



DEALERSHIP

WEEKLY INFORMATION NETWORK

www.DealershipWIN.com

May 14, 2020 Notes

PPP Loan Updates

- As everyone is aware, there was backlash nationwide in regard to how the PPP Loan was originally dispersed to a few public entities and chain restaurants. The government reacted by coming out with “Frequently Asked Questions” in response to help answer some of the lingering questions Small Businesses were asking.
- In regard to Dealerships specifically, a statement was made in FAQ 31 and 35 that states “Loans of a borrower, and all affiliates, in the original amount of less than \$2 Million will be deemed to have been made in good faith.” This statement says that if your loan is under \$2 Million, you’re okay and the SBA will not question your certification for this loan in regard to “necessity.”
- For loans \$2 Million and above, the borrower may still make a case that they qualify. The “worst-case scenario” from this would be that they must return the funds in full if they are found to not fall under the qualifications.
- Every dealer brand in the country received what is known as an FIC (Franchise Identifier Code) which enabled a direct exception in the act that eliminates the affiliation rules for dealerships with FIC codes.
- This means, even if you have a holding company and own 3 dealerships underneath of it as Single Member LLCs, and each one applies for a loan of \$1.5 Million, then you would be covered under the PPP Loan and would not have to return the funds.
- The suggestion was made to look from the company level up, not from the holding company down. So long as each are independent franchises and each store applied for less than \$2 Million, then affiliation rules do not apply.

DWIN (Dealership Weekly Information Network) is a public service. Views and opinions expressed by any members are theirs solely, and do not necessarily reflect the views of J&L Marketing, Sandy Cerami or any of the featured guests. As always, we encourage you to seek your own legal representation or council in regard to implementing any ideas or concepts discussed during the program.

How Another Dealer Has Navigated Selling During Covid-19

Structure of Implementation

- Get Your Marketing in Place
- Have Your Inventory Merchandised
- Price Yourself Competitively
- Get the Attention of the Consumer
- Get a Call to Action That Goes to Your BDC
- START The Sales Process in the BDC

People liked this! People don't want to come to the showroom. Go with the flow and give the consumer more ability and be more transparent with them upfront.

A New Process

Prior to Covid-19, the car selling process looked like this:

A BDC would set an appointment → people would come to the showroom → the sales process would start.

The Shift:

Instead of bringing people to the appointment, get the sales process started right away.

How do you do this?

Train your BDC to know how to:

- Greet
- Build Rapport
- Start Gathering Information
- Do a Needs Assessment
- Walk Through the Sales Process

AND THEN...

Get them in the showroom or hand them off to a salesperson to "close the deal."

What Information Should a BDC Gather?

- Have your BDC do a needs assessment

DWIN (Dealership Weekly Information Network) is a public service. Views and opinions expressed by any members are theirs solely, and do not necessarily reflect the views of J&L Marketing, Sandy Cerami or any of the featured guests. As always, we encourage you to seek your own legal representation or council in regard to implementing any ideas or concepts discussed during the program.

- If product questions arise, hand over to a sales rep
- Have them gather information on trade-in's
- Have your BDC assess the information coming from your Digital Retailing Tool
- Find out if the customer is financing with the dealership
- Gather payoff information
- Get copies of driver's licenses, insurance cards, etc.

A Sales Department then puts the deal together.

- Gather deposits on the phone or online
- Do a finance TO online via Zoom Call (still presenting menus, etc.)
- Use DocuSign for paperwork

From this point, the majority of the process has all been done without the customer having to come into the dealership. Having gone through all of these steps, the actual process has been cut down in time. A customer is no longer required to stay for a long period of time in the dealership. They can come in to check the vehicle, make sure it is what they want, sign off on the remaining documents, and get out of there quickly!

Marketing Adjustments

- Keep inventory priced competitively with what the market is doing
- Center your marketing around your process to educate your consumers on how buying a car works right now
- Focus on "simple transaction" messaging and how you are there to help your customer
- Make sure your experience (both online and via one-to-one conversation) re-builds trust and support

The Benefits Seen

- We have less of a staff, and have become more efficient because of this
- We don't have to worry about manning bodies in the showroom, as we don't have an influx of foot traffic, nor do we really have a showroom they need to come to (it is all online!)
- We have the right people, in the right positions, that are more equipped to handle that component of the sales process.
- We have been able to offer more transparency and have made the process easier for the consumer.
- We can better control the sale, which ultimately is better for the consumer as well.
- We are gaining market share because of this experience!

DWIN (Dealership Weekly Information Network) is a public service. Views and opinions expressed by any members are theirs solely, and do not necessarily reflect the views of J&L Marketing, Sandy Cerami or any of the featured guests. As always, we encourage you to seek your own legal representation or council in regard to implementing any ideas or concepts discussed during the program.