



# For Sales Managers Only

## “Ask Joe & Our Trainers”

### Low Gross?

Too many dealers and managers constantly struggle trying to figure out how to improve the gross in their dealerships.



If your gross is off, the problem is that your customers aren't seeing the *value* in paying you more money. Improving gross can be an easy fix because gross is tied to *value*. The short answer to: “How can we focus less on price to hold more gross (and raise value)?” is ... eliminate the problems / circumstances that are creating low gross deals. Circle your “low value / low gross” problems...

- Salespeople are afraid of price.
- SP are lazy and think \$ is a shortcut.
- SP are untrained so they default to \$.
- SP give poor *value* presentations from:
  - Their lack of product knowledge
  - Don't identify *specific* wants/needs
  - Lack the selling skills to build value
- SP close on price not on the vehicle.
- SP use price to overcome objections.
- SP & managers focus the negotiations on dropping price not on budget that's affected by rate, terms, down, trade, mileage, insurance, etc.
- Management hasn't gone through the JVTN® courses *with* their salespeople to *develop those skills*, and don't require them to do it right.

*“If it is to be – it's up to me (you).”*

Remember 75% of sales are missed by a few words – not a few dollars.



**You've Recovered – now GROW!**

**Get my FREE book, “A Dealer's Guide To Recovery & GROWTH”**

You'll be shocked to find you're leaving tons of money on the table in the best market in years.

Download at JoeVerde.com

*It's already happening again!*

## How To Keep Moving Forward While You Pat Yourself On The Back

The first question I asked the dealers in my meeting yesterday was, “How'd you like to sell more cars, have more fun, and make more money?” At this point, what most thought was, “I'm making a ton right now, but sure, I'll say yes because that's what I'm supposed to say.”

Then we talked about the years before the recession and I asked the dealers if during those *record years* they'd developed *good habits* or *bad habits*.

I'm guessing all of you know how the dealers answered: bad habits, of course. Pre-recession, everybody was making good money, buyers were everywhere, home equity lines were flowing, and banks would loan just about anybody whatever (you) needed to absorb their minus equity and make huge profits.

And then ... the recession hit and everything changed overnight. People lost their jobs, home values dropped, people were upside down in their houses for the first time in their life, no more equity lines and banks put the brakes on loans. At that point dealers had to make a decision; keep those bad habits and fail fast, or change quick to survive.

Next in my meeting we talked about what everyone learned from the recession and the changes they'd made. Their most common responses...

- We started controlling expenses, especially advertising by almost eliminating it completely or targeting only ad sources that produced results,
- We treated every customer as though they were the last one we'd ever get,
- We trained daily so we could sell as many that came in as we could, and
- We held managers and salespeople accountable to do their job *every day*.

A few minutes later when we were talking about today's business and everyone was saying they are as busy as they can remember (at least in the last few years), I asked one more question...

*“How many of you have already started developing those same bad habits again?”*

I think you all know what happened. Embarrassed dealers started raising their hands and most had that look on their face that said, “You gotta be kidding me – I hadn't realized we're already back to doing the same things again that got us into trouble before.”

### “Recovery & Growth”

I wrote that book at the beginning of the recession and hundreds and hundreds of dealers told us it helped them turn their dealerships around fast.

There are two key words in the title; *recovery*, which everyone has accomplished by now, and *growth*, which very few have actually pulled off.

Dealers and managers are confusing making more money off of fewer units with growth. Growth is a continuing process of improving units, gross profit and net profit in your dealership.

Dealers and managers have also confused ‘making it happen’ with the market improving and driving buyers in with a pent up demand for new vehicles.

Sure, most are selling more and making more – but they're ignoring that the majority of it is *market driven again*. And almost every dealer and manager (80%) are falling back into the exact rut that got them into trouble the last time.

Even if great times last – why wouldn't you want to keep the pedal to the metal and get all you can while the market is driving business to you every day.

*Get my book now & actually read it!*





## “Ask Joe & Our Trainers”

Answers to your questions on...

### #1 Holding Higher Gross Profit

### #2 Selling More Used Vehicles

**#1: How can we hold higher gross profit?** ... I just got this from a salesperson who attended our 2-Day Sales Workshop:

*“Before your class my average gross was \$425 per unit. After applying what I learned, my gross increased 400%.”*

The answer to higher gross is to get your salespeople to 1) treat every person as a buyer, 2) stay away from price and focus on “wants and needs” in their investigation, 3) build rapport, 4) give a great targeted FAB presentation and 5) close the sale a step at a time, just like we teach in our class.

The Basics sound simple, and they are, but there are 3 critical steps to buying, so there has to be 3 separate processes in the steps to selling. Follow those and make easy high gross sales.



We all feel more comfortable buying expensive things from someone we like and 71% of the people who bought also said they bought because they liked their salesperson. So the first Phase is the Warm Up, and a salesperson’s first job is getting customers to quickly feel comfortable working with them.

They have to make a great first impression, properly greet the customer and then build rapport, *all before they can ever start presenting a vehicle*. Plus – because 80% of the selling is done in their Presentation steps (Value Building) and because people make their decisions to purchase based on just 20% of the features on a vehicle, it’s critical to identify *their specific reasons* (hot buttons) for wanting this particular vehicle.

Next is the Value Building phase and while they’re presenting and demonstrating the vehicle, they’re also moving directly into the Closing phase of the Basics at the end of the demonstration while the customer is at their highest emotional state.

Closing is not a question, it’s a 4 step process in itself; 1) at the end of the demo summarize and get agreement on the benefits, 2) use an assumptive close when pulling back into the dealership, 3) get (close to) a dozen action closes and then, 4) move into the wrap up and silent walkaround.

I understand that’s a short summary, but when you compare it to the typical job salespeople are doing now, with...

“What do you want to spend...?”

“Are you ready to buy today...?”

“Do you want to drive it...?” and,

“So what do we have to do to earn your business?”

I’m pretty sure everyone can get the gist of the basic changes you’ll need to make to sell more and improve the gross profit.

*Remember, “A good deal is a Feeling not a Number!”*

### Question #2: How can we sell more used vehicles?

We know that 80% of the salespeople on the new vehicle side pre-qualify to some extent most of the time when they get a customer. But on the used car lot (or pre-owned side), 99% of the time it starts with price, continues on price and ends on price just about every time.

*Here’s kind of how it goes...*

SP: How’s it going?

Cust: Great ... we’re looking for a Camry.

SP: What were you looking to spend?

Cust: Not more than \$12,000, what do you have?

SP: I have a couple over here ... were you paying cash or financing?

Cust: Financing but \$12,000 is our limit.

SP: What do you think about either of these?

Cust: I don’t like either one – do you have any more, I really wanted white or silver ...

SP: No, but I can call you when something comes in.

Cust: Sure - here’s my number.

SP: See Ya! (and then loses their number)

No, hopefully it isn’t that bad all of the time, but *getting just a little better* won’t sell many more units than you are now.

*So what does it take?* If you’re serious about growing your Used business, part of the answer is in the column on the left that everyone assumed was about selling new vehicles.

Read it again – I didn’t say follow the Basics to sell a *new vehicle*, I said treat every prospect as a buyer, stay away from price, find their hot buttons and follow the Basics every time and you’ll sell more units with higher gross profits.

When a salesperson focuses on price (as above) they’ve limited their inventory to just those two units in the prospect’s price range. When they know how to ask the right questions, they can easily expand their inventory to 30-40% of the vehicles in stock. Then if they’ll just follow the Basics and focus on wants and needs instead of price, they can give a great ‘targeted’ presentation on a unit in stock and deliver it today.

Used cars are a gold mine in both additional units and in incredible gross profits and its real potential is just waiting to be tapped by a sales force with professional selling skills.

If you and your salespeople will slow down and spend 30 days taking the “Selling Used Cars” course on JVTN® and apply what you all learn, sales and gross will go through the roof.

*Just do it – and have fun, sell cars and make money!*

I get a lot of questions on ‘stocking’ used cars. Just flip this misquoted phrase we were taught...

*It isn’t ... “Buy the cars right.”  
It’s ... “Buy the right cars.”*



# For Sales Managers Only



## “Ask Joe & Our Trainers”

### “Which Is Cheaper? Should We Fire Them Or Try To Fix Them?”

We make pre-class calls to every attendee before our classes to give them the details, etc., about class. You're very correct in assuming *some* of your *old timers* don't want to change and we definitely hear that attitude on some of those calls.

After class though, we make another call to every attendee and get a very different response. Virtually everyone, especially some of the most negative people on those pre-class calls, go on and on about how they didn't want to attend, but are excited that they did and have already increased sales.

*Don't give up on your experienced salespeople, even the most negative ones (yet) and don't fire anybody (yet). We have about a 95% turn rate on old timers and negative people.*

So which is cheaper? Well, it's way cheaper to train them than it is to keep them “as is” and lose money each month. Training is also way cheaper than replacing them, too, because if you don't train and manage effectively now – changing names on the sales board won't make any difference. It isn't them, it's their lack of skills and the dealership's lack of processes. Our classes provide both the *process and the skills* they need to succeed.


90% of you reading this are on JVTN® which means you have total access to complete courses (processes) on every *core skill* your salespeople need to succeed today and to continue to grow. “Growth” means firing becomes a non-issue – there's no need to fire someone who is good and continually improving.

Increasing sales and stopping turnover requires effective management skills and processes, too, though. Salespeople can't sell *effectively* if they don't know how, and managers can't train, coach and manage *effectively* if they haven't been taught either. That's why we *include the core management training* managers need with almost all JVTN® subscriptions. The problem; less than 30% of the dealerships require their managers to use the *included seats* to our 2-day Team Leadership course.

We teach managers how to easily train every day, how to easily coach their salespeople each day to develop their skills, and how to easily manage their salespeople's daily activities to guarantee continual improvement in your dealership.

There are no tricks, no gimmicks and no shortcuts. Just common sense solutions to managing salespeople and to selling more cars in this market. If you're on JVTN® and haven't been to class, don't keep putting it off – it's costing you a ton, especially when the market is driving so much more *buying* traffic into your dealership every day.

With more traffic, I'm sure you're doing ‘good’ in sales now. When *more customers* talk to salespeople with poor skills though, that means you *miss even more sales* each month.

This great market is your best chance in years to go from good to *great*, so sign up for our management class right now and start taking JVTN® courses with your salespeople so everybody is on the same page, headed to the same goal. 

### Control This Final Step & You'll Deliver More With Maximum Gross Profit!

My first 5 years selling cars were tough. We got no training on how to sell, close, handle objections, prospect or follow up, only how to take a credit app, do a write up, and work the deal.

I worked 12 hours a day almost every day, including Sundays my first five years. We had a \$25 mini that was regularly *waived* on low grosses and I remember staying until 2am one morning working the heck out of a deal and got my lowest commission ever: \$12.50. For all of my efforts those first 5 years, I averaged about 8 units per month and made about \$1,500.

But I learned something those first 5 years in that first dealership that helped me more than anything else in sales, and that was discipline. It helped me the most *after* I got back into the car business, *after* I'd learned how to sell professionally.

In that first, very hard TO store, they had processes you had to follow when you wrote someone up. They needed those processes desperately because we were so lousy at selling and getting firm commitments to purchase anything.

When we took a deal to the desk, we had to have a complete credit app (no blanks), a complete write up (their way), the customer had to sign it, and we had to have something from the customer as down payment or something to show they were serious; cash, check, their watch or their shoe.

If you didn't have a complete deal, they didn't care about your reasons why you didn't or couldn't. If it wasn't done their way, the dealer simply took your deal and gave it to another salesperson to go finish the paperwork. You were off the deal; you were done. You got zero, zip, nothing! You could cry like a baby, scream, or even quit; it didn't matter, you were off the deal completely, *with no exceptions – not ever.*

You talk about a motivator to learn how to get control, get the information you need and how to *hold your own* in a tough negotiation; we either figured it out or starved.

The selling system was brutal and we had zero selling skills, but *being taught and forced* to bring a correctly structured write up to the desk every time made us *fearless* and it was the *most valuable thing I ever learned.* When I got back into the car business and added selling skills with my ability to control the write up and negotiation, the results were incredible.

I'd never recommend you sell cars the way we did back then, but I'd sure recommend that every manager, including F&I go through the selling, then the closing and negotiation class, and those courses on JVTN® *with your salespeople.*

Every salesperson can easily improve how they sell, close and set up the negotiation and managers can easily learn to desk deals for more deliveries at maximum gross profit.

The catch is that everybody has to be on the same page, following the same effective, repeatable process from the curb, through the write up, and into and out of Finance.

*Start training today & become fearless professionals!* 



# For Sales Managers Only



## “Ask Joe & Our Trainers”

OK, I Want To Improve – So What Do I Do First?

### Competing With The Dealership Down The Street

Have you ever wondered *why* nobody has ever clearly outlined what you're supposed to be doing as a sales manager? Ever wondered *why* you got no job description, *why* you have no real processes and procedures or *why* you have no daily checklists of what you're supposed to be doing every day?

Well, if (they) actually sat down and typed out a list of all the clear and unspoken responsibilities expected of you as a sales manager, they'd have a list a mile long (literally) and then they'd have to fire everyone next Thursday for not doing the job.

*Just Sales Management...*

I admit, I do grind you guys a lot. But you're the front line in the dealership. Your actions, or lack of actions, affect and control more revenue in the dealership than anything else that happens. Do something positive: Train, manage, coach, hold 1-1s, get involved in deals, and you can easily generate \$3,000-\$5,000 *per hour* in extra revenue.

Sure, Service may hit 50%+ in gross for every dollar they generate, but *nobody* has the opportunity to generate total revenue like the sales department. Plus, with effective training and management, you can hold more gross on every deal and literally double or triple the *net profit* in your dealership overnight.

*I agree 100%. You have one of the toughest jobs in the dealership.*

You have to be skilled in many different areas, and each area directly affects sales today, next week and this year.

When I said 'a list a mile long', I meant it. Whether you're a Dealer, GM, GSM, NCM, UCM, etc. – just to begin to cover the core skills you need in any position, takes us 2 days in our core Dealer / Manager Workshop.

And we work hard and talk fast to squeeze it all into just 2 days!

*On top of that, there's the "stuff" you have to do...*

Besides being a "Sales" manager, (Includes: UCM, NCM, GM, GSM, SM, ASM), you're also expected to do, and to be good at everything else it takes to sell cars. Daily, you have to...

- appraise trades,
- order cars,
- desk deals,
- write ads,
- locate and do dealer trades,
- merchandise your inventory,
- wash cars when needed,
- handle heat,
- keep track of all the dealership and customer incentive programs and
- anything else that comes up – like filling out police reports, collecting bad hold checks and knowing which Repo-Joe can get the car back the fastest.

You learn most of the *things* above through experience. Plus, these tasks are the easiest to learn and almost everyone reading this probably gets high marks in each area. But *stuff* is easy – *management* isn't so easy.

Why is management tougher? Well, appraising trades, etc., are for the most part, tasks you learn one time and then do them every day to stay proficient. Managing salespeople requires *initial training and continuing education*.

*What Management Training?*

When I was promoted the first time, my training was, "OK, Joe, we're gonna give you a shot at Sales Management; there's the desk, there's the salespeople, now make us proud. Oh, and don't forget to do all the other 'stuff', too."

How about you? When you were put into the *position that controls more revenue than any other department* at your dealership and had to learn how to become an "effective sales manager", how much initial training did you receive:

- 6-month course
- 6-week course
- 6-day course
- 6-hour course
- Or just the 6-minute rundown?

How far can you possibly continue to grow year after year, with little or no job description and little or no continuing education in how to do the job?

*No Training = Wrong Focus*

When I first started selling cars, I thought I was competing with the *dealership* down the street. When I was promoted, I wrote ads with cheap prices and taught my salespeople to find customer's price range and put them on the right car. *And we lost easy sales every day.*

Years later, I learned *how people buy*, I learned *how to sell* (the right way) and I learned *how to manage salespeople and the selling process*. Of everything I learned, the *most important* thing was truly understanding that *your dealership is never competing with the dealership down the street or with their prices.*

Your prospect won't go down the street and talk to a *dealership*, they'll talk to a salesperson. That means you're only competing with the salesperson the customer will talk to at another dealership.

Because SP are trained and controlled by management, doesn't that mean...

*Your only competition is with the Sales Manager's skills down the street!*

Dealerships spend millions trying to out-advertise their competition and then lose millions more cheap-selling their product. In a nutshell, all you ever have to really do is *out-manage* those managers down the street!

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