



# Who's In Charge

# Dealer Institute Vision, Mission, and Value Proposition

## *Our Vision:*

- To be the trusted advisor and first choice for business strategy, leadership and employee development in the equipment industry.

## *Our Mission:*

- To help our customers achieve operational excellence and long-term success.

## *Our Value Proposition:*

- Developing people to grow your business.

# Introduction



- 30+ years in the equipment industry
- Former CEO of 19 store John Deere Dealership
- Experience in agriculture, construction and OPE
- Working with NAEDA as a training consultant in all aspects of dealership management and continuous improvement

# Perceptions of Control and the Reality of Shared Influence

- **Individual Perceptions of Control**
  - Each person often believes they have full control over outcomes in various situations.
- **Shared Influence Reality**
  - In reality, control is distributed among many people, resulting in shared influence on outcomes.
- **Potential for Mutual Impact**
  - If unrecognized, the overlapping perceptions of control can lead to collective influence.

# External Forces of Influence

- Manufacturer Demands
- Financial Partners
- Customers
- Staff
- Market Conditions
- Macro Economy

# First Rule

# You Make The Decisions!

# How do we make decisions in our business?

- Do what the manufacturer tells me to
- Ask other dealers
- Ask dealership employees
- Ask customers
- Make a decision based on data and do what is best for my business



# Correct Answer

Do what is best for your business!

# Manufacturer vs Dealer Expectations

## Manufacturer

- Market Share
- Sales Volume
- Sales Growth
- Dealer Purity
- Facility Compliance
- Customer Satisfaction
- Program Participation

## Dealer

- Profitability
- Cash Flow
- Strong Operational KPIs
- Sales Mix
- Sustainability
- Manufacturer Support
- Customer Satisfaction
- Liquidity

# Success Factors

- Focus on Core Business
- Cash is King
- Know Your Area of Responsibility (AOR)
- Leverage Aftermarket
- Proactively Manage Wholegoods Inventory
- Pivot Quickly



# Focus on Core Business

- Do what you do really well
  - Fix the problems you have before you go looking for new ones
- Avoid distractions
  - Don't chase "shiny objects" that don't fit
- Establish a process to evaluate opportunities
  - New products
  - New services
- Leverage synergies
  - Between departments
  - Between locations

# Cash is King

- Businesses fail due to cash shortages, not lack of profit
- Key considerations:
  - Repayment terms
  - Interest rates (fixed or floating)
  - Credit security
  - Number of facilities managed
- Weigh opportunity cost of paying cash vs. using terms
- Just because you can, doesn't mean you should!

# Know Your AOR

- Foundation for success
  - How do you plan if you don't know what you are planning for?
- Key questions:
  - How many customers?
  - Machine population & product mix
  - Acres and industries served
  - Competitor presence
  - Market potential
- Guides staffing, inventory, and facility decisions

# Leverage Aftermarket

- Focus on absorption
  - CODB Survey average is 53.95% and 82.73% depending on volume
  - Benchmark 80%+
  - Ultimate goal >100%
- Cross sell between departments
  - Service promoting parts programs and vice versa
  - Sales department promoting aftermarket programs
- Use aftermarket to gain wholegoods sales
  - Incent parts and service staff for leads
  - Base a portion of bonus on dealership performance

# Proactively Manage Inventory

- Sales temptation: Don't oversell new and buy risky trades
- Manage product offering
- Understand key KPIs:
  - Washout cycles
  - Used turns (R12)
  - Inventory-to-sales ratio
  - Days in inventory
  - Aged inventory levels



# Pivot Quickly

- If its not working, stop doing it
- Establish a cadence for reviewing KPIs & make course corrections
  - Weekly
  - Monthly
  - Quarterly
  - Annually
- Meet with each department individually AND meet with all department managers to share department results
- Predict the future by using historical information
- Always err on the side of caution.

# Take Aways

- You MUST drive your business
- Focus on Core Business
- Cash is King
- Know Your Area of Responsibility
- Leverage Aftermarket
- Proactively Manage Inventory
- Pivot Quickly
- Don't do it just because you were told to!



# QUESTIONS?