

# MASTERING THE SCIENCE OF NEW VEHICLE INVENTORY MANAGEMENT



## DEALERS TODAY ARE LOSING CONTROL OVER:

- New car profits
- Rising interest rates
- Model complexity
- Manufacturer stairsteps and rebates
- Declining new car market

## TAKE BACK CONTROL OVER:

- New car profits
- Rising interest rates
- Model complexity
- Manufacturer stairsteps and rebates
- Declining new car market

## KEY INVENTORY MEASUREMENTS:

- **Quantity** – Have the right number of cars in your inventory to keep floor plan expenses down
- **Quality** – Have vehicles your customers want based on the market
- **Turn** – How many times is your inventory turning in a month/year?

# DATA IS YOUR FRIEND. IT'S A TOOL TO HELP YOU **STOCK, TURN AND IDENTIFY** THE VEHICLES THAT WILL GROSS THE MOST.

## STOCK TO MARKET:

- Identify Model lines where your pricing or merchandising is off
- Ensure you're not getting too far in front of Model Year Sell-down
- Ability to show your OEM rep why he/she needs to call somebody else for the favor!

## FAST TURN TO MARKET:

- Measure the relative effectiveness of your managers' ordering performance
- Low MDS Vehicles capture 5x more SRP's and 50% more VDP's
- It's not about gross; it's about speed of turn!

## AGED TO MARKET:

- Identify the models with the biggest aging problem
- Effective management of your rising inventory holding costs
- Ability to manage with a FIFO not LIFO mindset



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