

How vendors avoid ineffective overload

Being plugged into dealers' goals key to striking partnership

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Vendors that partner with one of the 32 dealerships in Findlay Automotive Group have one thing in common: They do their homework.

Tyler Corder, CFO for the Henderson, Nev., group, said vendors that approach him with 90-minute bells-and-whistles presentations are not effective. He looks for partners that have researched the dealership group and can quickly and easily show how their pricing, results and training will more fully benefit the dealership than their current partner — and don't stop there.



"We've had some sign with us based on their pitch, the training goes well, and then we don't see them again," he said. "There's always turnover in business. It's key to follow up with the actual users. Other-

wise no one knows the system, we don't get the results, and we drop it."

Vendors that have successful partnerships follow the dealerships' lead when it comes to the frequency and style of communication.

As F&I product providers become more sophisticated vendors — that prefer the term "partners" — they vie more fully for dealers' attention. That can make some uneven matches between dealers and vendors causing misunderstandings and overload, especially for vendors. That's one reason Corder balks when vendors want to partner with all the group's dealerships at once. He prefers to start slowly and grow the partnership.

Jason Barrie, general manager for Dealertrack, which partners with Findlay, said that a high-functioning relationship is built on three pillars of understanding: partnering to meet the dealership's stated goals, agreeing that technology is never a sole solution and committing to the agreed-upon plan.

"Part of what is important is to set the right expectations at the beginning of the relationships to ensure a full life cycle," said Barrie. "Technology can and should be used, but it needs to fit into the process after a good alignment of expectations. That's how you plan accordingly, based on those expectations."

Larry Dorfman, CEO of EasyCare, agreed that the key to keeping over-load — and frustration — at bay is to build customized programs around each dealership and its goals. An agreement for bilateral commitment between the provider and the dealer is also vital.

EasyCare doesn't leave that to chance. The team continually trains — both in person and virtually — and is charged with "truly taking the time to evaluate dealerships' circumstances, identify what is important to the dealership, and suggest solutions the dealership has not considered. Although those solutions are suggested, they aren't forced, Dorfman said.

There are also strict protocols in place to keep dealers updated continually. He mandates everything from written and video reports after each dealer engagement to a policy that all calls are returned immediately.

"Take the dealer who is on vacation," he said. "He might not know [the vendor] has visited and says 'You know, we never see you guys.' It's vital that dealers know what we're doing to advance their goals," Dorfman said, noting the dealers tell him what contact frequency and form they want. "It's important to stay in touch but not overwhelm the dealers."

Customization

Dealers also regularly reach out to Dorfman directly — at work, by cell or at his home — if they have questions, concerns or want to discuss a shift in strategy.

"We customize every solution for every dealer," he said. "We do that from the very start, with every dealer. And we're always ready to discuss how those solutions can be modified."

That's vital because some vendors have a one-size-fits-all solution —



Corder: Prefers to start slowly



Dorfman: Set expectations.

sometimes affecting across-the-dealership reviews and changes — that aren't immediately of interest to some dealers. That inflexibility sinks prospective partnerships.

"They want to come in and change the world," said Bryan Snyder, director of finance at Bommarito Automotive Group, Ellisville, Mo. "One that I spoke with, their opening comment was they wanted to do a deep dive into our financials. That is the most highly confidential and sensitive information we have. We need to develop a relationship and gain a level of trust and comfort before we'd get to the point that we look to them to help us with something that critical."

The dealership group signed on with EasyCare in 2004 and has gradually built its relationship with them

"People always think these things are about the price. It is not about the price. It's about the service."

Bryan Snyder
Bommarito
Automotive Group

as the group has expanded to nine separate locations and 22 franchises. Snyder noted EasyCare respected the dealership's conservative approach and didn't rush the growth of the relationship. That relaxed manner combined with the products offered and close partner-dealership communication is what keeps Snyder satisfied with EasyCare.

"EasyCare, over time, has done a really great job filling the needs of

other areas besides service and GAP contracts. They have helped us determine how to sell more cars and improve the customer service overall," Snyder said. "People always think these things are about the price. It is not about the price. It's about the service."

Vendor strategies

That's similar to the strategy used by CU Direct, said Evan Ethridge, the company's vice president of product management.

"Our products and services are complex. Some will only impact one portion of a dealership, and we have products that touch in the dealership," he said, adding the deep level of ongoing training the company supplies to its reps.

"We always provide quick access to our clients. I'm in charge of our products and top down we can clearly articulate values. Clients can pick up the phone and ask lender or specific product questions and we give them the answer. That's our secret sauce."

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Give it a chance: How vendors sell dealers

Referrals, instant payoff turn product pitches into business

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Pitching a service or pilot system to a dealer can be an arduous process, especially when faced with a growing laundry list of competitors that cater to just about every crevice of a dealership's operations.

And it doesn't help that skepticism of vendors has scaled to new heights, making it tougher than ever to get in front of dealers, according to Matt Weinberg, senior vice president of consumer experience for Drive Motors.

"Dealers are really mistrustful of vendors, more than they have ever been, because they've been sold a lot



of stuff that hasn't necessarily worked out for them," Weinberg said. So, which strategies work, and which miss the mark?

As a vendor, one of the most effective ways to meet dealers is through a dealer referral, Auto/Mate CEO Mike Esposito told *Automotive News*.

"I could come in as a salesperson and make all these claims about my product or what have you, but dealers really value the opinion of other dealers, and rightfully so," Esposito said.

A dealer's positive opinion can go a long way, Esposito said, especially in

avenues such as 20 groups, where dealers can meet and exchange opinions about a particular product.

Some dealers also will hire vendor consultants to give them information about the different opportunities, he said.

The brand of your company and your product "is on the forefront of getting a dealer to be interested in you," said Esposito.

"When you have a happy dealer, they'll tell other dealers," he said. "You get business."

Adding value

To attract dealers, Weinberg recommends adding value to the dealership immediately. This can mean performing a free website assessment or completing a free analysis of the dealership's digital marketing, he said.

If vendors approach dealers with an understanding and a clear solution to a problem the dealer is facing, they will get dealers' attention, Mo Zahabi, senior director of product consulting for Dealertrack F&I and VinSolutions, told *Automotive News* in an email.

"We discuss how to address" the problems, Zahabi said. "And then we help the dealer understand potential ways to improve their F&I process and ultimately generate more profit while improving customer satisfaction for the dealership."

In addition, being part of a prominent auto retail organization, such as Cox Automotive, gives Dealertrack deep data access and insights, he said.

"We also have the opportunity to show how our solutions are interoperable and can exponentially grow



Esposito: Others' opinions matter.



Weinberg: Show flexibility.

dealer business when they work together," Zahabi said.

When a dealer senses that a vendor is trying too hard, the walls go up, which is why Weinberg urges his team to educate the dealer and shy away from sounding like a salesperson.

Educate

If you can educate and become an expert, the dealer will wind up asking more questions about other corners of his or her business, he said.

"If I'm going in person, I'll actually tell them I'll bring a tomato with me, a fake tomato — it's like a plush toy," Weinberg said, "and if at any point ... you feel like I'm wasting your time — you throw the tomato at me."

That way, Weinberg said, he makes it clear that he wants to provide value and improve the dealer's business.

Since dealerships are competitive by nature, vendors have to bring dealers something unique and personalized, said Zahabi.

"They don't want the same exact thing the store down the street has," Zahabi said.

"Showing how our solutions are flexible to fit the needs of very different users and yet are able to scale for growth, efficiency and profitability is a big plus." **AN**

"When you have a happy dealer, they'll tell other dealers. You get business."

Mike Esposito
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STRATEGY

Smart vendors know dealer goals

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"We get their perspective of how the business is run, what could be done better and what tools and resources are lacking," said Mike Casey, group vice president of sales for JM&A Group, the company's F&I division. "We also gather raw data produced in the store and use [analytic tools] to support where we can take the business."

Once that goal is established, the company continually tracks stores' information to ensure that the goals are met and communication is smooth.

"When we set a goal for a dealer, there are many touch points," said Scott Gunnell, vice president of sales strategy and development. "We have high expectations for our teams."

Those expectations can't lag when vendor/partner companies experience growth spurts.

Consider Vanguard Dealer Services, which has grown significantly since a 2015 investment by Southfield Capital. James Polley, CEO of Vanguard, met with key dealer partners during the expansion to assure them Vanguard



Etheridge: Quick access to clients



Casey: Analyze the raw data.

would not only remain responsive to their dealership partners but improve that responsiveness.

"There is no waiting. There is no hesitation," said Polley of how staff reacts to calls from dealers.

"We call them back immediately, even if we don't have an answer. We want dealers to know we understand their concerns and are working on a solution."

That's also made clear when reps leave reports for dealers and general managers during their weekly visits to the dealerships.

"The meetings may only be 30 minutes to an hour, but they are there every week. The [key players] see them all that time," said Polley. "Dealerships have a lot going on with deliveries, meetings and other responsibilities. That's why it's key to integrate yourself into the dealership." **AN**