



# AM Companies Dallas' Pre-Owned Luxury Showroom

**Instilling Value Drives  
Sales, Retention and  
Referrals**

## Partner Profile

### AM Companies

1320 Chemical Street Suite C  
Dallas, Texas 75207

### Objectives:

Increase product penetration  
Build wealth for future

### Results:

150% increase in product penetration  
60% increase in PRU  
Average PRU \$1000

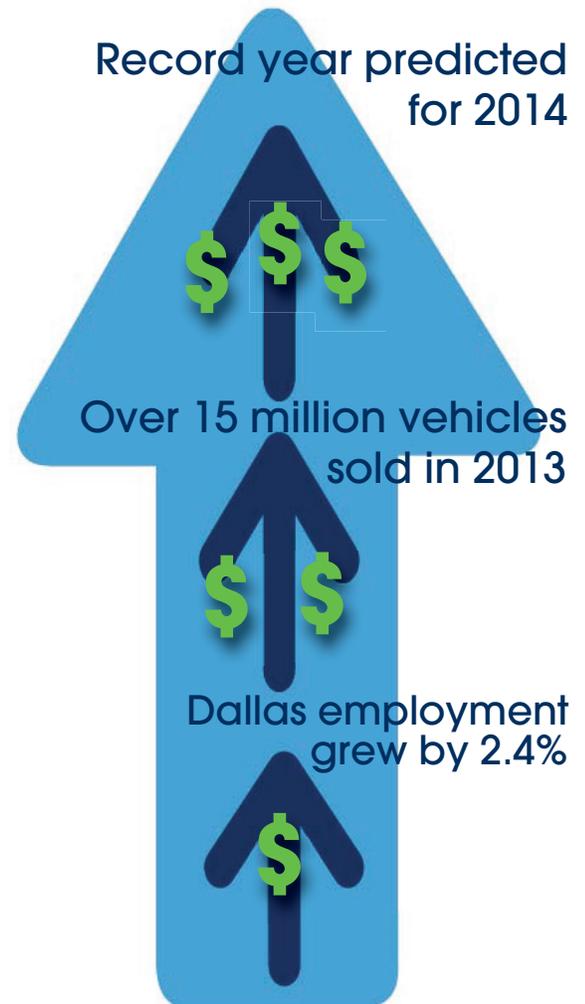
## Preparing for the Future

**2013 and 2014 marked two of the strongest periods of economic development** since the Great Recession. This growth was especially present in the auto industry. In **2013 alone, the industry sold over 15 million vehicles** in a year. This was the first time the industry hit that number since 2007. Meanwhile, industry analysts were predicting a record year for used car sales in early 2014.

In Dallas, Texas the economy was practically booming. **Dallas employment grew by 2.4 percent**, led by construction, professional and business services. Banks were funding more; more high-paying positions were moving to the area; and, **home prices were on the rise with housing permits growing by 51%** through October, 2013.

Even with the national and local economy expanding, **AM Companies began anticipating the cyclical nature of the automotive market** and was looking for a way to capitalize on the growing pre-owned vehicle market and fortify dealership operations.

The owner and dealer principal of AM Companies knew that the true marks of a successful dealership were more than strong sales during good times; and, that to weather future economic cycles, the independent dealership would need strong partners invested in its success.



## Menu Use

To accomplish the independent dealership's goals, EFG conducted significant research to understand its' business model and pain points to better tailor their F&I services to AM Companies. This included market research, and conducting a performance audit of the dealerships sales and F&I operations, compliance, and inventory management.

Before developing the independent dealership's F&I platform, **EFG first addressed a general lack of motivation to sell F&I products.** While the dealership had buttoned up sales processes, they were lacking a formal menu that adequately and compliantly fostered F&I product sales.

EFG provided recommendations around menu use to begin shifting the mindset of the AM Companies' team to **providing more value to their customers beyond the vehicle itself.** This included a recommendation to prioritize product sales over product price, which blended well with one of the dealer principal's biggest points of pride for the dealership in **achieving profitability goals in a moral and ethical manner.**

The goal behind this approach was to **increase product penetration** and get the independent dealership's team used to selling products, while also ensuring their **customers would have a greater level of protection for their investment,**

### Menu Selling

- ✓ Increases product penetration
- ✓ Ensures greater level of protection
- ✓ Enhances product knowledge
- ✓ Makes it easier to negotiate

regardless of the product price. "No matter the cost of the product, AM Companies began making significantly more on each unit sold by simply focusing on making customers aware of the products available to them. This translates directly to better product penetration," said Gary Biskup, Regional Vice President for Independent Dealerships, EFG Companies. "This combined with a well-developed menu helped the team become much more comfortable negotiating F&I products, which **further increased the dealership's profit margins."**



## Traffic-Driving Program

# DRIVE FOREVER

*worry free*

As a measure of reinforcement, EFG launched a complimentary traffic-driving program with upsell components for AM Companies, based on EFG's market differentiating **Drive Forever Worry Free program**. The offering, which **provides complimentary limited powertrain protection for as long as the customer owns the vehicle**, made perfect sense for the independent dealership from an operations standpoint and an inventory standpoint, as the dealership specializes in selling more reliable late-model, pre-owned vehicles with less than 36,000 miles. It also **addressed AM Companies' consumers' concerns of protecting their investment** and their personal savings with coverage for the most costly of vehicle repairs, the engine and transmission.

The independent dealership would provide Drive Forever complimentary on all vehicles sold, and upsell consumers to a range of EFG products, including:



MOTORIST ASSISTANCE PLAN



TIRE & WHEEL  
PROTECTION  
DENT PROTECTION



## Customized Solutions

The complimentary offering was designed to **significantly drive foot traffic** and help increase product penetration through upgrades, while also establishing AM Companies as an Independent dealership where consumers know their money and loyalty would be valued. AM Companies built this up with ongoing advertising, featuring Drive Forever, and with **ongoing training to ensure everyone in the dealership was actively promoting the program.**

In addition to developing and launching the product offering, EFG worked with AM Companies to ensure the program's success with:

**ongoing training and engagement;**

**continuous follow up;**

**compliance audits; and,**

**program reinforcement sessions.**

With EFG's help, the independent dealership coached its' salespeople to instill the value of becoming an AM Companies customer by informing every consumer on the lot about its' complimentary product, which **significantly differentiated the dealership in the DFW market.**

## [WEALTH BUILDER]

– Suite –

The final piece of EFG's custom solution to help the dealer principal stay prepared for future market variances was with its Wealth Builder Profit Participation Suite. This **reinsurance solution enabled the dealership group to take ownership of its profitability** and direct premiums generated from F&I products back into the business, enabling AM Companies to build wealth over the long term.



## Results

### 250% Increase in Penetration

2016

\$1000 PRU

70% Penetration

2013

\$400 PRU

20% Penetration

### 60% Increase in PRU

In 2013, AM Companies averaged \$400 PRU with a 20 percent product penetration rate. By 2016, they increased their product penetration to 70 percent, with an average \$1,000 PRU.

“The biggest hurdle in the independent space is overcoming consumer uncertainty. **By having a complimentary powertrain product, like Drive Forever, on all our vehicles, we turn that uncertainty into trust.** That trust, in turn, increases referrals and foot traffic,” said the AM Companies Dealer Principal.

By taking the time to understand AM Companies’ business model and the specific challenges the independent dealership was facing, EFG was able to provide a **comprehensive solution to jump-start the dealership’s growth.** The complimentary offering, combined with EFG’s extensive client engagement generated sustaining results for AM Companies.



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To learn more about EFG Companies, visit [efgcompanies.com](http://efgcompanies.com)

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