

FEATURE



Recuperating Used Vehicle Reconditioning Costs Through A Velocity-Driven Recon Operation

As new vehicle sales and profits steadily diminish, dealerships are faced with increasing pressure to not only reduce the cost of reconditioning but to get used vehicles Retail-Ready Faster. To complicate the situation even more, used vehicle values continue to shrink in midst of the global pandemic in conjunction with waves of off-lease vehicles arriving to dealership lots. To help with this, dealers should employ sophisticated software tools to streamline their recon process to control costs and begin the sales process of used vehicles while they are actively in the recon process rather than waiting for them to be retail-ready. At ReconVelocity, we call this entire set of workflows a “velocity-driven recon operation.”

Implementing velocity-driven recon processes including simultaneously identifying potential buyers of in-recon units offers the potential for dealers to recuperate used vehicle reconditioning costs through increased gross profits which historically have seeped through inefficient recon operations and delayed sales. While controlling recon costs and building efficient recon workflows helps to increase the dealership’s inventory turn, beginning the sales process at acquisition adds the fuel that maximizes turn velocity.

Think about this... Following the acquisition of a used vehicle, the dealership immediately decides if it is the type of vehicle they want to sell or if it needs to be wholesaled. Once the decision is made to retail a unit,

the process of figuring out what mechanical and cosmetic work is needed to get it to a retail-ready condition is rather quick and easy. Even calculating the cost of repairs and cosmetic improvements is not a painful, drawn out undertaking - most of the time.

The two primary bottlenecks in the reconditioning process are getting approvals for mechanical and cosmetic work immediately to the right people so that decisions can be made instantaneously and then, getting this work completed right the first time as fast as possible. Previously, dealers have relied on information written on whiteboards or in shared Excel sheets to guesstimate how many days it would take to get a vehicle retail-ready. However, these tools make it extremely difficult to coordinate and manage the efforts of individuals across multiple dealership departments and vendors that perform recon work on- and off-site nor do they let you pinpoint the exact physical location of a vehicle.

DON'T KEEP TRACK OF RECON TIME WITH AN ERASABLE MARKER & DON'T DELAY THE POTENTIAL SALE OF A VEHICLE

Fully minimizing recon costs and constraining vehicle value erosion is possible through specialized reconditioning software with vendor management capabilities. Likewise, data analyses functionality and algorithmic intelligence found in advanced software allows salespeople and BDC agents to pursue potential buyers for



newly acquired used vehicles from the point of acquisition – so that a measurable percentage of these units sell the moment they become retail-ready.

If the goals are to turn inventory every 20 days and to maximize the net return on the dealership's inventory investment – the sales process cannot be delayed until vehicles are retail-ready. A velocity-driven recon operation is streamlined, efficient, cost-effective and embodies a process for matching in-recon units to potential buyers so that sales activities begin the moment vehicles are acquired.

THE 7 TENETS OF A VELOCITY-DRIVEN RECON OPERATION

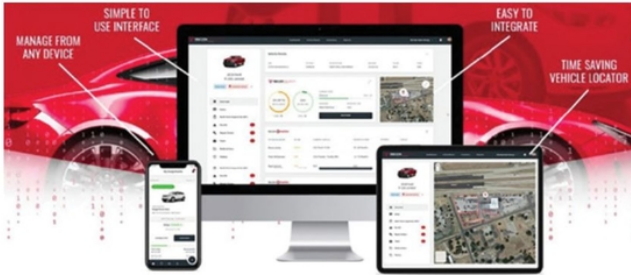
1. Use software to manage and measure the efficiency of reconditioning operations
2. Have total transparency across recon workflows, including third-party vendors
3. Establish individual accountability at each step in the recon workflow
4. Enable real-time communications across departments and vendors
5. Control value erosion by keeping recon time under four days
6. Start generating qualified potential buyers immediately upon vehicle acquisition, and begin selling vehicles while they are actively in the recon process

7. Appoint a Velocity Manager to ensure that reconditioning progresses according to established completion target timeframes for each step in the process

To build a velocity-driven recon operation requires a coordinated effort among all individuals that have accountability at every step. Technologically advanced recon software will facilitate real-time vehicle tracking, GPS-driven step progression, and instantaneous communications spanning the entire operation so that bottlenecks can be quickly identified and remedied. Finally, the software solution provider must support the dealership's efforts with a comprehensive training and support model that includes on-site (hands-on) training and a long-term performance training plan.

INTELLIGENT & GPS-POWERED RECON SOFTWARE

Fully mobile and GPS-powered automotive software solutions bring levels of efficiency to recon operations never experienced before. Customizable recon step configuration and automated step progression give dealers total transparency – by the minute – into the status of every vehicle in the recon process so that they can hold individuals accountable for wasted minutes across every step in the workflows. The reconditioning software solution must be easy to integrate so as not to disrupt existing operations, while being easy to use and fully accessible from any device.



REAL-TIME APP NOTIFICATIONS & IMPROVED DEPARTMENTAL COMMUNICATIONS

Anything short of real-time communications among individuals across dealership operations is unacceptable - and that includes both on- and off-site vendor communications. Time is money and before we know it, minutes turn into hours and hours into days. At any time, it is essential that every participant of the recon team be able to access the status of any vehicle in recon, regardless of whether or not the vehicle is on the dealership lot or down the street at the body shop.

Eliminating time wasted trying to get work approvals is essential. Today, advanced recon solutions provide real-time access to repair and cosmetic recommendations along with crucial decision-making data such as how much the dealership has invested in a vehicle, pack amounts, MPI results, photos, and more. Highly efficient recon operations process work approvals and denials instantaneously - even before the technician has time to pull the vehicle off the rack following inspection. Recommended work should begin within minutes of receiving work approvals via real-time notifications.

Imagine if you wanted to know the balance in your bank account and when you called the bank the teller told you that she would be able to get this information to you in a few hours or days. In this same sense, having completely accurate information on the location of a vehicle and the exact progress within each recon step is paramount, and this information needs to be accessible by the entire recon team from any smart device, desktop or tablet.

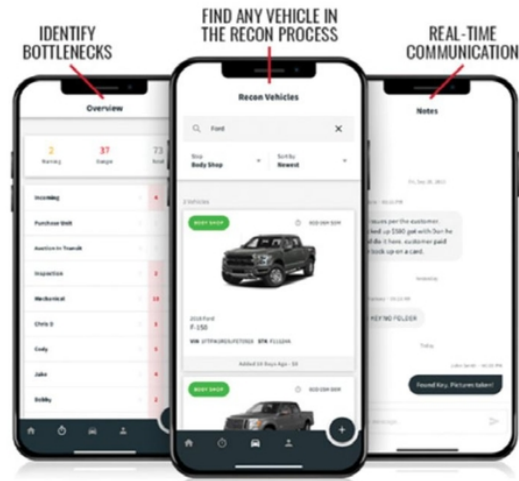
POTENTIAL BUYERS MATCHED TO IN-RECON UNITS

Streamlined and highly effective recon workflows and processes fueled by in-recon prospecting and sales is what brings true velocity to the entire recon operation. Waiting days to start selling newly acquired used vehicles is contrary to the entire mission of high-velocity recon operations. Advanced recon software must employ data intelligence to extract potential buyers from the dealership's CRM and DMS so that the sales process begins immediately. As prospects demonstrate interest in a particular unit, it must be given priority in the recon progress to boost the possibility of a sale as soon as the vehicle is retail-ready.

NOW IS THE TIME FOR VELOCITY-DRIVEN RECON OPERATIONS

Progressive dealers across the country are already on their way to building high velocity-driven recon operations and are seeing immediate results in improved turn times and increased gross profits. The goal is to recuperate as much recon costs as possible by capturing profits that, again, have historically seeped through inefficient recon processes and delayed sales.

As we emerge from possibly one of the most difficult global challenges in history, the dealers that will win in the post-pandemic economy will have embraced the vision of velocity-driven recon operations and taken swift



action to implement best-in-class software, while rallying their people to rise to the occasion and perform at levels never achieved in the past.



Karla Guleserian is a Recon Expert at Recon Velocity, which provides new and used car dealerships with the most advanced reconditioning software in the industry, giving velocity to inventory turns while maximizing the net return on the dealership's inventory investment.

veloped and implemented processes to improve internal dealership practices that led to increased operational performance across variable and fixed operations.

Karla spearheaded Nissan's Modern Retailing Beta Program in a small dealer group comprised of four Nissan points. She has taught numerous educational sessions in partnership with Digital Dealer Conference & Expo and has been featured in Digital Dealer Magazine, Auto Success Magazine, and numerous industry case studies.

Karla earned a Master of Science in Electronic Commerce and a Bachelor of Science in Technology & Management from the University of Maryland with the highest honors, receiving the President's Award for Outstanding Academic Excellence.

For more than a decade, Karla worked in a wide range of capacities in automotive dealerships, including Business Development, Fixed Operations, Modern Retailing, and Digital Advertising. In these various roles, she de-

Karla also has extensive experience planning and managing the development, launch, and marketing of high-tech applications across B2B integration, Web-services, digital advertising, and healthcare.

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TIME SAVING
VEHICLE LOCATOR

// Bring Efficiency & Transparency To The Recon Process

- Unparalleled Support Model
- On-Site Training By Recon Experts
- Regular Software Feature Updates
- Best Vendor Management Solution Available
- Drives Used Car Sales & Profitability
- CRM, DMS, & Inventory Software Integration

- Reduce Expenses & Increase Inventory Turn
- Manage Recon From Any Device
- Real-time App Notifications
- Instantaneous Work Approvals
- Potential Buyers Matched To In-Recon Units
- No Hidden Fees

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