

CASE STUDY

GARFF AUTO GROUP'S DEALER TRADE NETWORK

Keeping the right cars in house for increased profits

ISSUE

The Ken Garff Auto Group's aged used vehicle inventory continued to grow annually. Garff wanted to ensure that the right vehicles were at the right dealerships so that more vehicles were sold at retail vs. sending aged inventory straight to the wholesale environment. They had been selling many of these vehicles directly to wholesalers or at auction and were surrendering the opportunity to make retail gross on these frontline ready vehicles. Garff needed to move and correctly place aged inventory while maximizing profits.

MANHEIM SOLUTION

Manheim's Major Dealer team presented the idea of a complete remarketing solution to Garff, which included a Dealer Trade Network (DTN) component (OVE.com closed sale). The DTN sale allowed Garff's internal group of dealers to bid and buy cars at MMR and enabled aged inventory to stay within their organization.

RESULT

Garff retained over 1000 vehicles within their auto group in 7 months, which ultimately led to a significant retail profit rather than a wholesale loss.



CASE STUDY

GARFF AUTO GROUP'S DEALER TRADE NETWORK

Keeping the right cars in house for increased profits

RIGHT CARS, RIGHT PLACE, RIGHT TIME

Before working with Manheim's Major Dealer and National Client Sales and Support team (NCSS) teams on a solution, the Ken Garff Auto Group (Garff), headquartered in Salt Lake City, with 30+ dealerships in 5 States, was seeing its aged used vehicle inventory continue to grow year over year. While they wanted to keep the front-line aged inventory within the Garff dealerships, they most often were forced to wholesale the cars, forfeiting retail profits that could be made by placing the vehicles at the right Garff dealership.

Jason Frampton, Vice President of Sales with Garff, knew they needed to try a different approach after discussing the issue with Manheim's Major Dealer team.

"I reached out to Manheim to see if they could help us keep and sell our cars within Garff. The Major Dealer and NCSS teams helped us prepare for the introduction of Dealer Trade Network to the Ken Garff Auto Group."

DEALER TRADE NETWORK

Dealer Trade Networks (DTN) are part of an overall vehicle remarketing solution built on the Manheim Digital Marketplace (OVE.com, Manheim.com) and are configured to meet each dealership group's own business needs and goals. With this solution, vehicles flow from DTN into an open OVE.com environment. Aged retail inventory is systematically moved into a DTN,

"Manheim's Major Dealer and and NCSS leadership immediately gathered up all the "troops" necessary to ensure a smooth launch of this product. " JAMES FRAMPTON



CASE STUDY

GARFF AUTO GROUP'S DEALER TRADE NETWORK

Keeping the right cars in house for increased profits

ensuring all aged inventory throughout the dealership group is turned on a more consistent and predictable schedule, driving increased profitability.

Manheim met with the executive team of Ken Garff in late 2012, including Jason Frampton: The Manheim Team immediately gathered up all the “troops” necessary to ensure a smooth launch of this product.

Manheim presented an “in house” OVE.com closed sale that could incorporate their entire aged, frontline used vehicle inventory and allow each of their dealerships to bid on one another’s vehicle. This strategy allowed Garff’s internal group of dealers to bid and buy cars at MMR and enabled aged inventory to stay within their organization.

Vehicles that were not retained within the group subsequently went into an open OVE.com environment for sale to the thousands of dealers with access to OVE.com. The DTN launched in April of 2013 at all 30 of the dealer group’s dealerships simultaneously after Manheim conducted in-market training on how to maximize usage of DTN and other Manheim in-lane and online products.

“This became and continues to be a true team effort with everyone from the beginning and since creating an outstanding customer experience and working in the spirit of “Right Now”.”
JAMES FRAMPTON



CASE STUDY

GARFF AUTO GROUP'S DEALER TRADE NETWORK

Keeping the right cars in house for increased profits

THE PROOF IS IN THE NUMBERS

- The Dealer Trade Network, or as Garff likes to call it, “Garff Trade Network”, has enabled the group to retain over 1000 vehicles in 7 months, which ultimately provided them a retail profit rather than a wholesale loss.
- The retail gross on the DTN vehicles that have sold at another Garff dealership has averaged over \$1,400 per unit – a total gross profit of nearly \$1 Million.
- Garff believes that if they had wholesaled these vehicles, they would have experienced a loss against their ACV of \$1300 per unit, resulting in an almost a \$2 million swing in profit on these 1000 vehicles.
- Garff has also seen an increase of over 1,000 wholesale sales CYTD at Manheim auctions as a result of deepening the ongoing relationship with Manheim’s Major Dealer team.
- Through the end of 2013 (7 months after launch) Garff has sold over 1000 vehicles within their DTN

