

The Red Flag Health Check

Well run and well managed car dealerships nearly always score well on this health check. Essentially it is made up of 6 P's. That's Product, Price, Presentation, Process, People and Preparation.

Evaluate yourself or get an independent view and keep yourself the right side of the business.

Product

- Do you have stock?
 - Volume to meet the target margin
 - Margin required to meet your target

- Do you have the right stock?
 - New
 - Used

- How do you know?
 - New
 - Used

Price

Being competitive is essential. Evaluate your cars, especially your 30 day cars against the competition.

- Marketing reconciliation
 - New car offer – are you Top 10?
 - Used car offer – are you Top 10?

Presentation

- **Walk the store**
 - **30 day stock – is it prominent?**
 - **Display hot spots – are they identified and filled?**
 - **Open door review – has anyone looked inside these cars?**
 - **Used car champion – who is your used car champion?**

Process

Shortcuts lead to short sales! Lock-on basics and have the strength to insist your standards are met.

KPI alert

Enquiries

- **Are all enquiries being recorded?**
- **Are telephone calls monitored?**
- **Is the appointment rate acceptable?**
- **Is the demonstration rate acceptable?**
- **Is the appraisal rate acceptable?**
- **Is the follow up rate acceptable?**
- **Are we doing sufficient prospecting?**
- **Do we have a minimum daily contact regime?**

Work Rate

- **Is the work rate sufficient?**

Managers

- **Are there enquiry examinations – do you know who and why for people that don't buy?**
- **Are there 2nd face meetings everytime?**

People

Conduct a top to bottom business wide Person Audit. Evaluate all your people on these measures. They either have it or they don't. **Mark out of 5 for each category.**

Less than 4 change the person. Less than 3 change the person. **Less than 2 – career adjustment!!**

Name:

Attitude ___ Energy ___ Courage ___ Trainability ___ Total ___ Pass ___

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Preparation

Planning is the key to perfect delivery. Make sure you and everyone in your team has an individual activity plan. Naturally make sure this meets the team objectives.

Do you review your activity progress every 10 days?