



TENNESSEE  
AUTOMOTIVE  
ASSOCIATION



# Steve Greenfield

Automotive Ventures



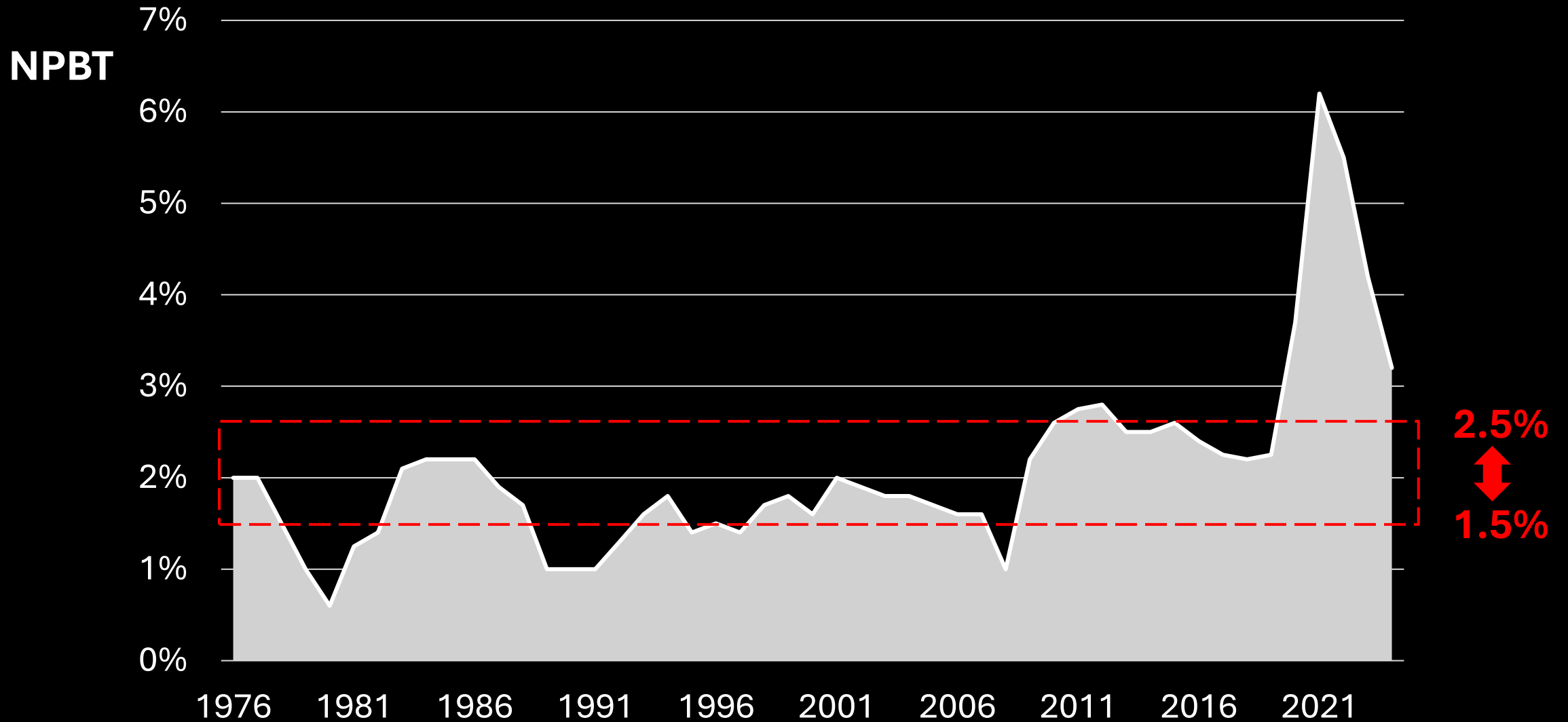
1:59.30 WR sub2

**Section 1:**

# **BENCHMARKING PERFORMANCE**

An aerial, high-angle photograph of a car dealership at night. The building is a large, dark structure with a flat roof and illuminated glass frontage. The parking lot is filled with cars, including a long row of white cars on the right and a row of various colored cars (black, blue, white, grey) in the foreground. The scene is lit by streetlights and building lights, creating a high-contrast, nighttime atmosphere. The text 'Section 1: BENCHMARKING PERFORMANCE' is overlaid in large, bold, white letters across the center of the image.

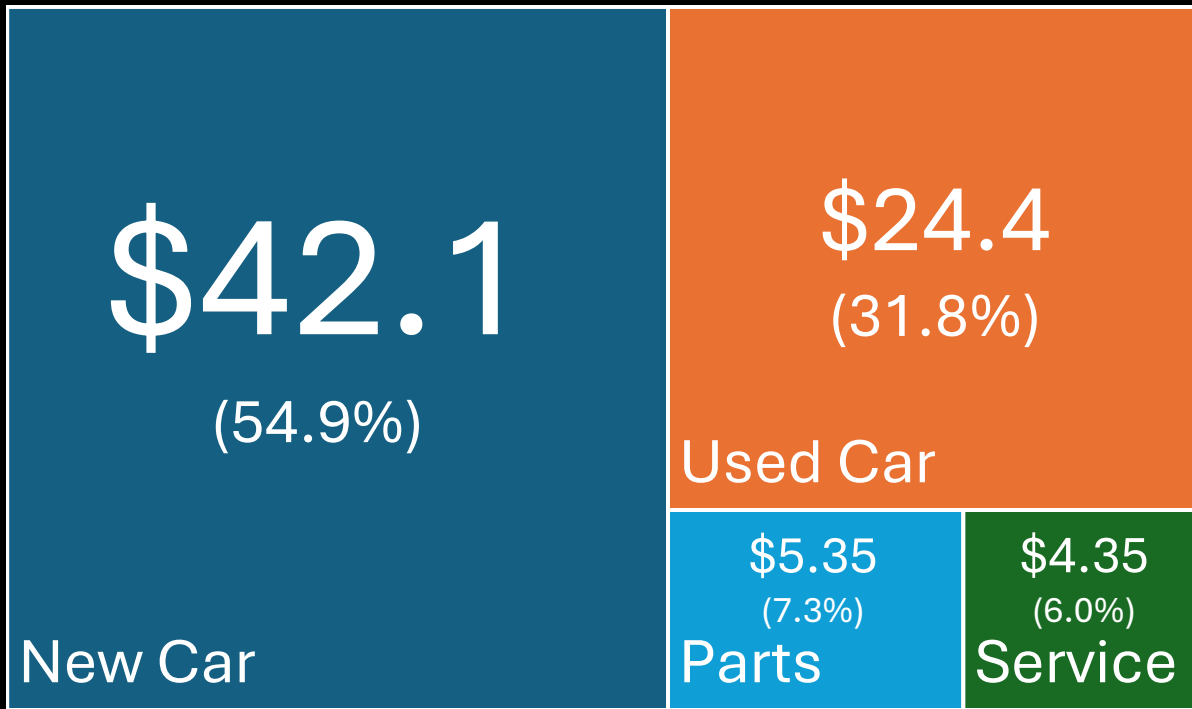
# DEALERSHIP RETURN ON SALES



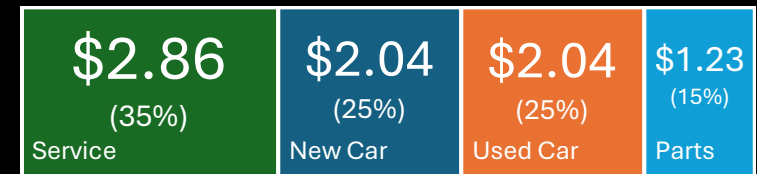
Source: Glenn Mercer

# AVG DEALERSHIP PROFILE

REVENUE = \$76.6m



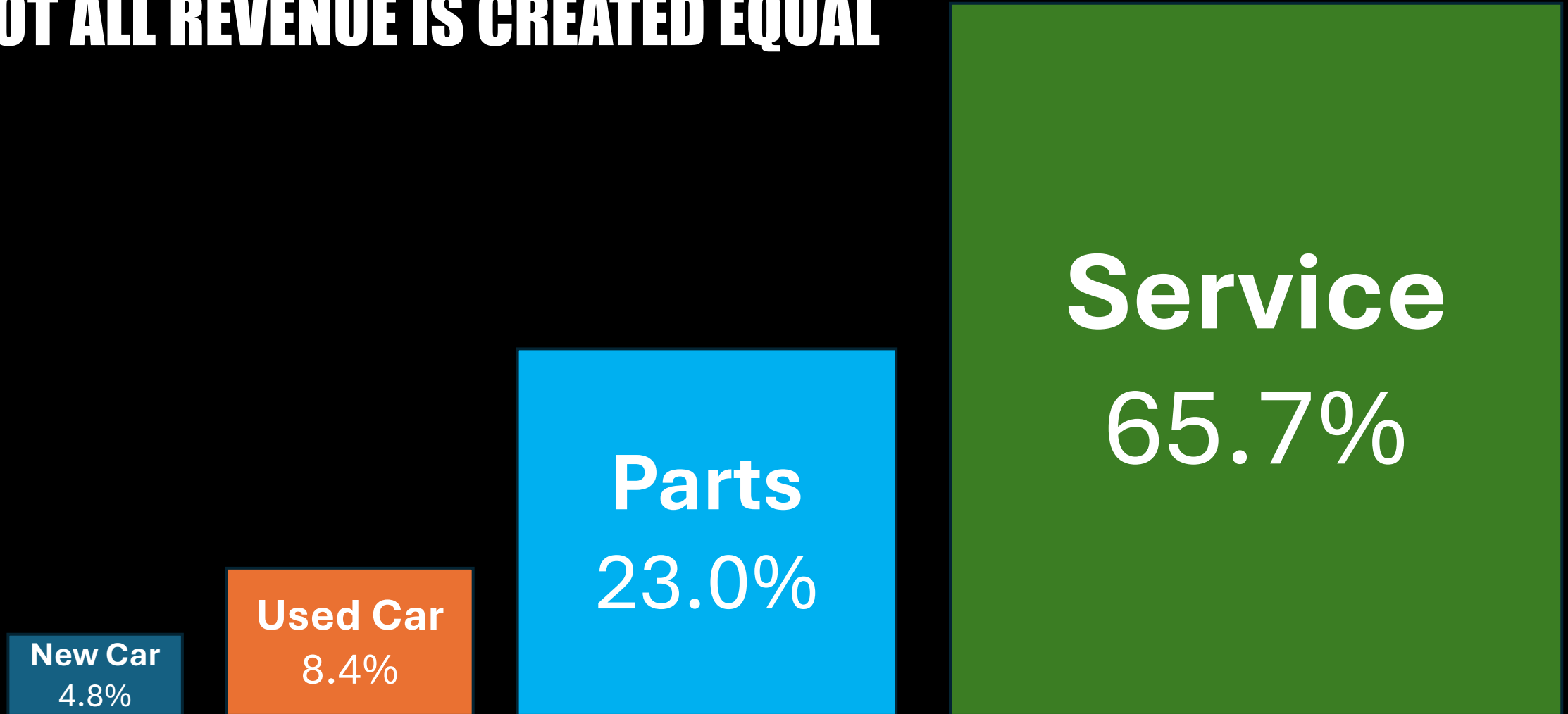
GROSS PROFIT = \$8.2m



(10.7% of Rev)

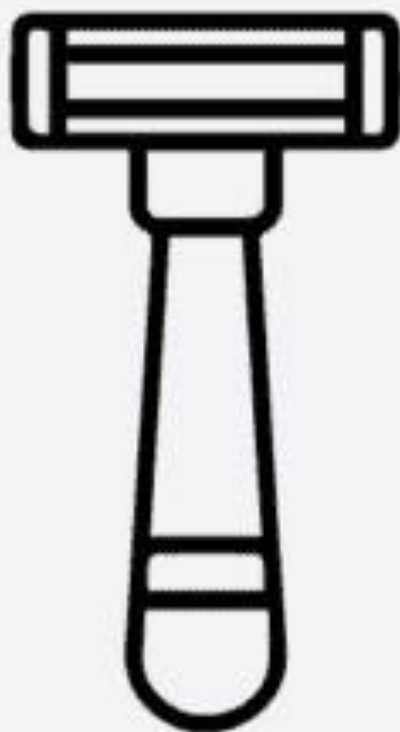
# CONTRIBUTION BY DEPT.

NOT ALL REVENUE IS CREATED EQUAL



## Base Product

(sold at cost or loss)



Cost

## Consumable Goods

(sold at a high profit margin)



Profit

Cost

The company sells the durable base product (Razor) at a low-profit margin or even losses and then sells the paired proprietary consumable goods (Blades) at a higher profit margin.



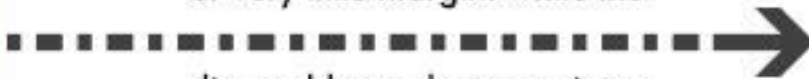
**Sold at Cost**



**Sold at Premium**



Core (durable) product sold at cost or very little margin, while the disposable product associated with the durable product is sold at a wide premium



**\$120**



**\$1**



# PROFIT WATERFALL

## FOR THE AVERAGE DEALERSHIP



# PROFIT WATERFALL

## FOR THE AVERAGE DEALERSHIP

\$76.6M



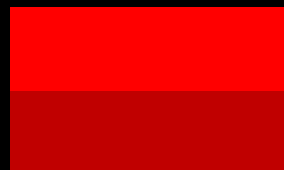
SALES

\$8.2M



GROSS  
PROFIT

\$6.4M



EXPENSE

\$3.0M

PERSONNEL  
EXPENSE

(47% of total Expense)

65

employees

\$84k

Avg Comp.

\$1.8M



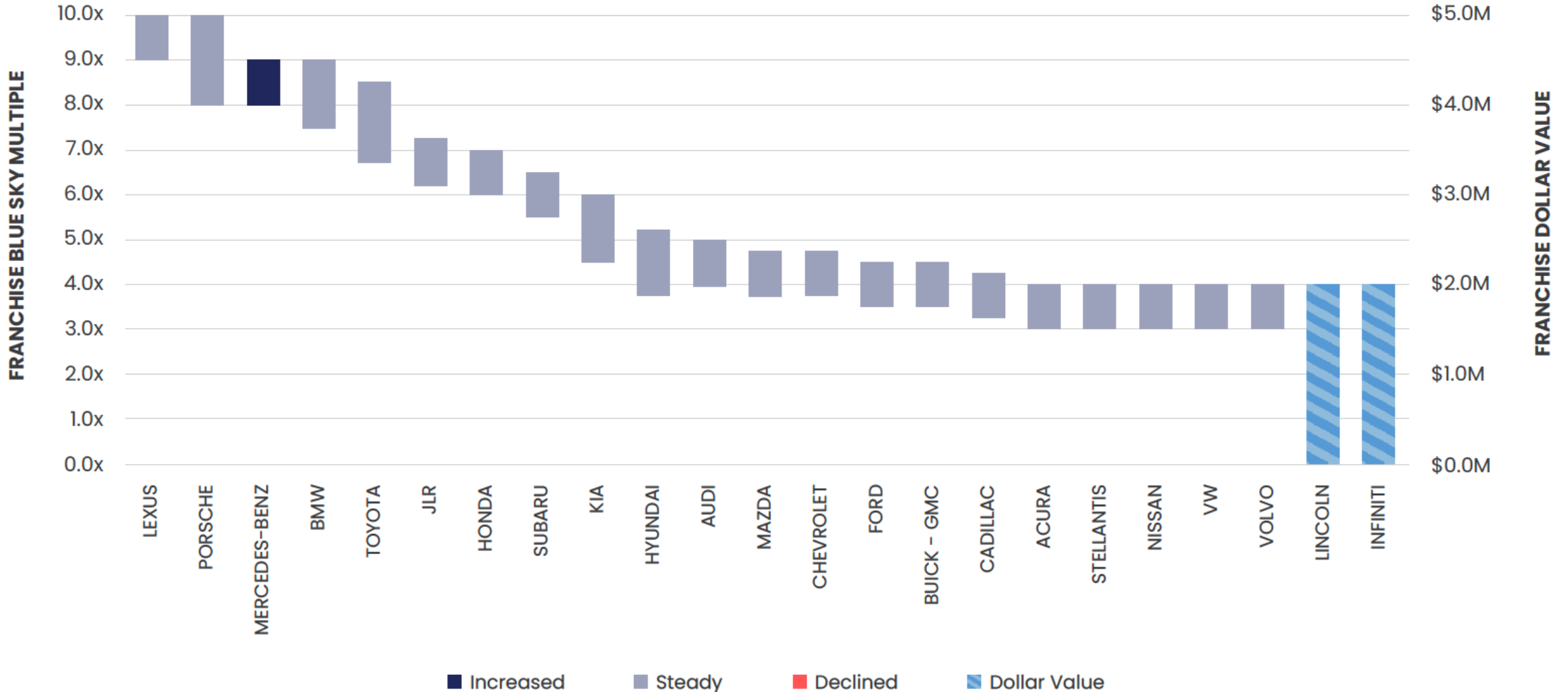
OPERATING  
PROFIT

\$2.5M

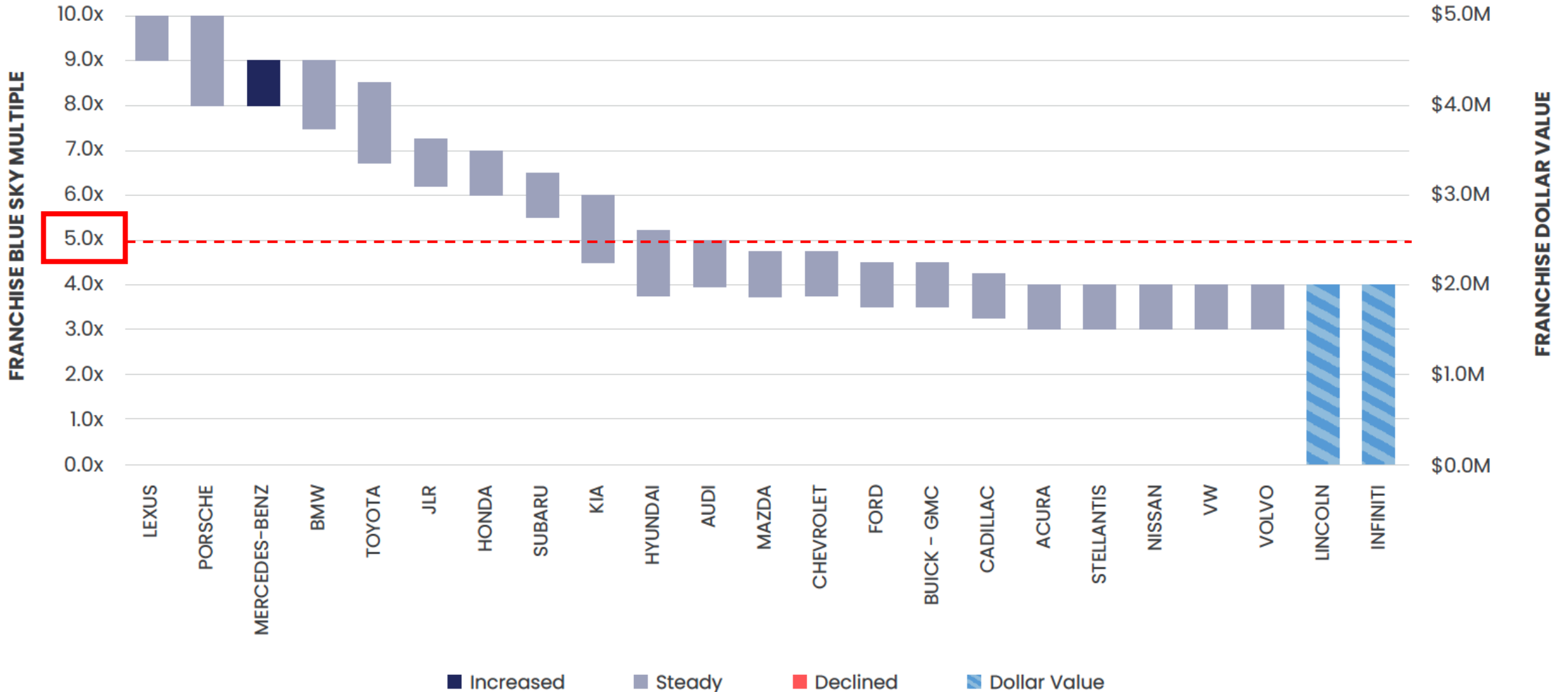


NET PROFIT  
BEFORE TAX

# NATIONAL AVG BLUE SKY MULTIPLES



# NATIONAL AVG BLUE SKY MULTIPLES



# CALCULATING BLUE SKY

**\$2.5M**

NPBT

**x**

**5.0x**

Avg Multiple

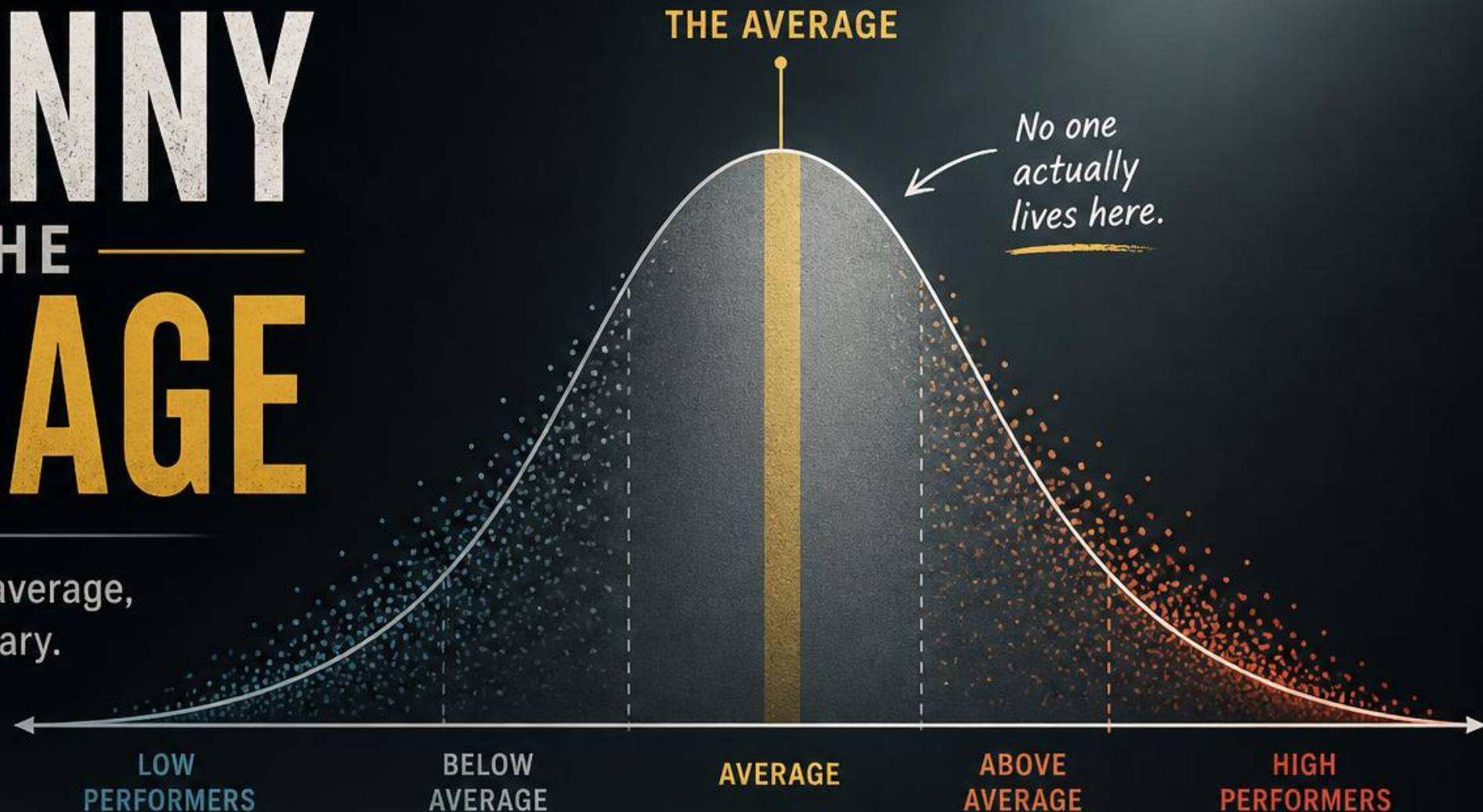
**=**

**\$12.5M**

Avg Blue Sky Value

# TYRANNY OF THE AVERAGE

When we optimize for average,  
we **overlook** extraordinary.

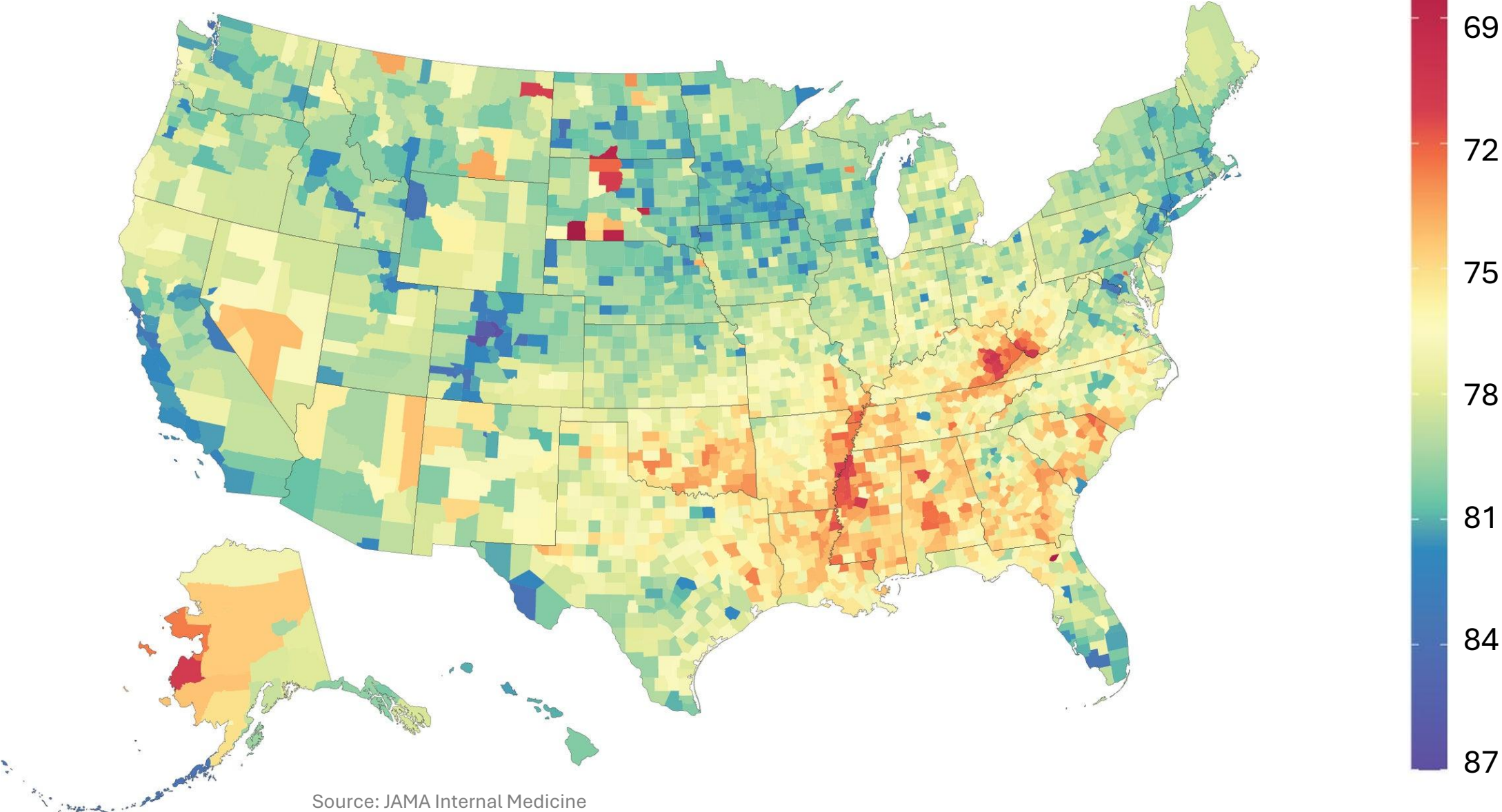


# **AVERAGE LIFE EXPECTANCY**

**79.0**

**YEARS**

# AVG LIFE EXPECTANCY

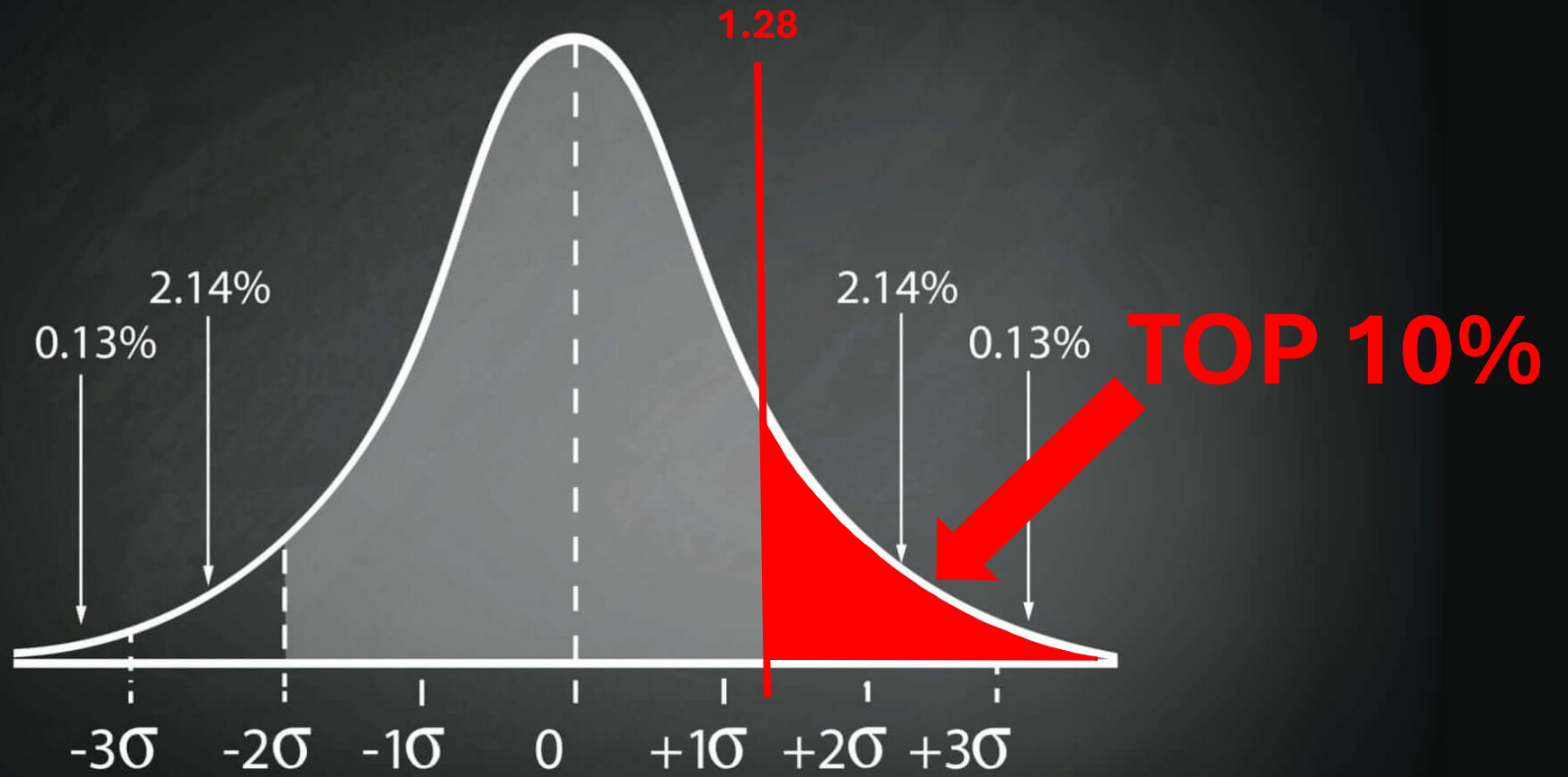


Source: JAMA Internal Medicine



# TOP PERFORMERS

# Normal Curve





	<b>AVG</b>	<b>JORDAN</b>
<b>POINTS</b>	<b>6.0</b>	<b>30.1</b>
<b>REBOUNDS</b>	<b>4.4</b>	<b>6.2</b>
<b>ASSISTS</b>	<b>1.4</b>	<b>5.3</b>

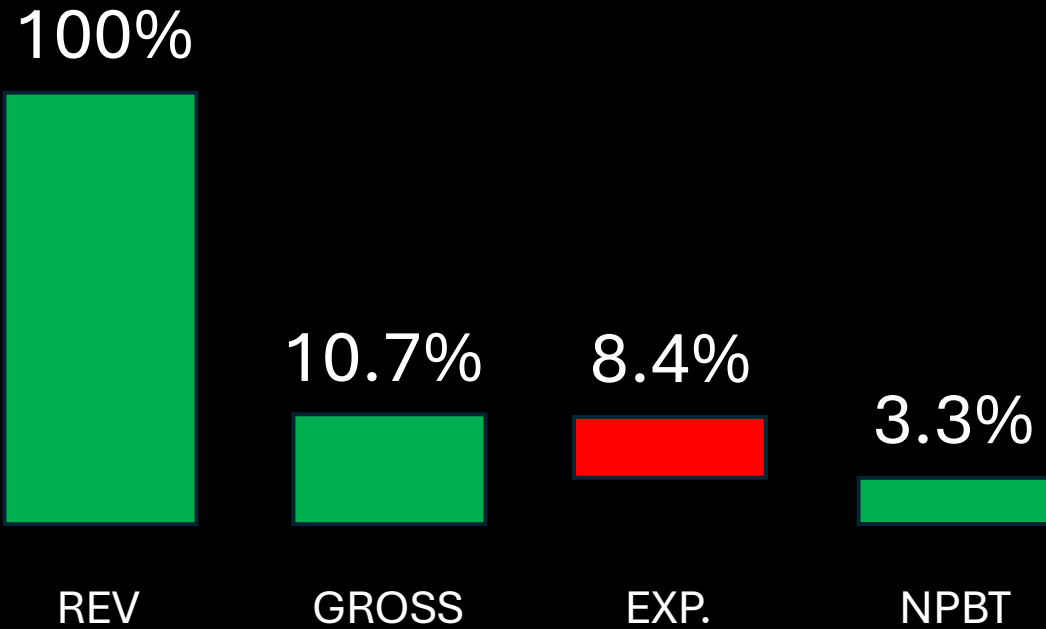
# AVG DEALER

(50<sup>th</sup> Percentile)



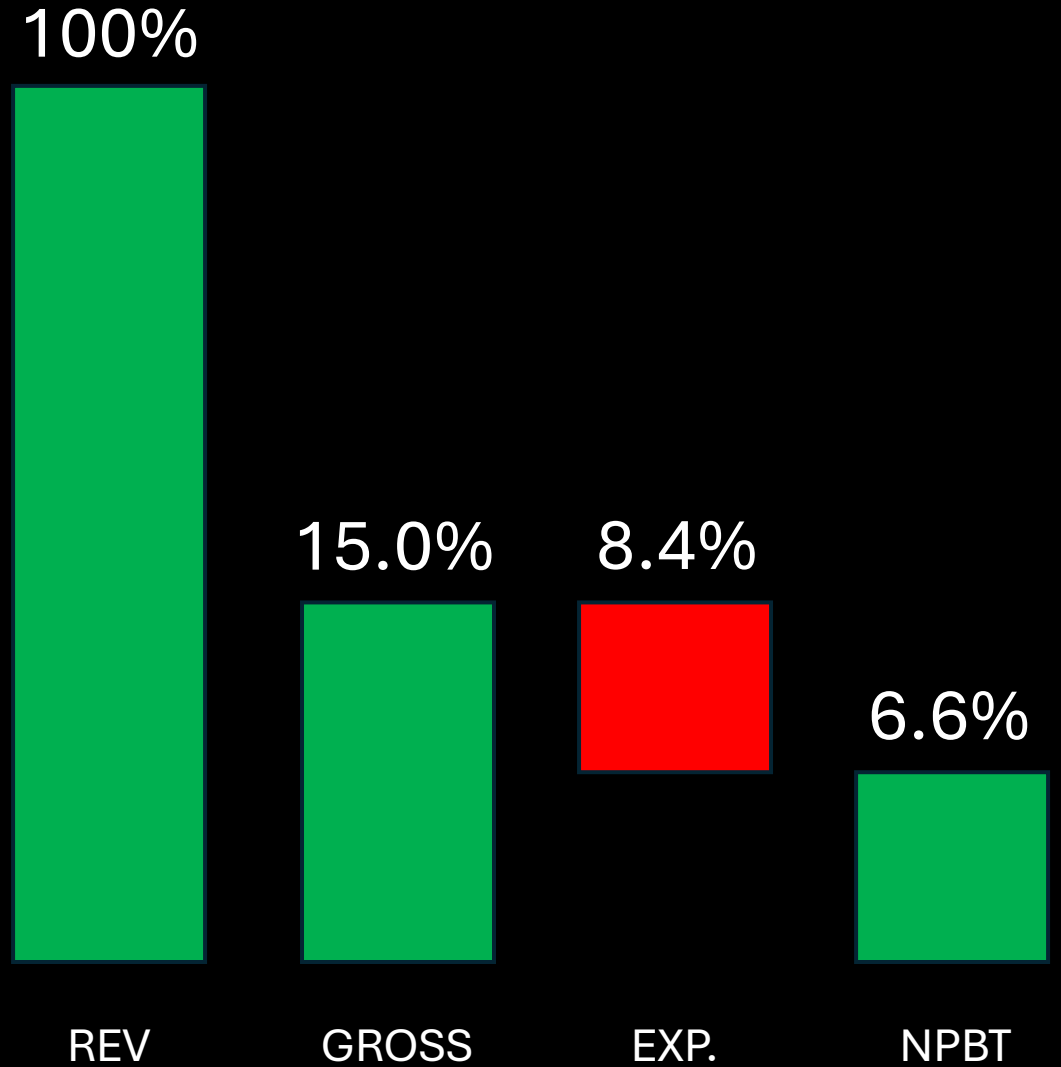
# AVG DEALER

(50<sup>th</sup> Percentile)



# TOP DEALER

(90<sup>th</sup> Percentile)



# AVG DEALER

(50<sup>th</sup> Percentile)

\$76.6M



REV

\$8.2M



GROSS

\$6.4M



EXP.

\$2.5M



NPBT

# TOP DEALER

(90<sup>th</sup> Percentile)

\$153.2M



REV

\$23.0M



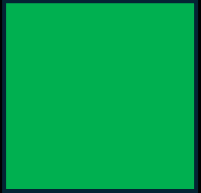
GROSS

\$12.9M



EXP.

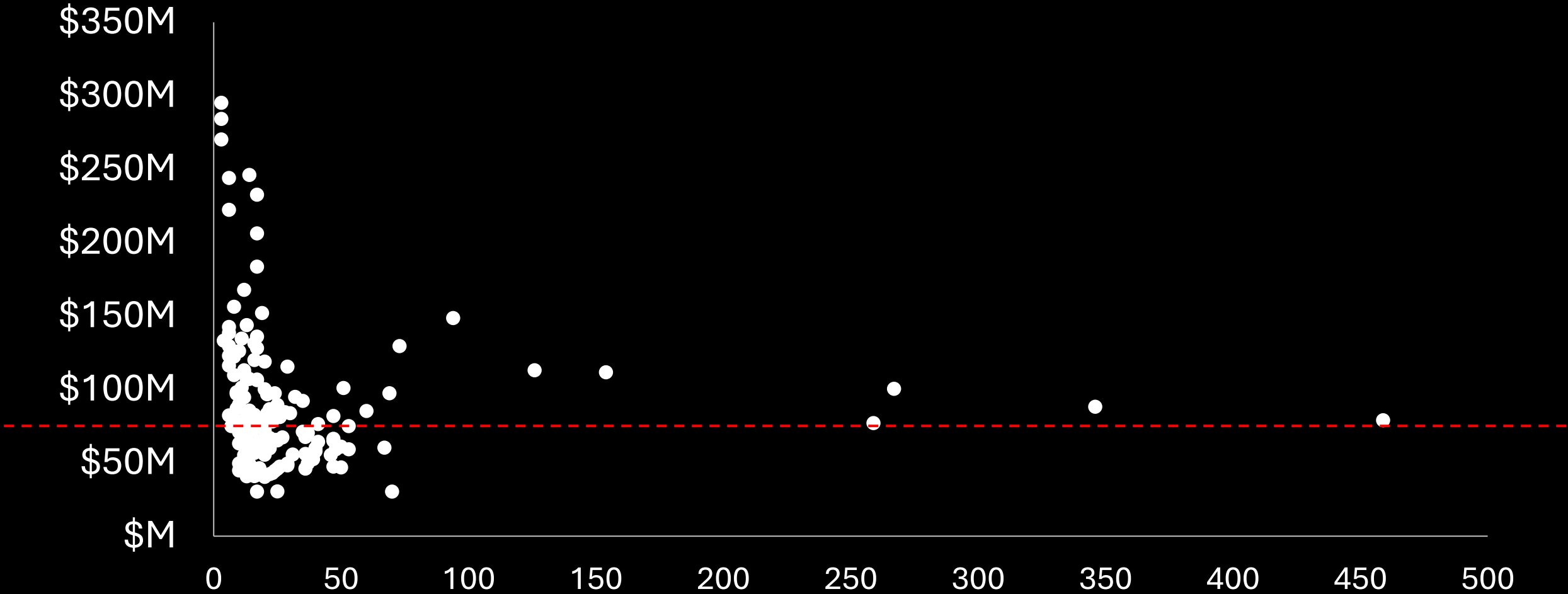
\$10.1M



NPBT

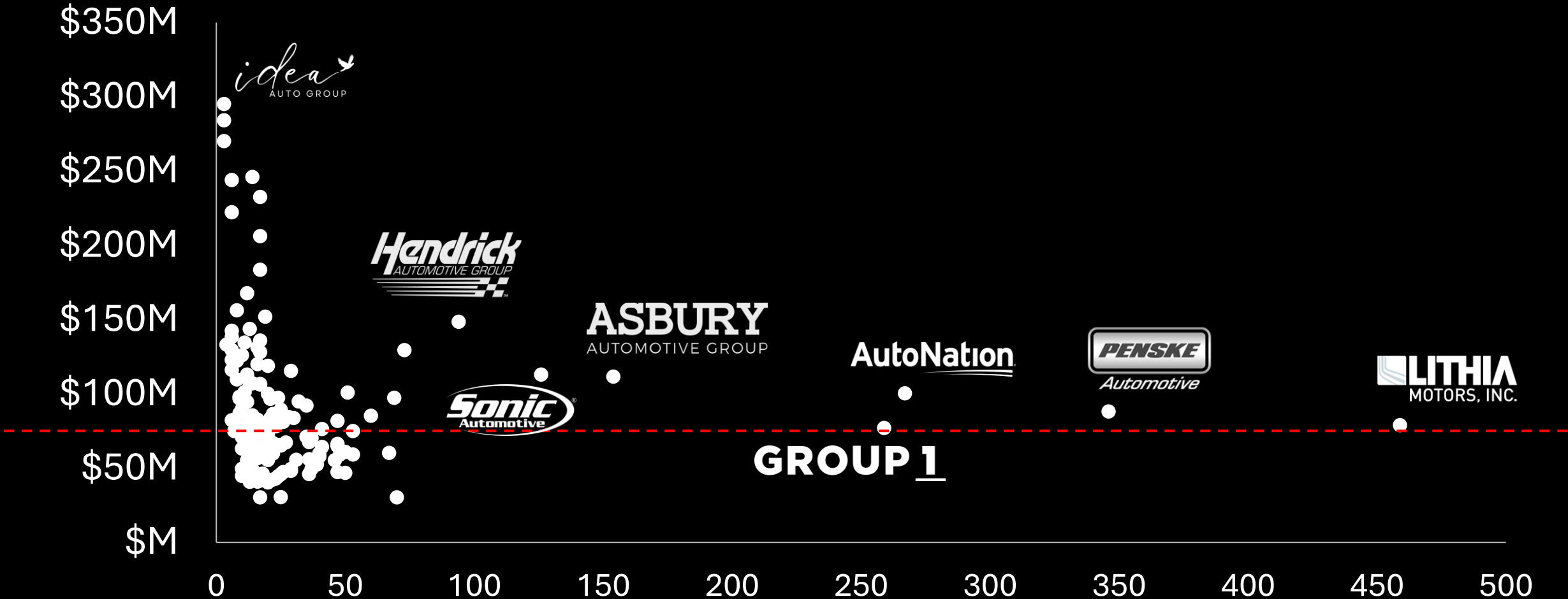
# TOP 150 DEALERS

## REVENUE PER LOCATION



# TOP 150 DEALERS

## REVENUE PER LOCATION



Source: Automotive News 2025 Top 150 Dealers

# COMPARING BLUE SKY VALUE

**AVG DEALER**

(50<sup>th</sup> Percentile)

**\$12.5m**

(\$2.5m x 5.0x)

**TOP DEALER**

(90<sup>th</sup> Percentile)

**\$50.5m**

(\$10.1m x 5.0x)

# COMPARING BLUE SKY VALUE

**AVG DEALER**

(50<sup>th</sup> Percentile)

**\$12.5m**

(\$2.5m x 5.0x)

**TOP DEALER**

(90<sup>th</sup> Percentile)

**\$50.5m**

(\$10.1m x 5.0x)

**4.0x**

Greater Blue Sky Value

**WHAT DO THE  
BEST DEALERS  
DO DIFFERENTLY?**

**1950:**

**10 cars** sold per  
month per  
salesperson

**2025:**

**10 cars** sold per  
month per  
salesperson



Walser



mazda

14720



**Alex Meyhoefer**

Account Executive | Walser Mazda



Walser Automotive Group

February 11, 2019 · 🌐

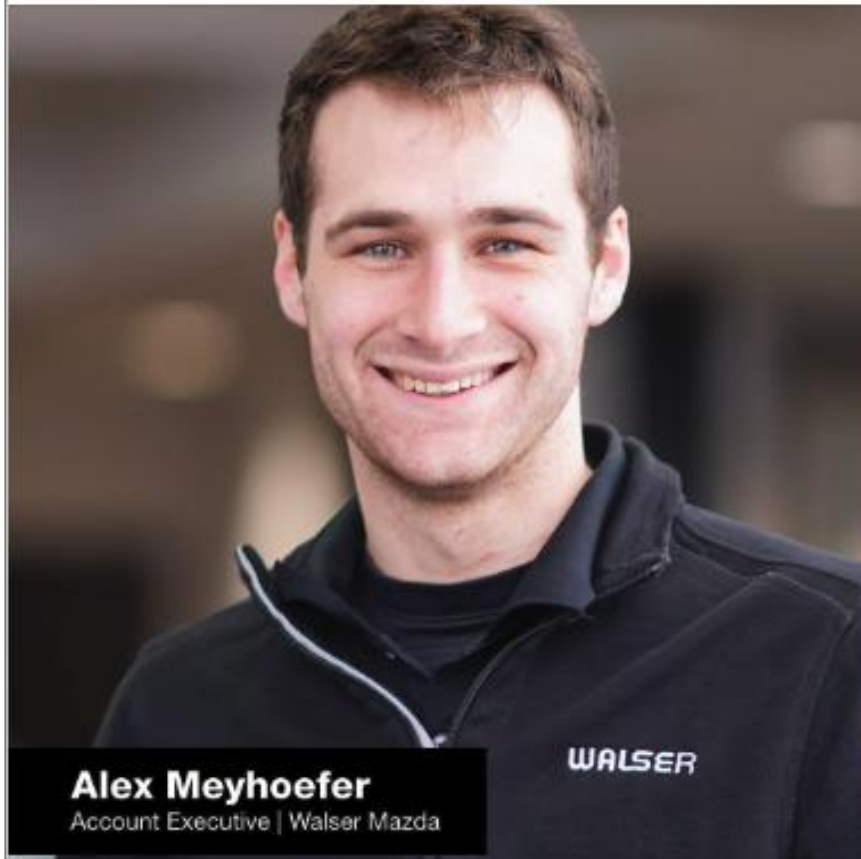


Need some [#MondayMotivation](#)? Look no further. 📌

[Alex Meyhoefer](#), Account Executive at [Walser Mazda](#), had an incredible sales year in 2018, breaking the company-wide record for most units sold with an astounding 584.5 vehicles. 🤯👍🏆 Alex said it's a job that's fun, engaging, and different every day.

Alex - Thank you for your hustle to provide a great customer experience in a job you love. We look forward to seeing all that you accomplish in 2019!

[#EmployeeSpotlight](#) [#EmployeeAppreciation](#) [#Recognition](#)



**Alex Meyhoefer**  
Account Executive | Walser Mazda



**Alex  
Meyhoefer**

New Company Record  
Most vehicles sold in 1 Year  
Congrats, Alex!



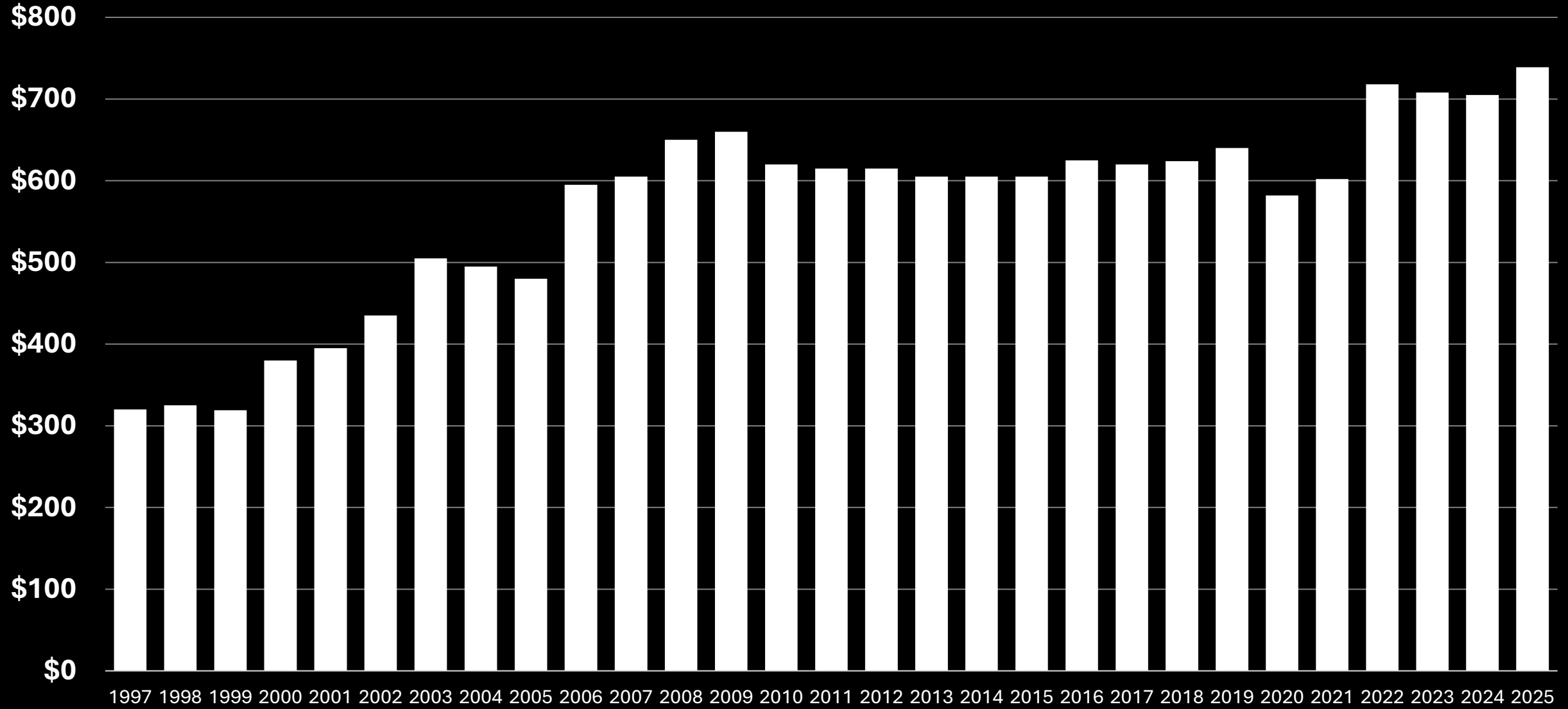
GALLERY

Fonguet's

HAWAIIAN  
Tropic

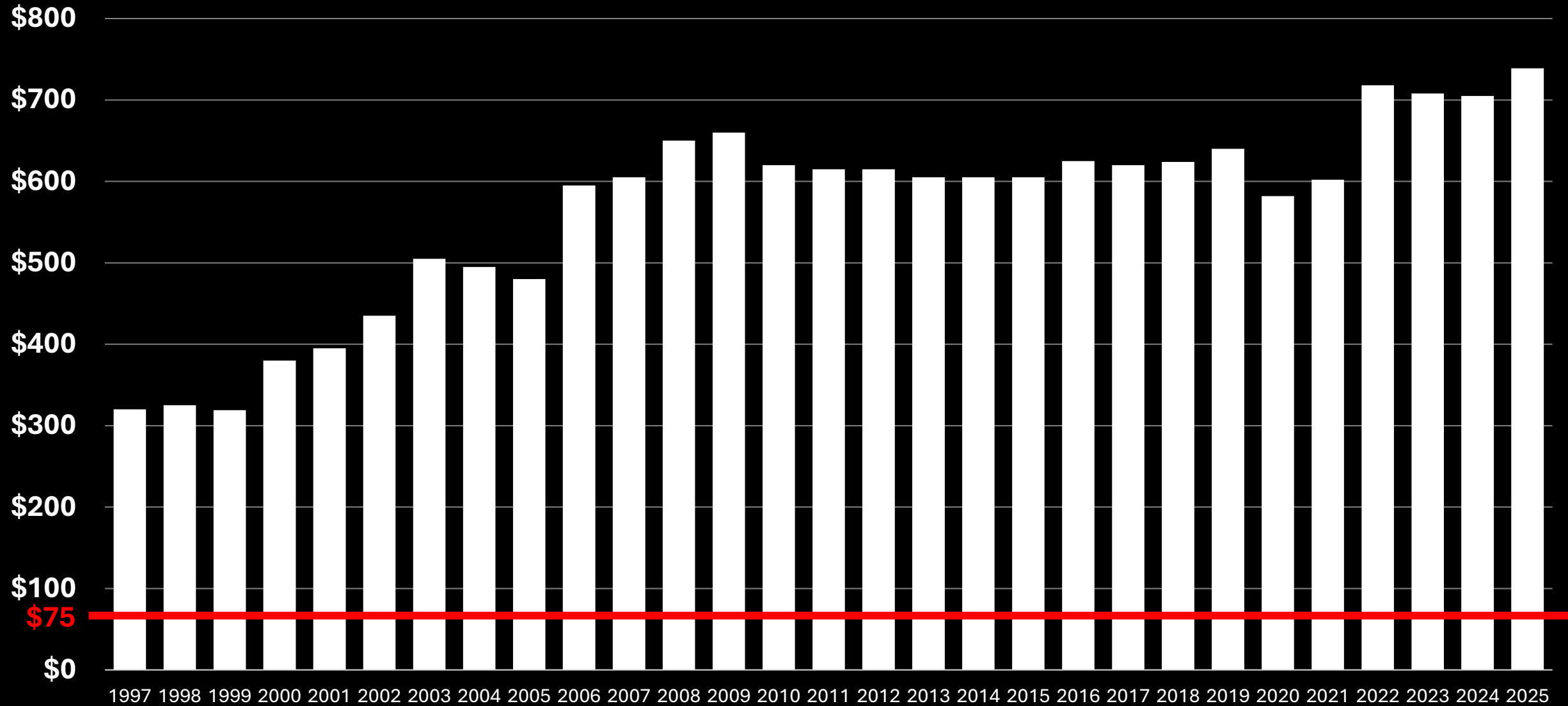
Roger Norrby  
RACING

# DEALER AD SPEND PER NEW CAR SOLD





# DEALER AD SPEND PER NEW CAR SOLD





## Alex Meyhoefer

---

New Company Record  
Most vehicles sold in 1 Year  
Congrats, Alex!



## AVG DEALER

**NEW CAR**

**955**  
UNITS

**\$2,136**  
GPU

**USED CAR**

**751**  
UNITS

**\$2,716**  
GPU

**F&I**

**1.58**  
ATTACH RATE

**\$1,995**  
PVR

**FIXED OPS**

**16,252**  
ROs

**\$494**  
P&S per RO

**28%**  
VIO Capture

## AVG DEALER

## 90% DEALER

**NEW CAR**

**955**  
UNITS

**\$2,136**  
GPU

**1,910**  
UNITS

**\$4,272**  
GPU

**USED CAR**

**751**  
UNITS

**\$2,716**  
GPU

**1,502**  
UNITS

**\$5,432**  
GPU

**F&I**

**1.58**  
ATTACH RATE

**\$1,995**  
PVR

**3.16**  
ATTACH RATE

**\$3,990**  
PVR

**FIXED OPS**

**16,252**  
ROs

**\$494**  
P&S per RO

**28%**  
VIO Capture

**32,504**  
ROs

**\$988**  
P&S per RO

**56%**  
VIO Capture

**SECTION 2:**

**CAN AI HELP  
US BECOME  
A TOP 10%  
DEALER?**



## AVG DEALER

NEW CAR

**955**  
UNITS

**\$2,136**  
GPU

USED CAR

**751**  
UNITS

**\$2,716**  
GPU

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## 90% DEALER

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**\$4,272**  
GPU

**1,502**  
UNITS

**\$5,432**  
GPU

**3.16**

ATTACH RATE

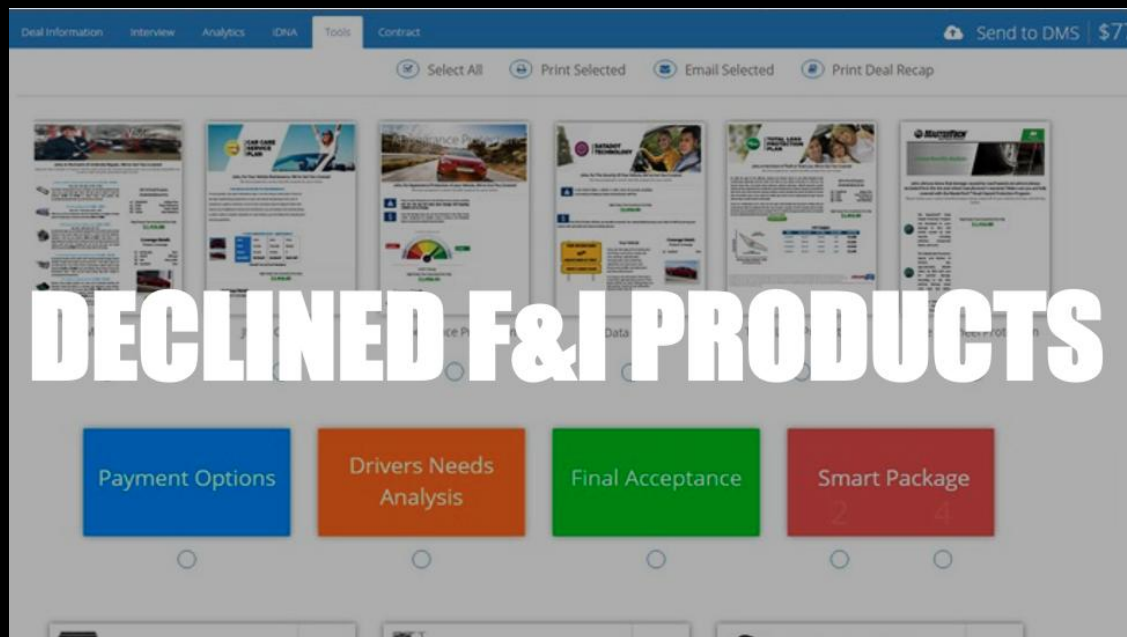
**\$3,990**

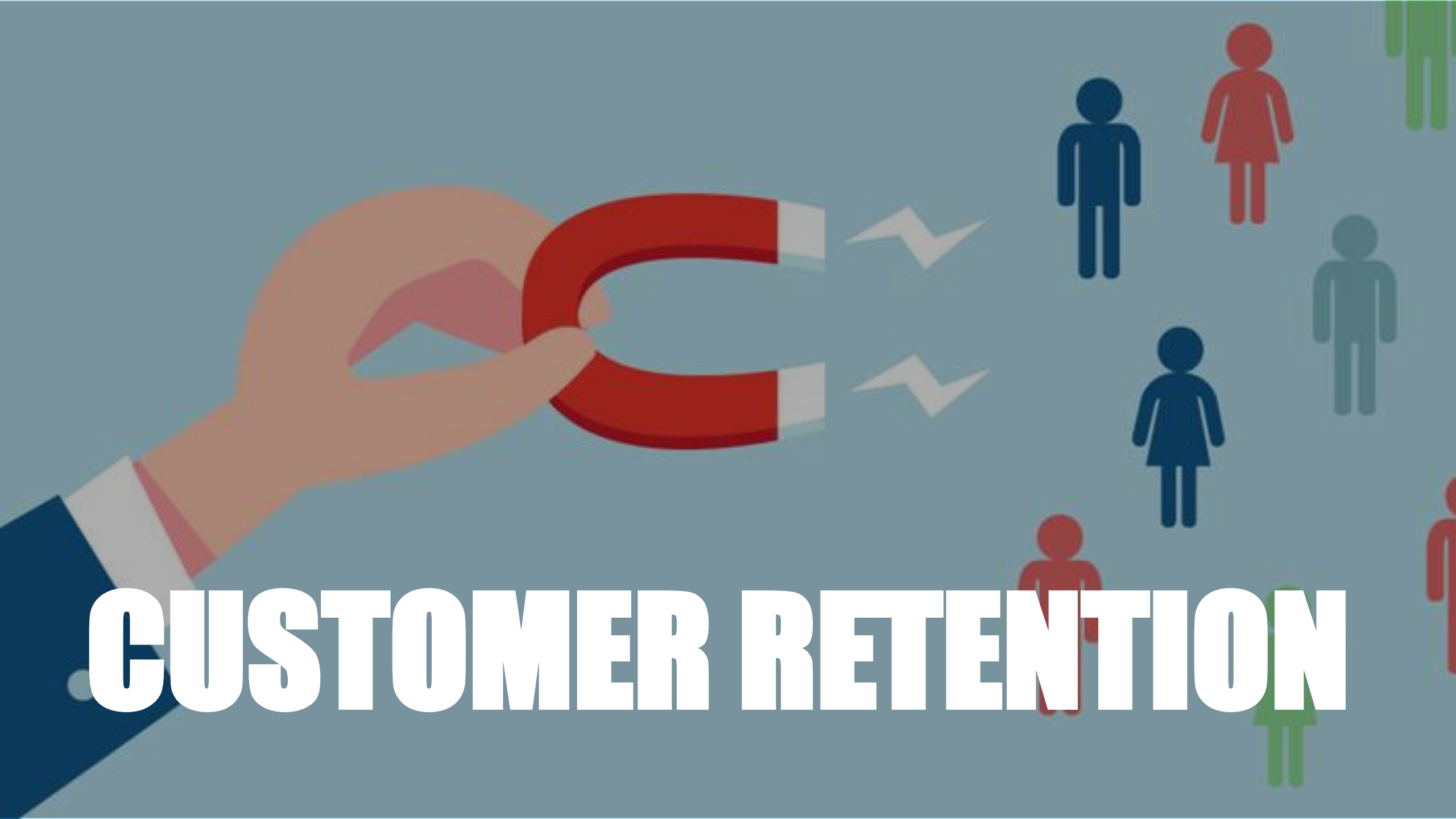
PVR

**32,504**  
ROs

**\$988**  
P&S per RO

**56%**  
VIO Capture



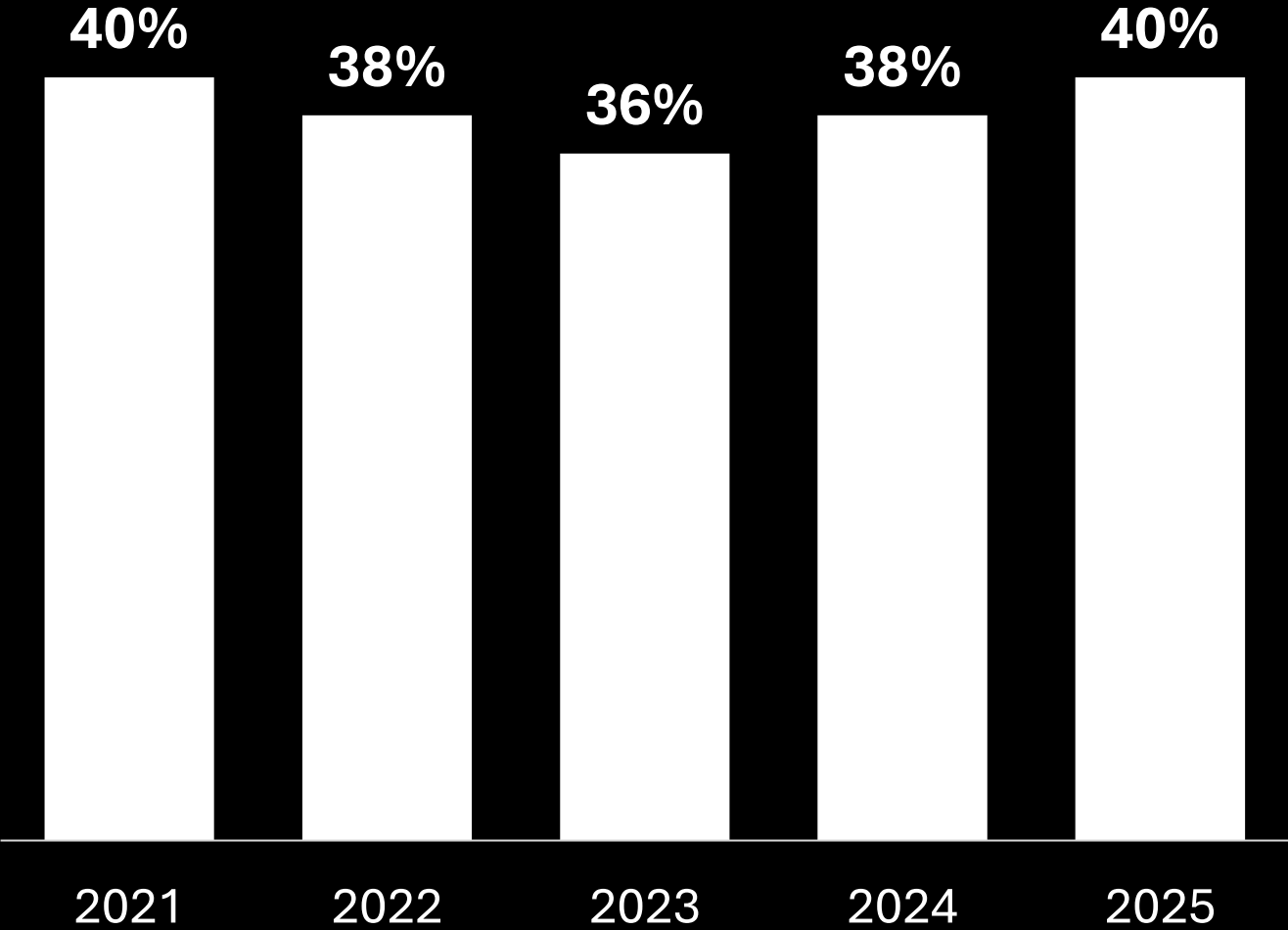


# CUSTOMER RETENTION

# CUSTOMER LOYALTY TO THEIR OEM



# CUSTOMER LOYALTY TO THEIR DEALERSHIP



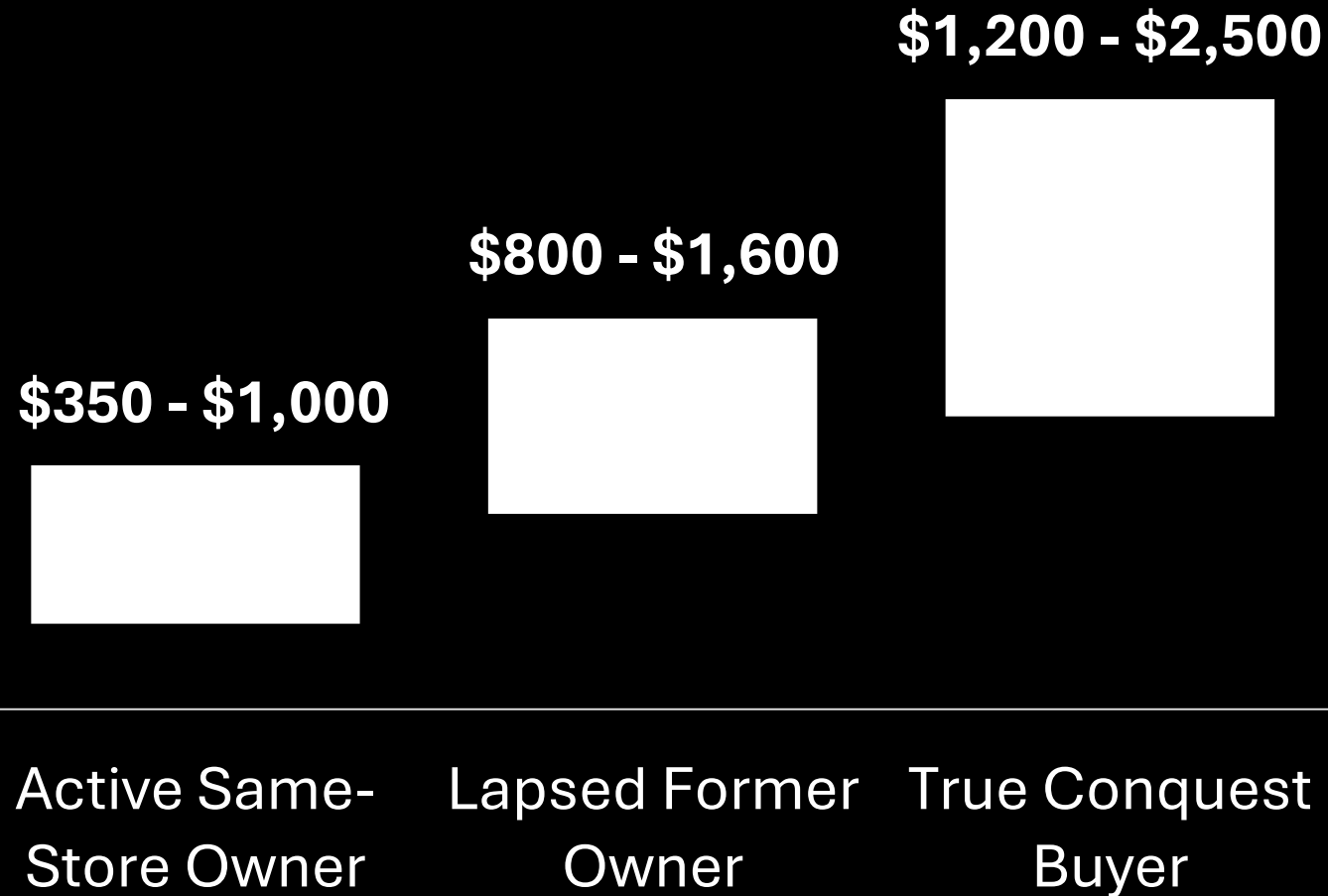
## LOYALTY DRIVERS:

1. Treatment of Customer (2/3 Service; 1/3 Sales)
2. Convenient Location
3. Best Deal/Lowest Price
4. Exact Vehicle Available
5. Able To Get Financed

Source: Glenn Mercer

# WHY HIGH RETENTION IS VALUABLE

## DEALER SPEND PER CUSTOMER



SERVICE

**DECLINED SERVICE**

# DECLINED SERVICE

**\$494**

Average RO

**~\$900**

Written per RO

**\$115B**

284m ROs x \$406

Select All Print Selected Email Selected Print Deal Recap



# DECLINED F&I PRODUCTS

Payment Options

Drivers Needs Analysis

Final Acceptance

Smart Package

# DECLINED F&I PRODUCTS

**1.58**

Attach Rate

**4.0**

Products Presented

**\$80B**

@\$1,263 GP / Contract

# PROCESS AUTOMATION

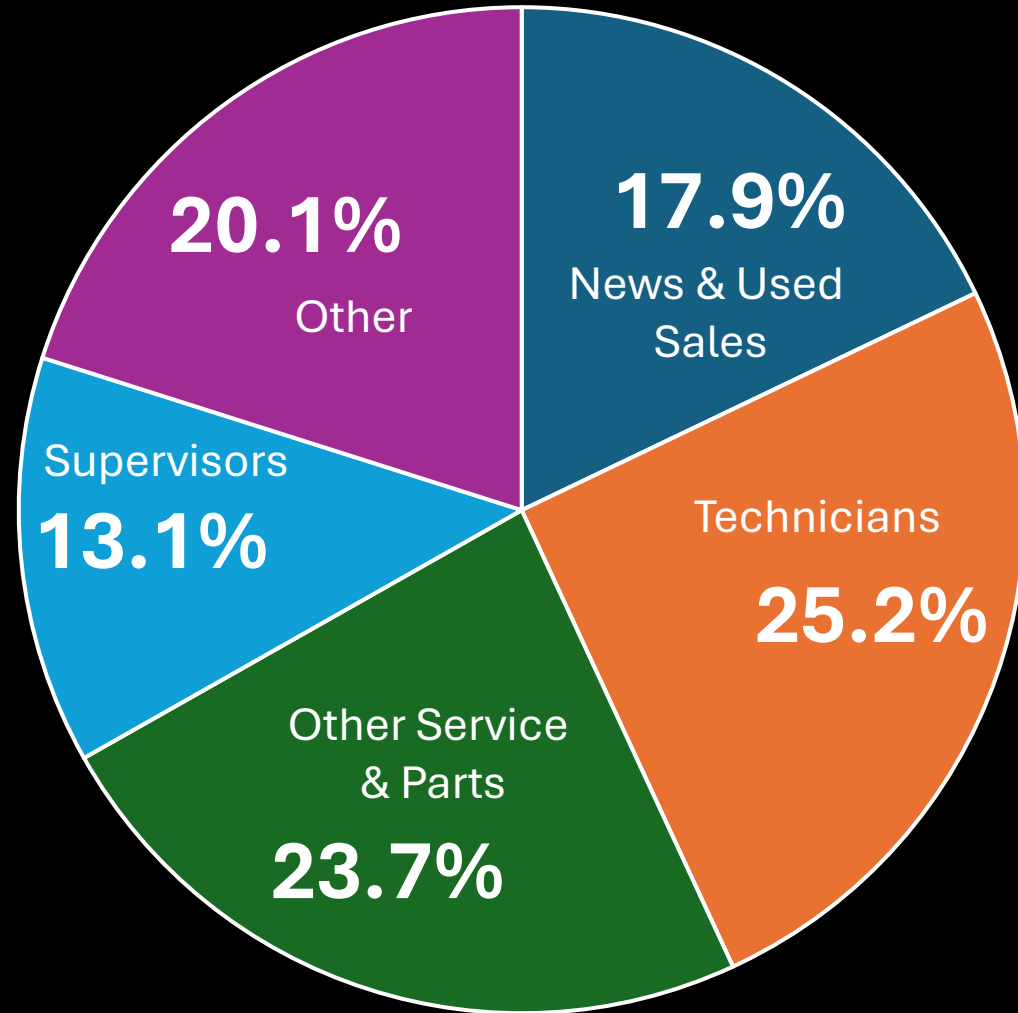


# LABOR AT DEALERSHIPS

<b>EMPLOYEES</b>	<b>65</b>	<b>\$84,188</b>
	Avg	Avg Comp.

**\$5.6m**

Total Payroll  
per Year



Source: NADA; assumes 17,446 dealership count

# LABOR SAVING SCENARIOS

## % Productivity Gains

	CURRENT	10% GAIN	20% GAIN	50% GAIN
PERSONNEL EXPENSE	\$3.0M (47% of Total Expense)	\$2.7M (42% of Total Expense)	\$2.4M (38% of Total Expense)	\$1.5M (23% of Total Expense)
NPBT	\$2.5M	\$2.8M	\$3.1M	\$4.0M
BLUE SKY	\$12.5M	\$14.0M	\$15.5M	\$20.0M

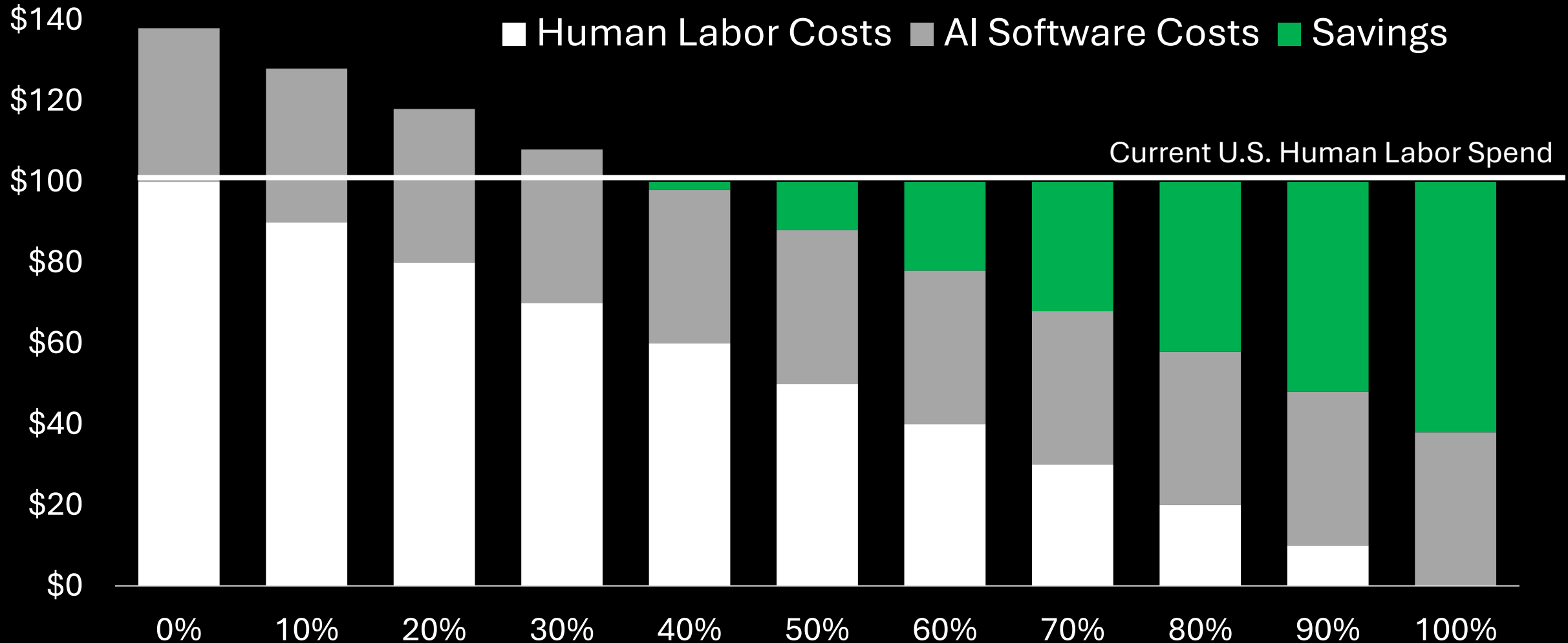


Gartner predicts that by 2026, conversational AI will reduce contact center agent labor costs by **\$80 billion** globally

Delta's AI chatbots now handle **78%** of customer service inquiries, with **85%** customer satisfaction rates

# AI APPLIED TO CUSTOMER SERVICE

## SHIFTS LABOR COSTS TO SOFTWARE COSTS





**BREAK FREE**





LAKERS  
23

SPALDING

SPALDING

SPALDING

SPALDING

SPALDING

SPALDING

SKS Remikompessor

NBA

07:30

07:30





# The New York Times

December 8, 1903

## FLYING MACHINES WHICH DO NOT FLY.

The ridiculous fiasco which attended the attempt at aerial navigation in the Langley flying machine was not unexpected, unless possibly by the distinguished Secretary of the Smithsonian Institution, who devised it, and his assistants. Prof. MANLY, who undertook the

to sprout them ab initio, it might be assumed that the flying machine which will really fly might be evolved by the combined and continuous efforts of mathematicians and mechanicians in from one million to ten million years—provided, of course, we can meanwhile eliminate such little drawbacks and embarrassments as the existing relation between weight and strength in inorganic materials. No doubt the problem has attractions for those it interests, but to the ordinary man it would seem as if effort might be employed more profitably.



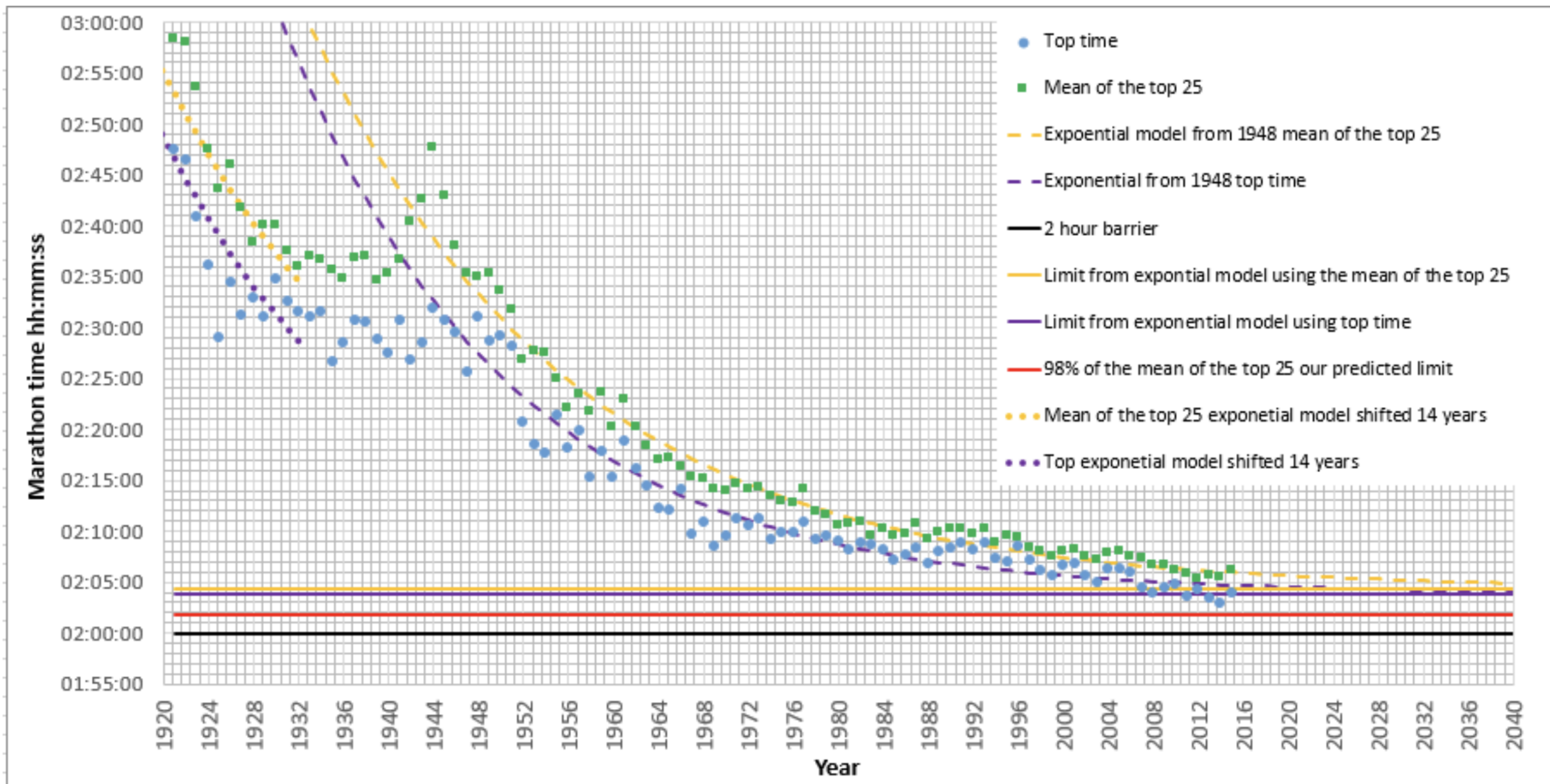
Thright Bans Hawks



Doctors and scientists said breaking the four-minute mile was impossible, that one would die in the attempt. Thus, when I got up from the track after collapsing at the finish line, I figured I was dead

— *Roger Bannister* —

**AZ QUOTES**



1:59:30  
TATA WORLD MARATHON MAJORS  
TAGHeuer  
new balance



HISTORICAL MARATHON		
<b>1:59:30</b>	Sabastian SAWE	WORLD RECORD
<b>1:59:41</b>	Yomif KEJELCHA	
<b>2:00:28</b>	Jacob KIPLIMO	
<b>2:00:35</b>	Kelvin KIPTUM	PREVIOUS WR



*START*

# WHERE TO START?

Ask yourself three questions...

**1. WHAT ARE YOU ALREADY GOOD AT?**

**2. WHERE CAN YOU BE GREAT?**

**3. WHICH OPERATING METRIC TO TARGET?**

# **KNOCK-ON EFFECTS**

**Increased  
Revenues**

**+**

**Decreased  
Costs**

**+**

**More  
Profitable  
Operations**

**=**

**Higher  
Multiples**



**Steve Greenfield**

**steve@automotiveventures.com**

**Mobile: 678.576.9972**