



## Automotive Retail Consignment

# Dealer Startup Playbook

*How to Add Consignment and Source More Inventory  
Without Owning Every Car*



Presented by Retail My Ride  
*America's #1 Hub for Car Consignment*

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# 1. What Is Automotive Retail Consignment

Automotive retail consignment is not a replacement for traditional vehicle purchasing. Instead, it is an additional acquisition path that allows dealerships to retail qualified vehicles meeting the same quality standards as owned inventory **without taking financial ownership upfront**, while still controlling the entire sales process from evaluation to final delivery.

In a consignment transaction, the dealership markets, shows, finances, and sells the vehicle just as it would with owned inventory. The key distinction is ownership timing: the seller retains ownership while the vehicle is being marketed, and the dealership earns its revenue through an agreed sale fee and related services when the vehicle sells.

Rather than forcing every opportunity into a buy-or-walk-away decision, consignment creates more yeses from sellers by offering a professional retail path alongside an instant cash offer. This allows dealerships to capture additional qualified private-party vehicles while preserving capital for vehicles they choose to own.

At the same time, many dealerships have shifted their focus toward acquiring private-party vehicles and away from heavier reliance on auction sourcing. This convergence of more informed sellers and dealers prioritizing private-party acquisition has created a more competitive battleground, with more dealers competing for fewer quality vehicles and relying heavily on instant cash offer strategies.

Dealers who expand their acquisition model to include consignment can present sellers with an additional retail option, increasing conversion rates, improving inventory mix, and reducing capital risk while maintaining full control over vehicle selection standards.

## The Dual-Path Acquisition Model: We Buy and We Consign

Under the Dual-Path model, the dealership is positioned to present sellers with two clear, professional options:

### **Path 1 — We Buy:**

The dealership purchases the vehicle outright at an agreed instant cash offer (ICO), taking ownership and assuming full inventory risk and capital investment.

### **Path 2 — We Consign:**

The dealership offers to retail the vehicle on the seller's behalf, maintaining the same retail standards and processes used for owned inventory, while the seller retains ownership until the vehicle sells.

This dual-path framework expands the dealer's sourcing flexibility and improves conversion.

## 2. Car Consignment Golden Rules

Consignment works best when it is treated not as an exception, but as a disciplined extension of a dealer's existing private party vehicle acquisition model. The following *Golden Rules* outline the core principles that support consistent execution and long-term program success.

### **1. Maintain Uniform Vehicle Selection Criteria**

Apply the same inventory standards regardless of acquisition channel. If a vehicle fits your retail model, it should qualify no matter where or how it is acquired.

### **2. Be The Market Expert — Always Show the Math**

Set upfront realistic expectations with the seller by presenting side-by-side math — Instant Cash Value vs. Projected Net Seller Consignment Proceeds — using Retail My Ride's Consignment Calculator.

### **3. Process All Vehicles the Same**

Consignment vehicles should move through the same workflow as owned inventory: evaluation and appraisal, reconditioning, merchandising, marketing, sale, F&I, and delivery.

Dealer bears reconditioning cost on owned vehicles, while seller-approved reconditioning costs apply to consigned vehicles — but the same level of get-ready standards should be maintained.

### **4. Use the Triple-Win Pricing Methodology**

Position every consignment vehicle to create a win for all parties:

**Sellers** – Receive more than an instant cash offer or trade allowance

**Buyers** – Get a good deal below full retail with a trusted, professional transaction

**Dealers** – Earn sale fees, recon revenue, F&I income, and create two satisfied customers

# 3. How Retail My Ride Integrates with Your Dealership Workflow

Retail My Ride serves as a marketplace and connection platform that matches and refers qualified private vehicle sellers to participating network dealerships offering the consignment option.

## **Step 1: Dealer Enrollment and Profile Setup**

Participating dealerships enroll at *RetailMyRide.com* and complete their dealer profile, establishing geographic service area, vehicle selection criteria, and consignment program parameters.

## **Step 2: Seller Submits Vehicle Information**

When a seller submits their vehicle and contact information, Retail My Ride reviews the lead and assigns it to the most appropriate network dealer based on location, vehicle type, and program fit. Push notifications are sent to both seller and dealer.

## **Step 3: Dealer Conducts Evaluation and Appraisal**

The dealership works directly with the seller to conduct a professional valuation and appraisal and determine whether the vehicle is well-suited for their inventory.

## **Step 4: Present Consignment Strategy and Net Proceeds**

If accepted, the dealer presents a projected net proceeds estimate and outlines the pricing strategy, timeline, and next steps.

## **Step 5: Vehicle Enters Normal Retail Workflow**

Once an agreement is executed, the vehicle flows through the dealership's normal retail process and is marketed and sold the same as owned inventory.

## **4. Establishing Your Dealership's Consignment Program Framework**

Before actively operating a consignment program, each dealership should define a clear framework aligned with its existing inventory strategy and operational preferences.

### ***1. Vehicle Eligibility and Selection Criteria***

Define which vehicles will be accepted based on existing retail standards, target mix, and recon capabilities.

### ***2. Consignment Fee Structure***

Establish a clear and consistent fee model, which may include an upfront enrollment fee plus a backend success fee when the car sells. The typical success fee is structured as either a flat sale fee, a percentage-based commission, or a structure based on selling above an agreed target price. Industry averages for percentage-based commissions generally range between 5% and 12% of the final sale price.

### ***3. Commitment to Presenting the Consignment Option***

Dealerships actively participating in the Retail My Ride network are expected to offer the consignment option on every eligible vehicle referred by Retail My Ride. Dealers may present both an instant cash offer and a consignment option side-by-side, but should not present an ICO-only path when the vehicle qualifies for consignment.

### ***4. Policy on Accepting Vehicles with Open Liens***

Dealerships should determine whether they will accept consignment vehicles with open liens, based on state requirements, internal risk tolerance, and operational complexity. Retail My Ride can provide dealer guidance, best practices, and recommended workflows for handling lien payoffs and title processing when applicable.

# 5. Operational Integration of Consigned Vehicles

Unless otherwise dictated by local or state requirements, ***operationally consigned vehicles should be treated the same as owned inventory throughout the dealership's workflow.***

From evaluation and appraisal to reconditioning, merchandising, marketing, sale, F&I, and delivery, the processes should largely align with existing operational procedures. The primary differences typically relate to ownership status, accounting treatment, and title or lien payoff handling at the time of sale.

Establish clear internal handling and management procedures for consignment vehicles that align with existing operational processes, while accounting ***for key differences unique to consigned inventory.***

Areas to address include:

- Evaluation and appraisal workflow
- DMS coding and tracking identifiers
- Seller communications regarding offer options and pricing changes
- Title handling and lien payoff procedures
- Funding timelines and net proceeds remittance

## 6. Accounting Overview for Consignment Vehicles

Consigned vehicles are not recorded as owned inventory assets until the vehicle is sold. Instead, the dealership acts as an agent facilitating the retail sale on behalf of the seller.

The dealership's revenue is derived from the agreed sale fee(s) and any associated services such as reconditioning, detailing, transportation, or F&I products. Net proceeds are remitted to the seller after deducting approved fees and expenses.

Dealerships should consult with their accounting professionals to confirm the appropriate treatment for consignment transactions in accordance with their accounting system, policies, and applicable financial reporting standards.

## 7. Insurance and Risk Considerations

Dealers should confirm with their insurance agent or underwriter that policies properly address both **owned** and **consigned** vehicles.

Coverage should clarify that damages resulting from dealer negligence, buyer test drives, or on-lot incidents are addressed within existing garage keepers liability and physical damage coverages.

Sellers should be required to maintain full insurance coverage, including comprehensive and collision, while their vehicle is on consignment, with this requirement clearly stated in the consignment agreement.

## 8. Consignment Agreement Essentials

A written consignment agreement between dealership and seller is essential to define expectations and responsibilities.

### **The agreement should address:**

- Pricing authority and approval process
- Reconditioning authorization procedures
- Fee structure and reimbursable expenses
- Insurance requirements during consignment period
- Title handling and payoff procedures

Dealerships should ensure that their consignment agreement complies with all applicable state and local regulations and should review agreement language with legal counsel as needed to confirm compliance.

# 9. Establishing a Strong Online Consignment Presence

## Why This Matters

Today's sellers research their options online before contacting a dealership. If your website only promotes "We Buy Cars," you unintentionally position yourself as a single-path store. A clear, dedicated consignment page communicates that you offer an additional retail option alongside instant cash offers.

This visibility builds trust, increases inbound opportunities, and positions your store as a modern acquisition leader. A strong online consignment presence can also generate direct seller inquiries that originate outside of Retail My Ride referrals, providing an additional acquisition channel not subject to referral-based lead fees.

## Best Practice: Create a Dedicated "We Consign" Page

Your website should include a clearly labeled "Consignment" page. This page should be clearly linked from your homepage or header navigation and be easily visible from a visitor's initial landing, as well as from any "Sell Your Car" or acquisition sections.

## Operational Benefit to the Dealer

A clear consignment page:

- Pre-educates sellers before they call or visit
- Reduces in-store time explaining the model
- Increases conversion of private-party opportunities

Dealers who clearly present consignment online often see stronger inbound opportunities and more productive seller conversations.

During the onboarding process, Retail My Ride can provide guidance, messaging assistance, and real-world examples of effective consignment pages used by network dealerships.

## 10. Dealer Support & Assistance

Retail My Ride provides ongoing guidance and support to participating network dealerships.

For questions about implementing or scaling your consignment program:

**Phone:** 833-795-2277 (CARS)

**Email:** [info@retailmyride.com](mailto:info@retailmyride.com)

**Hours:** Monday–Friday, 9:00 a.m. – 5:00 p.m. Central Time

Our team is available to assist with onboarding, best practices, workflow integration, and program optimization.

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