

Drive 45

2020 was a year that saw many challenges that could never have been predicted as we started the year in a very buoyant used car market, with residual values holding strong from the carry over of strong trading at the end of 2019 retailers were very focused on maintaining stock levels to keep up with demand as well as increased stock turn, this was great news for manufacturers wholesale vehicles as stock was at an absolute premium.

In March that positive start came to an abrupt stop, COVID-19 became very real with huge disruption to businesses and people's lifestyles, the first restrictions and lockdowns began and the furlough scheme came into play avoiding the need for heavy redundancies, nationally there was an element of shock and a huge adjustment for many of us in our working and social life.

The much talked about future of selling online became reality much earlier than perhaps many were prepared for. This had to be quickly addressed by many, websites had to be updated, both manufacturers and retailers to allow customers the start and complete their purchases online, this has actually put us in a much better position moving forwards in preparation for future generations of car buyers.

The pent-up demand caught most people out, no one could have predicted the massive used car demand that was created from many areas from the impact of lifestyle changes, from people no longer wanting to use public transport, people who were already in the market and of course people unable to take holidays and using expendable income to upgrade their current vehicles and of course many other reasons.

This demand was expecting to peak after the first lockdown but unexpectedly continued throughout the year which has also contributed to the lack of movement in trade values doing a great job of protecting residual values.

This demand for many has created record levels of volume and more importantly higher levels of used car profitability in half year two.

As retailers learned, to be successful many factors had to be at their best, purchasing had to be a priority, sell one buy one mentality had to be adopted, preparation speed had to be a top focus, advertising excellence also became a priority, the quality of imagery, video, highlighting accessories, having the facility to make an offer or place a holding deposit or ask a question through email or live chat and of course on top of that it has to be priced to market to gain the enquiry in the first place.

The interesting thing that has happened this year has been how big groups have acted differently regarding staffing levels, some have remained fully staff, some have used the furlough scheme to reduce staff levels and some have made redundancies, some have even made their used car managers redundant despite the need for used car focus.

A used car manager is a dedicated resource to managing the biggest capital as well as opportunity for profit in any business, manufacturers understand the importance of strong used car sales in their networks to protect residual values, the used car job is a huge undertaking when done properly, unfortunately in many businesses we still have sales managers undertaking new and used car responsibilities, this is the unfortunate reason that many retailers do not reach their potential in their area of influence.

The other issue is that for many businesses it is often acceptable that when managers are on annual leave that many controls will fall behind but be picked up again when they return to work, over my years in the industry I see this time and time again, with used cars needing daily management to be successful unless a used car controller or manager is in place at best used cars are reviewed two or three days per week.

With many experts anticipating a smaller used car market next year we need to be on top of our game going into next year, we also need to be prepared for the potential effects on new cars from the outcome of BREXIT which could have a positive effect on used cars, especially any agreed pre-registration vehicles actioned at year end.

This is where Drive 45 comes in, our solution doesn't take a day off, actions are daily and are agreed and set before usage with best practice real life actions created from a combined 70 years used car knowledge, it is intuitive and easy to follow and of course alleviates some of the skill sets needed to run a successful used car department, this built from experienced used car managers not by software experts, we have built this to not only manage each vehicle on a daily basis but also to be able to categorise vehicles as to their selling strength and manage them accordingly.

Drive 45 is built especially for difficult times like this with many sites short staffed, for inexperienced managers it is affectively a paint by numbers but of course also works a learning module of best practice, for experienced managers it will work as time saver and will give the ability to delegate actions, Drive 45 is self-funding and simply designed to improve return on investment by not only increasing chassis margin but by reducing stocking charges through faster stock turn, it is built to be adaptable and actions can be changed to adapt to any circumstances as well as being completely bespoke to your individual businesses, on top of that you will have full support and training available from a member of our team.

Drive 45 unlike many existing ideas gives full visibility to all levels of management of all key areas of focus and therefore shows all opportunities as well as improvements on a daily basis so is easily measured for improvements.

For further details please contact the Drive 45 team.