

# The Best Ideas from NADA 20 Groups In Times of Covid-19 Stress Part 4



**Tim Gavin**  
*20 Group Dealership Management Consultant*  
NADA  
[tgavin@nada.org](mailto:tgavin@nada.org)



**“This presentation is a compilation of ideas and best practices from our NADA 20 Group dealer members and is not intended as legal or business advice. Each dealer must seek their own legal counsel and make their own independent business decisions. Any reference to any entity, person, organization, activities, product or services, as well as any links to external websites, does not constitute or imply any endorsement, recommendation or approval by NADA. The presentation of this information is not intended to encourage concerted action among competitors or any other action on the part of dealers that would in any manner fix or stabilize the price or any element of the price of any good or service.”**

## What is a 20 Group?

- A “peer group”
- 20-23 dealers who meet 3-4 times a year
  - Same brand
  - Same size
- Geographically and competitively separated



## Why Belong to a 20 Group?

- Peer-to-peer review
- Financial review
  - Benchmarking
  - Guide
  - Potential vs. today
- 19 fellow dealers who want to help!





# Business & Cash Flow

# Business and Cash Flow

## Old Asset Report

Top 10 Asset Review										Dealer: _____				
NEW - Oldest Units					SERVICE - Oldest Open R.O.s					SERVICE - Oldest A/Rs				
Stock #	Model	Days	\$\$\$		RO #	reason	Days	\$\$\$		RO #	reason	Days	\$\$\$	
1	0	0	\$ -		1	0	0	\$ -		1	0	0	\$0.00	
2	0	0	\$ -		2	0	0	\$ -		2	0	0	\$0.00	
3	0	0	\$ -		3	0	0	\$ -		3	0	0	\$0.00	
4	0	0	\$ -		4	0	0	\$ -		4	0	0	\$0.00	
5	0	0	\$ -		5	0	0	\$ -		5	0	0	\$0.00	
6	0	0	\$ -		6	0	0	\$ -		6	0	0	\$0.00	
7	0	0	\$ -		7	0	0	\$ -		7	0	0	\$0.00	
8	0	0	\$ -		8	0	0	\$ -		8	0	0	\$0.00	
9	0	0	\$ -		9	0	0	\$ -		9	0	0	\$0.00	
10	0	0	\$ -		10	0	0	\$ -		10	0	0	\$0.00	
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USED - Oldest Units					SERVICE - Oldest Warranty Claims not paid					PARTS - Oldest SOPs				
Stock #	Model	Days	\$\$\$		RO #	reason	Days	\$\$\$		RO #	reason	Days	\$\$\$	
1	0	0	\$ -		1	0	0	\$ -		1	0	0	\$0.00	
2	0	0	\$ -		2	0	0	\$ -		2	0	0	\$0.00	
3	0	0	\$ -		3	0	0	\$ -		3	0	0	\$0.00	
4	0	0	\$ -		4	0	0	\$ -		4	0	0	\$0.00	
5	0	0	\$ -		5	0	0	\$ -		5	0	0	\$0.00	
6	0	0	\$ -		6	0	0	\$ -		6	0	0	\$0.00	
7	0	0	\$ -		7	0	0	\$ -		7	0	0	\$0.00	
8	0	0	\$ -		8	0	0	\$ -		8	0	0	\$0.00	
9	0	0	\$ -		9	0	0	\$ -		9	0	0	\$0.00	
10	0	0	\$ -		10	0	0	\$ -		10	0	0	\$0.00	
		#DIV/0!	\$ -				0	\$ -				0	\$ -	
F&I - Oldest Contracts in Transit					PARTS - Oldest Parts					PARTS - Oldest A/Rs				
Deal #	reason	Days	\$\$\$		Part #	description	Days	\$\$\$		RO #	reason	Days	\$\$\$	
1	0	0	\$ -		1	0	0	\$ -		1	0	0	\$0.00	
2	0	0	\$ -		2	0	0	\$ -		2	0	0	\$0.00	
3	0	0	\$ -		3	0	0	\$ -		3	0	0	\$0.00	
4	0	0	\$ -		4	0	0	\$ -		4	0	0	\$0.00	
5	0	0	\$ -		5	0	0	\$ -		5	0	0	\$0.00	
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8	0	0	\$ -		8	0	0	\$ -		8	0	0	\$0.00	
9	0	0	\$ -		9	0	0	\$ -		9	0	0	\$0.00	
10	0	0	\$ -		10	0	0	\$ -		10	0	0	\$0.00	
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ACCOUNTING OFFICE - Oldest A/R's					BODY SHOP - Oldest Open R.O.s					BODY SHOP - Oldest A/Rs				
Invoice #	description	Days	\$\$\$		RO #	reason	Days	\$\$\$		RO #	reason	Days	\$\$\$	
1	0	0	\$ -		1	0	0	\$ -		1	0	0	\$ -	
2	0	0	\$ -		2	0	0	\$ -		2	0	0	\$ -	
3	0	0	\$ -		3	0	0	\$ -		3	0	0	\$ -	
4	0	0	\$ -		4	0	0	\$ -		4	0	0	\$ -	
5	0	0	\$ -		5	0	0	\$ -		5	0	0	\$ -	

# Business and Cash Flow

- Strict Budgeting:
  - Advertising

Digital Advertising																								
	Websites	Youtube PreRoll	Facebook	Google Search New	Google Search Used	Other Search	Re-Targeting	Cars.com	Autotrader	CarGurus	Craig's List	Pandora Internet Radio	OEM Leads	SEO	Edmunds	KBB	Car Fax Advertising	True Car	Misc	Misc	Misc	Misc	Total Ad \$ Budget	
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# Business and Cash Flow

- Strict Budgeting:
  - Advertising
  - ROI for digital ad spend



## Digital Traffic Exercise

Using the Digital Composite and your Advertising Grid

A. Page 1, Column 3, Line B	
B. 100% minus Page 1, Column 9, Line B	
C. The results of A times B	
<i>This number represents true visitors to your website each month</i>	
D. The dollars you spend each month on all digital resources (Ad Grid total expense)	\$
E. The results in box D, divided by the results in box C	\$
<i>This number represents the dollars it takes to get someone to your website.</i>	
F. Page 2, Column 3, Line B	
G. The result in box F, times the result in box C	
<i>This is the number of true 3<sup>rd</sup> party visitors each month</i>	
H. The dollars you spend each month on 3 <sup>rd</sup> party lead providers (Ad Grid; Cargurus, Autotrader, KBB, Cars.com, etc.)	\$
I. Divide H by G	\$
<i>This represents the dollars it takes to get a 3<sup>rd</sup> party lead to your site</i>	
J. Page 2, Column 5, Line B	
K. The result in box J, times the result in box C [This is the number of organic search results each month]	
L. The dollars you spend on SEO each month from the Ad Grid	\$
M. L divided by K	\$
<i>This is the dollars per organic visitor</i>	
N. Page 2, Column 6, Line B	
O. The result in box N, times the result in box C, [This is the number of SEM results each month]	
P. The dollars you spend in SEM (Ad words) From your advertising grid	\$
Q. The result in box P, divided by the results in box O	\$
<i>This is the dollars per SEM visitor</i>	







**Protecting.....**

# Protecting Your Employees

- What is your protection plan?
  - NADA Driven Guide
    - Read and sign
  - Pages 1-8
  - Adapt, amend, publish your preparedness plan



# Protecting Your Employees

- What is your protection plan?
  - CDC Guide

## GUIDANCE FOR CLEANING & DISINFECTING

### PUBLIC SPACES, WORKPLACES, BUSINESSES, SCHOOLS, AND HOMES

#### 1 DEVELOP YOUR PLAN

**DETERMINE WHAT NEEDS TO BE CLEANED.**

Areas unoccupied for 7 or more days need only routine cleaning. Maintain existing cleaning practices for outdoor areas.

**DETERMINE HOW AREAS WILL BE DISINFECTED.** Consider the type of surface and how often the surface is touched. Prioritize disinfecting frequently touched surfaces.

**CONSIDER THE RESOURCES AND EQUIPMENT NEEDED.** Keep in mind the availability of cleaning products and personal protective equipment (PPE) appropriate for cleaners and disinfectants.

Follow guidance from state, tribal, local, and territorial authorities.

#### 2 IMPLEMENT

**CLEAN VISIBLY DIRTY SURFACES WITH SOAP AND WATER** prior to disinfection.

**USE THE APPROPRIATE CLEANING OR DISINFECTANT PRODUCT.** Use an EPA-approved disinfectant against COVID-19, and read the label to make sure it meets your needs.

**ALWAYS FOLLOW THE DIRECTIONS ON THE LABEL.** The label will include safety information and application instructions. Keep disinfectants out of the reach of children.

#### 3 MAINTAIN AND

**CONTINUE ROUTINE CLEANING AND DISINFECTING.** Continue or revise your plan. Keep disinfectant and PPE available. Surfaces should be cleaned with soap and water. Routinely disinfect frequently touched surfaces at least daily.

**MAINTAIN SAFE PRACTICES.** Encourage frequent handwashing, using cloth face coverings at home if you are sick.

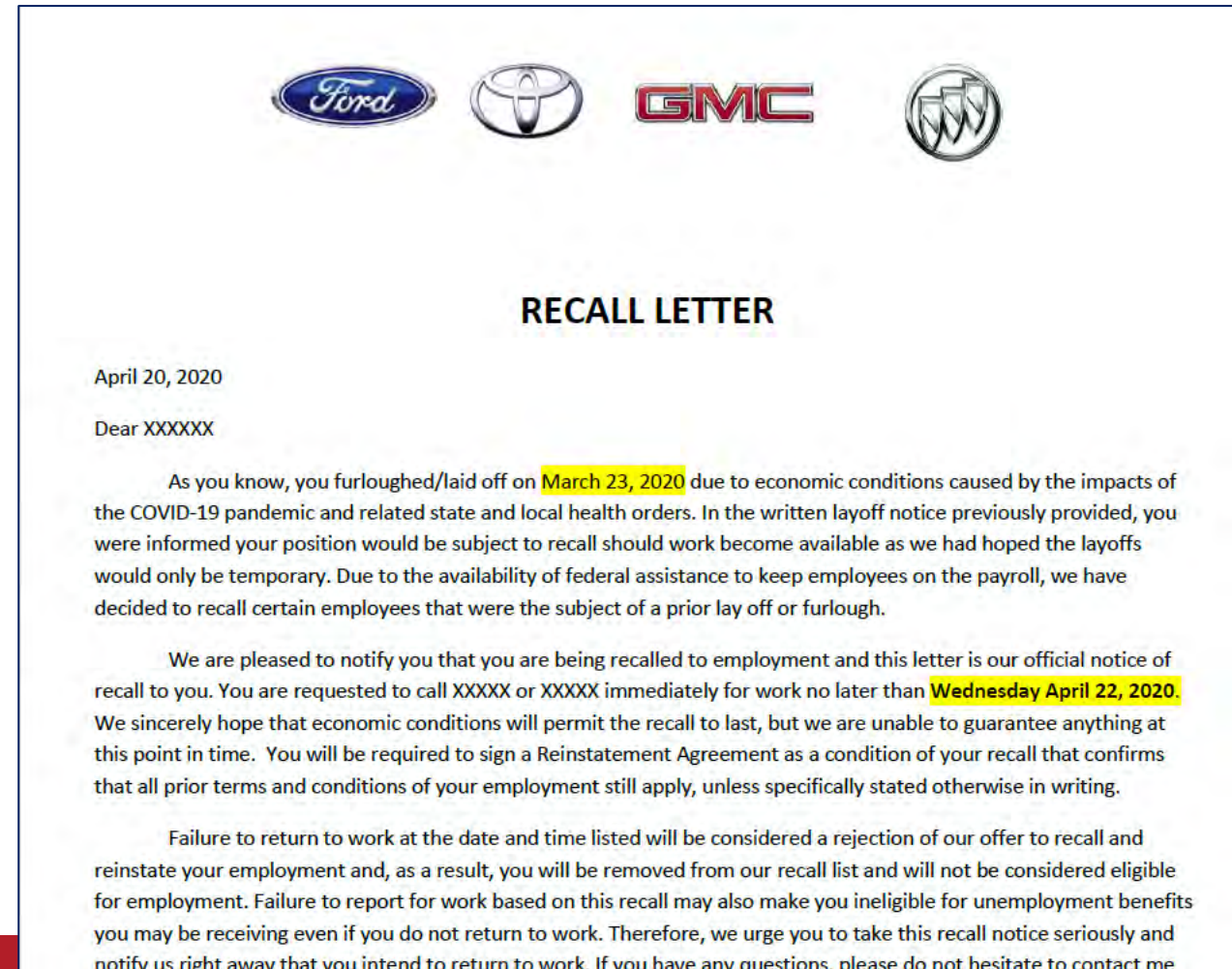
**CONTINUE PRACTICES THAT REDUCE EXPOSURE.** Maintain six feet away from others. Reserve high-traffic spaces and frequently touched surfaces for essential use.

Dealerships should be careful when describing any enhanced cleaning and sanitation measures and making *any* affirmative statements about the risk of coronavirus exposure. This could attract the attention of state and federal regulators enforcing consumer protection statutes, referred to as unfair and deceptive acts and practice (or UDAP) laws. These laws prevent companies from making false or misleading statements about their products or services.

For example, stating the dealership is performing enhanced cleaning and sanitation measures is fine, but suggesting those measures make your establishment or services coronavirus-free or coronavirus-safe, for example, is not. Similarly, stating or implying that consumers have less risk of coronavirus exposure by relying on a dealership's service can leave a dealership open to false advertising claims, as there is no definitive evidence to support that claim. Bottom line: A dealership may outline the safety measures they are taking and be sure to follow through with those measures, but avoid making assurances related to COVID-19 risk and exposure. In recent weeks, both state and federal consumer protection authorities have publicly committed to taking action against any companies making misrepresentations about the coronavirus pandemic.

# Protecting Your Employees

- What is your protection plan?
  - Return to work letter
    - Hourly
    - Salary
    - Bonus



# Protecting Your Employees

- What is your compensation plan?
  - Employee pay plan
    - In writing!

## Salespersons:

New—11.0% of front and back side gross including holdback, dealer incentives, etc.  
less pack of \$400.00.

- 9<sup>th</sup> unit goes to 12.0% retro to first unit
- 17<sup>th</sup> unit goes to 13.0% retro to first unit
- 20<sup>th</sup> unit pays bonus of \$500.00
- 25<sup>th</sup> unit pays bonus of \$500.00

Used—25.0% of front side gross only less pack of \$550.00  
9<sup>th</sup> unit goes to 30.0%

## F&I:

9.0% of back side gross with deduction for any charge backs within last 90 days.

Service contract sales penetration % determines earnings level:

- 20.0% to 29.0% penetration pays \$20.00 per contract sold
- 30.0% to 39.0% penetration pays \$30.00 per contract sold
- 40.0% to 49.0% penetration pays \$40.00 per contract sold, etc.

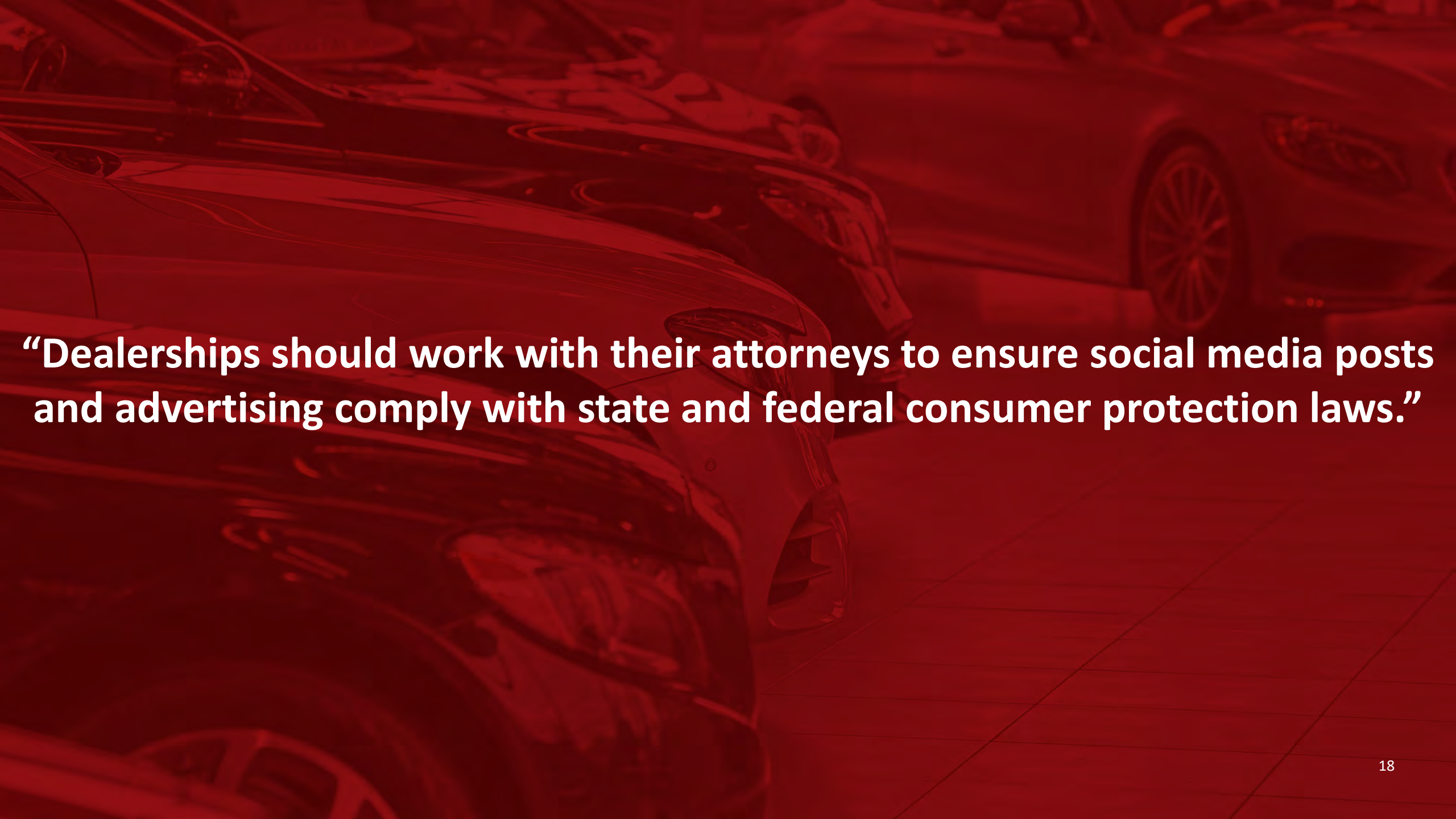
# Protecting Your Employees

- Looking for new talent
  - Many furloughed workers give you a bigger pool of potential employees to draw from
    - Search job specific
    - Search 'Management Trainee'
    - Search 'Ready to Work'





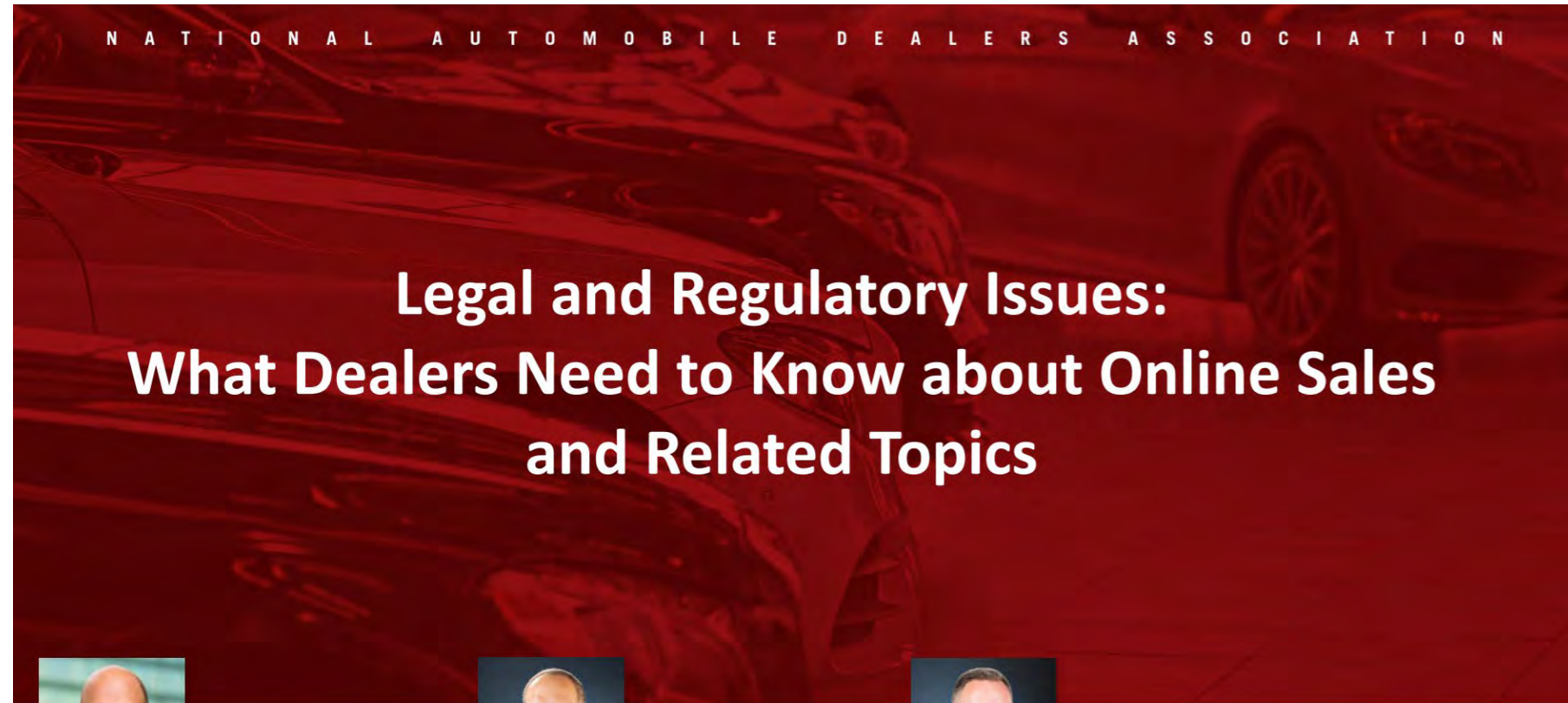
# Marketing



**“Dealerships should work with their attorneys to ensure social media posts and advertising comply with state and federal consumer protection laws.”**

# Marketing

- Remote selling



NATIONAL AUTOMOBILE DEALERS ASSOCIATION

## Legal and Regulatory Issues: What Dealers Need to Know about Online Sales and Related Topics



**Brad Miller**  
*Director, Legal and Regulatory Affairs  
and Senior Counsel, Digital Affairs*  
NADA  
bmiller@nada.org



**Aaron H. Jacoby**  
*Managing Partner, Los Angeles*  
Arent Fox LLP | Attorneys at Law  
Aaron.Jacoby@arentfox.com



**Russell P. McRory**  
*Partner*  
Arent Fox LLP | Attorneys at Law  
Russell.McRory@arentfox.com



# Marketing

- Drive-by Car Show

Are you bored and waiting impatiently for the next Car Show? We've got the next best thing!  
Hope to see you there!!!



**SATURDAY  
MAY 9TH**

**6:30pm - 8:00PM**

**\*We Are Practicing Social Distancing\***

TROPHIES GIVEN FOR THE FOLLOWING...

Best Wheels    Best Sound  
Best Paint    Baddest Truck  
Best of Cruise - Car  
Best of Cruise - Truck  
Best Family Theme



Judging Until 7:15 so  
make sure you have driven  
through both Dealerships

# Marketing

## ‘Tricked Out’ used cars

- Two teams of techs
  - \$3,000 budget
  - 30 days to complete
  - Creativity counts!
- Benefits
  - Terrific energy
  - Fun for all
  - Front line ready used cars



# Marketing

Social media

- Facebook, Facebook, Facebook

# Marketing

## Social media

- It's all about the connection
  - Receipt of local business
    - 10% off service
    - \$250 off vehicle purchase
  - Local business 'Shares' their support

# Marketing

Over-communicate!

- Email blast
  - *“We’re open”*
  - *“We’re being careful about you and your family”*
- Social media
- Google My Business page



# Marketing

## Social media

- Need used car inventory?

### Fill Our Lot!

We are low on used inventory by 70 units right now and would love to buy your vehicle from you. If you have interest in selling to us, now is a great time!



[Schedule Your Appraisal](#) or Call us to Schedule at

# Marketing

Social media

- Need used car inventory?



## Fair Market Value

We offer fair market value to purchase your vehicles outright. An appraisal only takes 15-20 minutes with no obligations or cost to you.

Due to current circumstances, our sales department is only open by appointment. What time works best to take a look at your vehicle? We can't wait to work with you!!

[Schedule Your Appraisal](#) or **Call us to Schedule at**

# Marketing

“Call me!”

*“Hi. This is Tim from Hero Motors. I’m calling just to see how everyone is at home and if we can help in any way?”*

- Sales team or BDC
  - 60 outbound calls a day
  - 30 connections
  - 6 appointments
  - 4 show
  - 3 sales

# Marketing

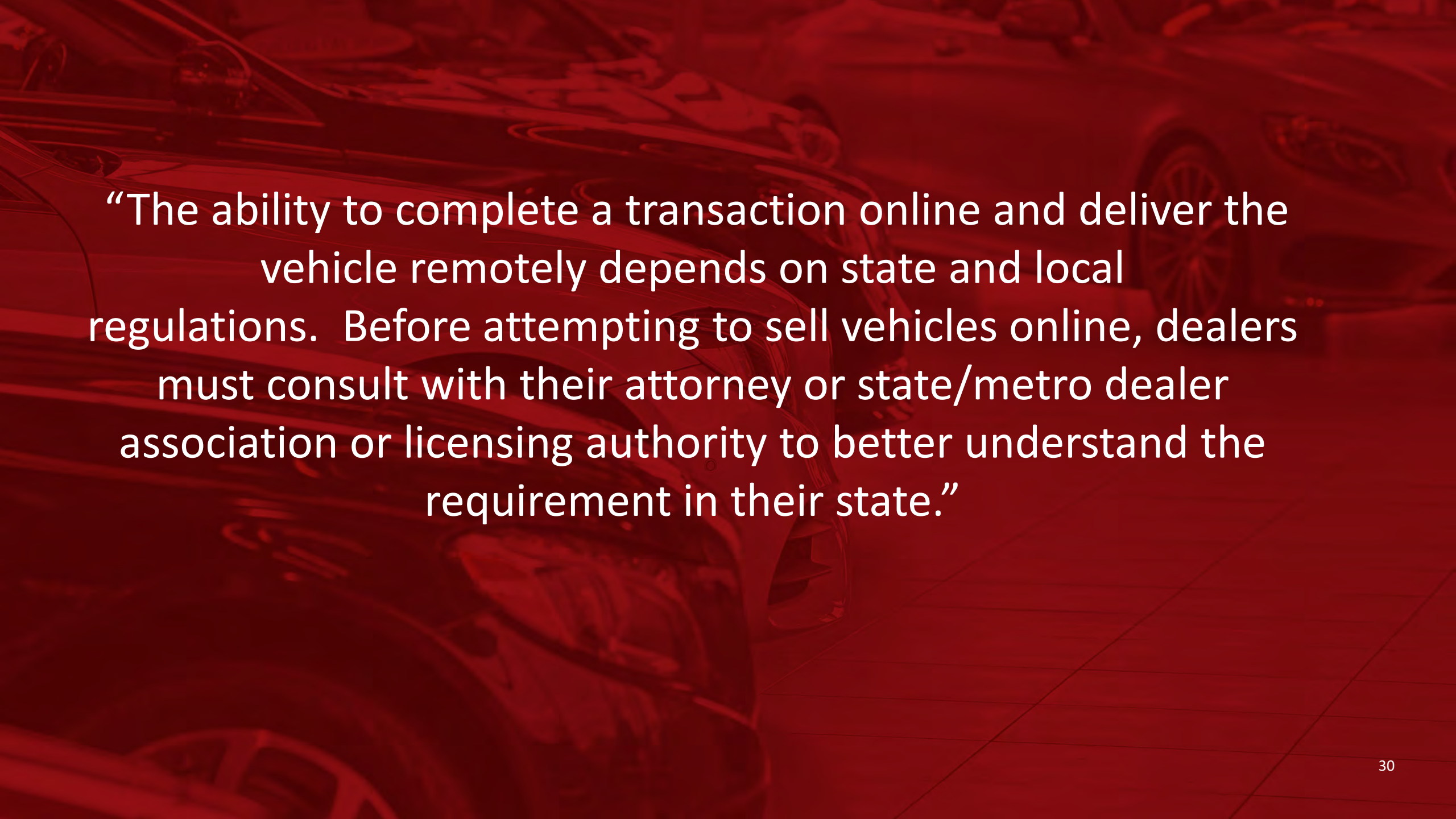
Save on video production cost

- Do you use a videographer?
- Shoot on your phone
  - Freelance video editors
  - Google ad builder app

# Marketing

Need service work?

- Recon all used cars
- Recalls
  - Call all the owners on your recall galley list
  - Service your brand vehicles at non-brand competition
  - Recalls at Enterprise and other rental car lots



“The ability to complete a transaction online and deliver the vehicle remotely depends on state and local regulations. Before attempting to sell vehicles online, dealers must consult with their attorney or state/metro dealer association or licensing authority to better understand the requirement in their state.”

# Website Covid-19 Updates

**SOUTH DADE**  
TOYOTA of Homestead

New ▾ Used ▾ Specials ▾ Service ▾ Rentals ▾ Parts ▾ Body Shop ▾ Research ▾ About ▾ C

South Dade Toyota of Homestead COVID-19 Precautionary Measures

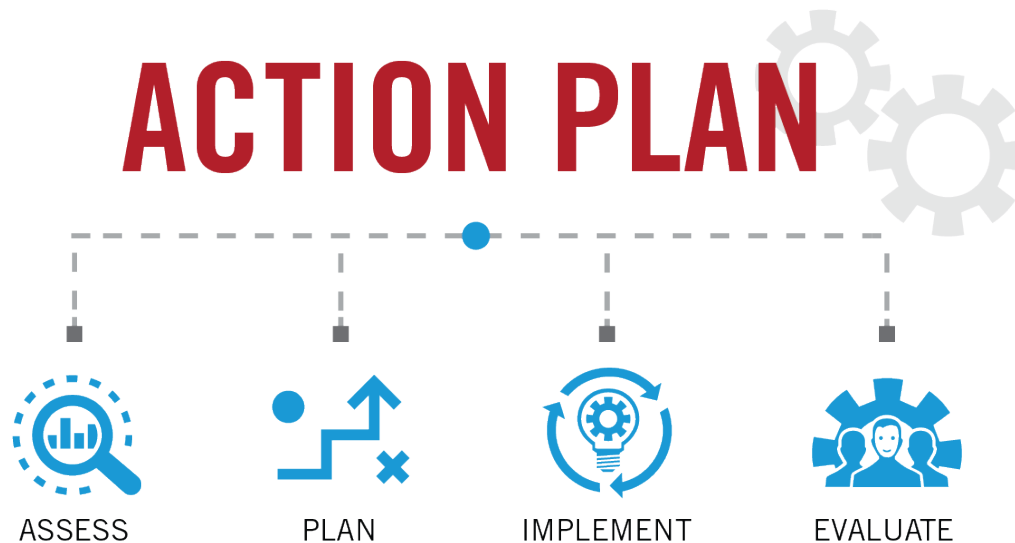
## BUY FROM HOME.

Fast, easy and secure

- 1. Shop from home
- 2. Complete your transaction securely and hassle-free
- 3. We'll deliver your new vehicle.

\*Available with the purchase of a new vehicle only. Delivery must be within a 100 mile radius. Ask a sales associate for details.

# ACTION PLAN



How will you use this information?  
What steps will you take to ensure success?





**Questions?**

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**NADA**

