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## Developing your Lead Management Strategy - Again!

By Al Mullins, Managing Partner- DriveAuto Improvement Group, LLC  
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From *our* first days in the business way back in 1975, we were always told to “log your ups, log your ups and follow-them-up until they buy or die!” Most successful dealers, managers and salespeople have attempted this practice and many realized that improved process execution led to improved sales success! Fortunately, for most of us, there were many times that we had more traffic than we could handle *and* it only came in from two sources - the Showroom or the Phone. Throughout most of these past 33 years, when we experienced gas shortages, lines at the pump, high interest rates, the Gulf War and even 911, we still kept focused on trying to ‘log our ups’. Although these previously mentioned situations caused disruptions in our business, we always seemed to recover and sell more vehicles.

Today’s dealers, managers and salespeople constantly fight selling their brand of vehicles against more makes and models than ever and must compete for the Consumer’s ‘disposable income’ with an even bigger array of competition; i.e.- travel, home improvement, sophisticated electronics, etc.. Add to that the growth in the use of the ‘Information Highway - the Web’ and the individual dealership’s task can be overwhelming. Successful dealers today utilize the most current technologies to help them unravel the complexity of consumer’s shopping for new and used vehicles.

According to many ‘Industry Experts’, at least 80-90% of all consumers begin shopping for almost any product online prior to their phone and their actual Retail Outlet buying phase. Many customers complete the purchase of millions of items daily without ever touching the product itself or leaving their homes, a practice which is very limited in the Automotive Industry. Automotive Consumers still need to touch, drive and experience that new or pre-owned vehicle before completing their purchase - thank goodness! Realizing and taking advantage of this can improve sales results in your dealership but you must look at all of your customer’s activities, not just how many of them you have. It’s become a lot more complicated than just ‘logging your ups!’

Success today requires a deeper dive into the metrics of not just into how many ups did you log, but how many did you miss? Industry experts currently say the natural closing percentage is +or – 10%. This translates to, if you sold 175 new and used, you could have logged as many as 1,750 ups!

How many ups/opportunities did you miss?

Vehicles Sold	Closing Ratio	Actual Ups On Lot	Ups Logged	Follow-Up On 75%	Missed Opportunities
175	10%	1,750	875	655	875

Many Dealers only log about ½ of their actual ups, in this example 875 and really only follow-up with 75% - those they *get on paper* or negotiate with. The 75% of the 875 would result in followup on 655. If you subtract the 655 customers you attempted to sell and followed-up with from the 1,750 you should have logged, this means that your dealership missed 875 potential sales opportunities! If the natural closing percentage is 10%, that means you missed out on almost 100 additional vehicle sales in one month alone! Imagine what 275 per month instead of 175 per month could do to your bottom line at the end of the year!

But improved logging alone will not be enough. Of the 875 ups that were logged in our example how far did they get through your Selling Process once they actually contacted you? Ask yourself the following...

- 1.- When you look at your Showroom Desk log, does it show mostly Sold deals?
- 2.- Does your Sales Management source the customer as a walk-in, phone or Internet to see how the traffic actually arrived at your Showroom?

Successful Desk Managers use their Customer Relationship Management (CRM) tools (or just their paper desk logs) to track *walk-arounds*, demos, T/O's and offers generated because they realize that a percentage increase in any category will show an increase in vehicles delivered.

Many dealers not only record and listen to their inbound Sales phone calls, but they also measure the number of appointments set, shown and sold. They monitor this information by team and by individual to realize the true efficiency of their incoming phone lead process in addition to tracking the effectiveness of their advertising sources.

In their Internet Departments, almost all dealers monitor their Lead Response Time (LRT), lead counts and sales, but the dominant ones also monitor their appointments set and shown from these leads to maximize their sales in that department.

Many dealers, dealer groups and even OEM's are using 3<sup>rd</sup> party Call Centers to insure that all follow-up calls are being made and receive tracking reports with the results of all these calls.

When using compatible CRM and Internet Lead Management (ILM) tools dealers can determine when customers contact them in multiple ways; i.e. - Internet first, then phone and then walk-in or any combination there-of to make sure the information the customer receives is consistent in every communication. This area can build or lose credibility with many customers depending upon how accomplished dealership's staffs are at using their tools.

To complete the final Preferred Customer Consultation Experience (**PC2**), it is becoming more and more necessary to acknowledge the prospect with name recognition on a 'Welcome Board', a prepared customer folder and even in many cases a pre-selected vehicle of choice on display. This entire process is designed to enhance the perception of the prospect's first Retail Showroom Experience. Many dealers find that since they have put so much effort to get the customer through their front door, that they must still do everything possible to create an a typical dealership encounter that either creates a higher percentage of 1<sup>st</sup> visit closes or sets up a less confrontational stage for more successful unsold follow-up!

The best news in all of this is that everything covered in this article is about process improvements! Dealers that concentrate on improving these internal results spend no more on Advertising but stand to gain a lot more vehicles sold because of the increased

sales process monitoring! Please email me us **al@driveautoimprovementgroup.com** or just call me at **919-637-6473** to start improving your dealership's sales results today!

*DriveAuto Improvement Group, LLC is a Net-Profit-Improvement and Lead Management Training and Consulting Group working with dealers to improve their Lead Management and Net Profit Improvement Processes. We offer customized packages for dealerships of all sizes and franchises. Our firm is comprised of 'Dealer Principal' Retail Experienced Consultants with a solid record of dealership improvement as well as successful references. We look forward to hearing from you soon!*