day after)
7. Flip cars and auction to take profit
8. 7-days a week hand selling

WEEKEND EVENT SALES

1. Live auction on Saturday at CADE
2. Reallocate staff department by department to include Saturday sales
3. Create a marketing plan for improved customer outreach
4. Secure auctioneers

POSTCARD SALES

1. Postcard sent earlier in the week and into the next day (i.e. sales, dealer, community).
2. Event postcard sales

COMMERCIAL WEEKEND SALE EVENTS – TOYOTA

1. Target volume from Nissan and Mercedes Benz, priced to sell, target percentage of portfolio
2. Go to preview on Friday morning
3. Sale starts on Friday at 8AM to Monday at 2PM
4. Stagger end time of sale
5. Targeted marketing