

## Questions During Webinar “Best Practices”

**Q: What labor rate is charged?**

A: Depends on the Dealer. For Cost to Sales some dealers charge their net labor cost, some charge a little higher rate than cost and some charge retail labor rate.

**Q: Do you have a process in place, as to how you offer accessories to your customers, e.g finance or salesperson**

A: Customers are presented Accessories using a web based tool called AddOnAuto. It allows the customer to view Accessories in a menu form and after selection the system prints a Receipt. If Sales people fail to sell F&I takes a second approach with customers as well.

**Q: We have a problem pricing accessories fairly for all three depts. To make money, how do you split it fairly?**

A: Depends upon how dealer pays their staff. For parts, best practices are 15% markup to sales. For labor best practices are 25% markup on labor rate.

**Q: What is the markup from Parts and Service to the Sales Dept?**

A: Same as above

**Q: How are spiffs used?**

A: Spiffs can be paid in weekly meetings for top accessory sales. Spiffs can also be monthly for performance. Spiffs can be used to motivate sales people to push a certain product or product line.

**Q: So, do they discount labor? What percent discount to sales?**

A: Same as Above

**Q: Would like to hear from the Sales manager and his perspective.**

A: Please look forward to our next Webinar

**Q: What tools are used for the presentation of products to the consumer?**

A: Falmouth uses AddOnAuto. More information is available at [www.addonautos.com](http://www.addonautos.com)

**Q: Did he say after the sale was completed or before they go into f and i?**

A: After Negotiations are completed and before customer goes in to F&I.

**Q: How do you find the suppliers to purchase the aftermarket accessories from at a discounted price so fixed can make a profit and the sales dept. can make a profit and still be competitive?**

A: AddOnAuto provides you a large catalog of accessories with supplier information. If a dealer is not using AOA it may require considerable due diligence to determine suppliers.

**Q: how long has Falmouth had this program in place?**

A: 3 months

**Q: Do your installers do leather and sunroofs?**

A: Leather is done in-house but Falmouth does not sell Sunroofs.

**Q: How do you get past the belief that it costs more to get accessories at the dealer rather than the after-market shop down the street?**

A: We let the customer decide. We provide multiple choices of products to the customer and in most cases we provide OEM and Aftermarket products for the customer to compare.

**Q: What about buyers who are now looking at smaller, more fuel efficient vehicles -- what sorts of accessories should dealers recommend for them?**

A: There are hundreds of products for smaller vehicles. In most cases as customers switch to smaller vehicles the desire to personalize is even stronger. It is evidenced by a report we have attached in the presentation.

**Q: In regards to the installation labor, where do the labor times come from? Is the accessory installer paid on a flat rate basis or other? Hourly, salary?**

A: Labor times are provided by the dealer. In case of AOA there are default labor times in the system and they can be changed. Installer pay is usually flat rate but it depends on the dealer.

**Q: What is the industry average for accessories on new and used?**

A: Industry average for Accessory sales by dealers is \$100 to \$120.

**Q: Can we get a copy of the ppt?**

A: Please download from: <http://www.izmocars.com/Webinar/aoa/01/demo/index.jsp>

**Q: What is that pay plan for the salesman?**

A: Sales people are paid 10% of the gross sale. AOA also has a complete pre-launch training package where consulting is provided on pay plans and incentives.

**Q: I noticed that Falmouth doesn't have an accessory page on their web site. Is this something that you would suggest?**

A: Definitely. AOA has a website version that will be available soon.

**Q: What is your current sale per copy?**

A: \$520

**Q: How do you get the sales people on board when there is a dedicated accessory person and they are not compensated?**

A: Falmouth has an Accessory manager and sales are all done by sales people. In some cases where there is a dedicated Accessory sales rep commission is usually divided between the sales person and the Accessory rep. AOA has more on this in its business consulting.

**Q: How much does service charge for install? Internal labor rate? How do they figure out time to install?**

A: Same as Above

**Q: What about warranties? Do they give 3/36 on aftermarket accessories as well as OEM?**

A: Falmouth does not like to offer products that do not carry warranties same as the vehicle. It is usually a good practice to make sure that products being sold carry vehicle warranty time limits and in most cases can be negotiated with providers

**Q: Are all of Falmouth accessories installed "in house"?**

A: Almost All

**Q: Are they selling more vehicles? Making more money off the same level of sales? Other?**

A: Dealership has seen an increase of \$400 per copy in gross.

**Q: How much does this cost?**

A: If the question is for the AOA Accessory Sales Package we can consult with you to determine the cost. We do provide 100% ROI Guarantee.

**Q: What is the percentage profit split between the sales and fixed operation departments?**

A: Best Practice is 35% Fixed Operations and 65% Sales.

**Q: We often hear from sales staff that customers always want the accessories to be thrown in free of charge. How do you deal with that?**

A: The main problem is in presentation and training. With AOA the menu based multiple choice option selling allows for presentations that do not turn into customer requests. Training on presentation also helps make sales people better in handling such situations if they arise.

**Q: What do you do to change a culture of not accessorizing cars?**

A: With proper presentation tools, management sees the potential and has to be committed. After that AOA team works with your staff and provides collateral marketing material that helps change the culture.

**Q: What strategies have you found work the best when trying to sell accessories both at the time of sale and after the sale (ie. in service)?**

A: Soft selling is the key. Introducing customers to accessories after negotiations of the vehicle is better. Proper presentation tools to keep them excited on their decision is also important. Service customers should be asked and presented accessories pertinent to the time line of ownership. Performance products and security products do well in Service.