MACH10 AUTOMOTIVE

Client Spotlight
Ford store

Background:

This 50-year-old single-point, family-owned Ford store in Los Angeles was underperforming, lacking structure and management discipline to perform at comparable levels to other Ford stores in the region, thereby unable to take advantage of potential business growth.

Engagement:

Mach10 Automotive was retained to perform a wholistic 360-degree analysis across the business, identifying opportunities, as well as challenges and problems that warranted correction. Mach10 made recommendations and proposed actionable initiatives designed to improve business performance.

Recommendations and Results:

Some of the recommendations and initiatives Mach10's performance optimization support has focused on and resulted in, include:

Leadership

Our team worked closely with the GM, coaching leadership practices and provided guidance on how to lead the business planning process, including introducing accountability across the departments.

Our team recommended a restructuring and realignment of the management team and department staffing, including adding specific personnel in service, which would improve efficiency and affect profitability right away.

Business Office Efficiency

Month-end closing has been improved from 17 business days to 12 days, with the goal being 3 business days. With Mach10's coaching and input, the store now has monthly goals established and the GM is managing the dealership through departmental goals' achievement and accountability.

Facilities

Our team proposed a comprehensive plan that included cleaning and maintenance of the overall facility, removal of vending machines in showroom to be replaced with free coffee, water, etc., improved signage, lot reorganization including change in merchandising of new/used cars for sale, process change on how to use off-site lot more cost effectively, replacement of dated and broken equipment (liability), enhancing and upgrading the branded accessories' boutique, to name a few.

Our plan also addressed how to more effectively prepare for service visits and stage necessary parts for scheduled repairs.

Variable Ops

Proposed 3rd party F&I service provider to complement OEM suite of F&I products. Introduced & trained on 3rd party F&I service provider upselling.

Sales Operation

A comprehensive sales training plan was developed and implemented across the sales function, including salespeople, Finance, and the Used Car Manager, to include product training and presentation, inventory management, "10-steps to the sale", minimum training standards prior to taking an "up", and "train the trainer". The training was conducted in-person.

The Mach10 team trained two new sales executives with no prior sales experience, using the Mach10 proprietary sales training curriculum. Just six months later, these two executives ranked 1st and 2nd out of 18 sales representatives for new car sales over the past two months.

Our recommendation included a strategy on how to introduce sales of cars in the service drive to service customers and the need to establish a workflow for off-site deliveries.

We recommended how to improve the acquisition strategy and process for acquiring additional and attractive pre-owned inventory incorporating market driven data, utilizing advanced marketing algorithms, which would support an expansion of frontline inventory for improved turnover volume and revenue.

Marketing

We recommended creating and implementing a long-term marketing strategy/marketing plan for sustainable results that must consider social media activities intentionally as opposed to using social media in an ad-hoc manner.

Our recommendation included an overhaul of the dealer website to improve performance and customer experience with mechanical/design suggestions for SEO optimization.

A comprehensive technology assessment was conducted, which provided valuable insights that allowed us to renegotiate existing contract terms on behalf of our client, resulting in cost savings. Additionally, this assessment paved the way for onboarding new technology and forming strategic partnerships to enhance brand visibility and drive increased internet traffic.

As part of the findings, we recommended adding additional lead providers to boost lead generation by utilizing advanced features and market data not currently leveraged by the existing vendors. To maximize the effectiveness of this strategy, we also advised implementing a clear process for tracking lead sources. This would enable the store to quantify results, identify the best practices, and better understand marketing ROI.

Fixed Ops

Our team recommended and actively recruited department specialists to fill voids, including service technicians.

Proposed and implemented training modules including RO upselling, phone training, and Service Advisor“walk-around” process training.

Our team recommended a host of structure, process and systems changes across parts and service department. These initiatives included parts inventory management, analysis of ROs, recommendations and implementation on how to upsell each RO, eliminate discretionary repair order discounting, improve customer communication, etc.

On our recommendation, a new video-based, multi-point inspection technology process tool was acquired, which improved dealer performance and customer experience.

The following KPIs reflect the impressive and positive impact of Mach10's performance improvement initiatives in the Fixed Ops department have resulted in over the past 6 months (March 1 – October 31, 2024):

Activity	MAR '24	OCT '24	Difference(%)
RO's Written	1275	1511	+19
Total Hrs. Sold	3203	3618	+13
Total Parts and Labor SLS	910,809	1,175,441	+29
Total C/P Parts and Labor SLS	334,171	492,814	+47
Effective Labor all LBR Types	151	169	+12
Effective C/P LBR Rate	142	187	+32

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