

# **Small Changes Make Big Differences: 10 Cost-Free Ways for Independents to Increase Profits (Part 2)**

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Even though independent and BHPH dealerships operate on more restricted budgets than the big franchised dealerships, there are a number of small, cost-free changes they can implement to drive an increase in their profits. As we discussed in Part 1 of this series, in the last issue, fancy advertising campaigns, costly building renovations, and giant sales events aren't the only ways to increase profits.

This 2-part series discusses 10 small, cost-free changes that independents can implement to make big differences in their profit margins and overall morale.

## ***Tips for change***

Last month I detailed the 5 "soft changes" that independents could implement separately from their interaction with the customer. In this installment, I'll share the 5 "concrete changes" which will help you increase your profit margins once you're working with the customer.

### **1. Make 5 extra follow-up calls per day**

Once a prospect leaves, it's easy to write them off and move on. Perhaps you make it a point to follow up on a slow day, just to see what turns up. In fact, your prospect came to you because they wanted to buy a car! Making 5 extra follow-up calls per day will result in (at least) 1 extra sale per week. That translates to 52 extra vehicle sales per year.

## **2. Follow-up immediately**

According to the NADA, you have 72 hours from the time a customer walks onto your lot to the time they buy a vehicle. If they leave and you don't follow-up, they'll purchase a car from your competitor within 36 hours. Make the follow-up calls!

## **3. Add an additional F&I product**

Anyone who's ever worked in retail—at any level—can tell you the value of an “add on.” Most times, all you have to do is ask. Make sure to ask your customers to buy your F&I products. With some simple training, your F&I manager can become one of your best auxiliary up-sellers.

## **4. Bird Dog**

Nothing motivates referrals like a cash reward! Offer a \$100 “bounty” to anyone who refers a buying customer. Make sure to mention it to each customer on delivery; once motivated they can be fantastic salespeople while they show off their new vehicle to friends and family.

## **5. Remember your friends!**

We all appreciate being appreciated. Keep a spreadsheet of your customers' birthdays and contact information. Always send a thank you card to buying customers and send them a birthday card. In a sea of dealerships it's the small considerations that make you stand out. You have your foot in the door because you just sold them their newest vehicle. They trust you. Don't let them forget you during the couple of years until trade-in!

## ***Earn more money!***

Implementing the 10 small, cost-free changes that I presented in this 2-part series to increase your profits may seem daunting. Especially if you're unfamiliar with the technology or the programs involved. However, the opportunity to earn extra profits is worth the time and effort to learn and to grow. Reaching out to your IADA can be a valuable first-step in making the change. They have the resources and connections to help you make it happen.

So dust off that bucket list—especially the items you were afraid you couldn't afford. You've just been given a roadmap to a cost-free bump in your profit margin. Make the most of it.

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