

LEVEL THE PLAYING FIELD



HOW TO STAY COMPETITIVE
IN THE
USED CAR RECONDITIONING GAME



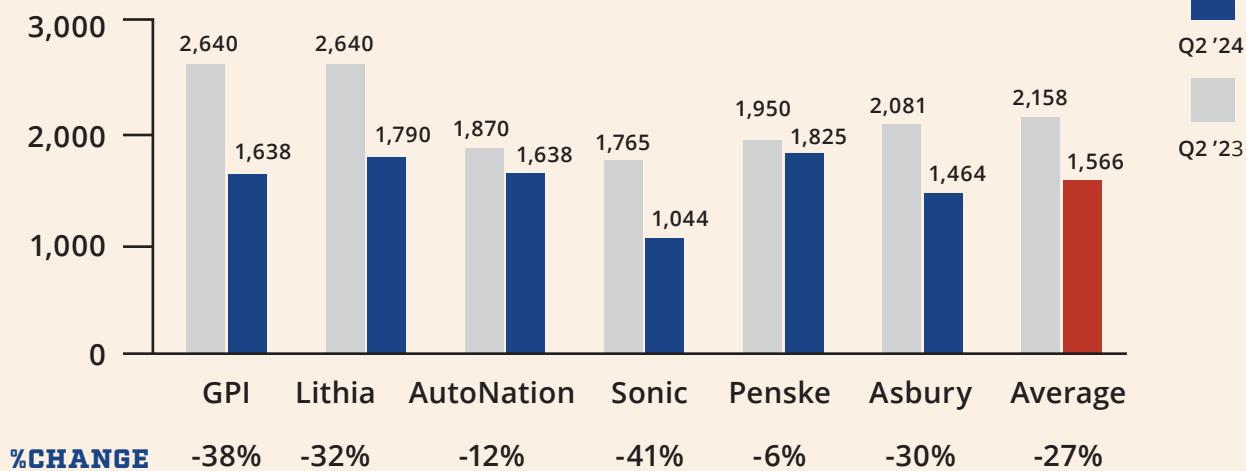
LEVEL THE PLAYING FIELD

HOW TO STAY COMPETITIVE IN THE USED CAR RECONDITIONING GAME



The used car market is no stranger to curveballs. Rising consumer affordability challenges have forced dealers to cut prices, resulting in a 6.5% year-over-year decline in vehicle prices. This has taken a serious bite out of profits, with average dealer gross profit plummeting by 27% from Q2 2023 to Q2 2024. Yet, even in these tough conditions, some players are consistently hitting it out of the park.

GROSS PROFIT PER USED RETAIL UNIT





AN OPTIMIZED RECONDITIONING PROCESS IS A KEY DRIVER OF PROFITABILITY

While many dealerships struggle to keep pace, some industry giants are achieving gross margins on used vehicles of 14% and 9%, respectively—far above the 5% average among the six largest publicly traded franchised dealership groups.

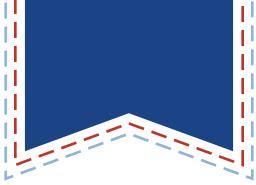
Their secret? Scale. They have achieved these margins through reconditioning centers which give them the ability to optimize the reconditioning process to the point where it has become a key driver of their profitability.

- **Industry Leader One:** By using advanced technology and streamlined workflows, they have turned their reconditioning centers into profit engines. These facilities reduce the time from acquisition to sale, improve cost and efficiency, and boost margins, all while delivering consistent quality.
- **Industry Leader Two:** Their reconditioning centers are vital to its business model. They facilitate quality, control costs, and meet customer expectations, enabling them to drive higher gross profits and build a reputation for reliability.

Both companies have perfected the art of scaling reconditioning operations, allowing them to deliver more value to customers while maintaining superior efficiency.



**INDUSTRY GIANTS
ARE FAR ABOVE
THE 5% AVERAGE**



THE CHALLENGE FOR DEALERSHIPS

For many dealerships, replicating this type of success feels like trying to play in the big leagues with minor-league resources. Large-scale reconditioning centers like those of industry leaders require:

LARGE-SCALE RECONDITIONING CENTERS' CHALLENGES

- **High Initial Investment**
- **Expertise in Reconditioning**
- **Operational Complexity**
- **Volume Requirements**
- **Technological Challenges**
- **Regulatory Compliance**

- **High Initial Investment:** Setting up infrastructure, acquiring advanced technology, and equipping facilities comes with steep costs.
- **Expertise in Used Car Reconditioning:** Using operational engineers to carefully study the reconditioning process and focusing on continuous improvement is necessary to guarantee consistency and high-quality service.
- **Operational Complexity:** Maintaining quality and efficiency demands skilled labor, robust systems, and continuous oversight.
- **Volume Requirements:** Processing a high number of vehicles per month is essential to achieve the economies of scale needed for profitability.
- **Technological Challenges:** Advanced reconditioning tools and software require significant resources to implement and maintain.
- **Regulatory Compliance:** Environmental and safety standards add further layers of complexity and cost.

For smaller dealerships, these barriers can feel insurmountable. Without the resources of industry leaders, competing on reconditioning efficiency may seem out of reach.

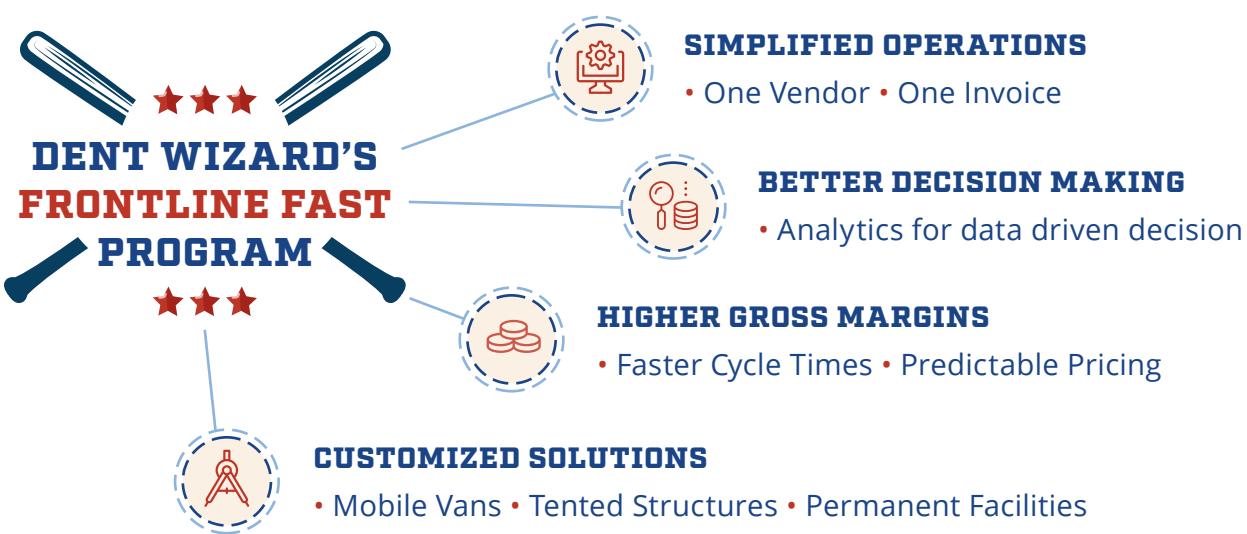
ADAPTING LESSONS FROM THE COMPETITION

Despite these challenges, dealerships can still take steps to optimize their reconditioning process and close the gap. Success starts with a closer examination of the entire reconditioning cycle—from acquisition to sale.

Reconditioning is not just a fixed operations issue; it's a profitability driver. Faster cycle times mean vehicles reach the lot sooner, sell faster, and generate more profit. To compete with the efficiency of industry leaders, dealerships need a partner who can bring best-in-class reconditioning processes without the need for massive infrastructure investment.

DENT WIZARD'S FRONTLINE FAST: A PROVEN SOLUTION

Dent Wizard's **Frontline Fast** program empowers dealerships to achieve speed, efficiency, and quality without the upfront investment of building large-scale reconditioning centers. This comprehensive program combines all reconditioning services into one seamless, dealership-specific solution.



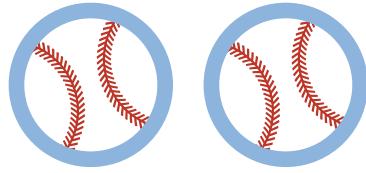


KEY BENEFITS OF FRONTLINE FAST INCLUDE:

- **Simplified Vendor Management:** Eliminate the hassle of coordinating multiple vendors by consolidating reconditioning under one partner.
- **Fast, Reliable Service:** From paintless dent repair to interiors, Dent Wizard delivers consistent quality at industry-leading speeds.
- **Technology-Driven Insights:** Spend tracking and analytics deliver enhanced insights and decision-making, promote transparency, and help reduce cycle times.
- **Tailored Solutions:** No two dealerships are the same. Frontline Fast is customized to fit a dealer's space, volume, and retail-ready standards.
- **Improved Profitability:** By reducing reconditioning times from over five days to under two, dealerships can lower holding costs, increase gross profits, and improve cycle times.
- **Team of "A" Players:** Dent Wizard is continuously strengthening its workforce by hiring and developing top talent to deliver exceptional customer service.

By reducing time-to-frontline and consolidating services into a single, efficient solution, dealerships can compete more effectively, improve customer satisfaction, and protect their bottom line. Now, you can recondition your current inventory more efficiently in addition to scaling operations to maximize gross profit, even when profit per unit is declining.

CONCLUSION



In baseball, winning isn't just about star players—it's about having the right strategy, coaching, and teamwork. The same is true in the competitive world of automotive sales.

Dent Wizard's **Frontline Fast** program gives your dealership the team you need to compete with industry heavyweights. With faster reconditioning times, scalable operations, reduced costs, and a streamlined process, you'll be ready to step up to the plate and drive profitability.

**IT'S TIME TO TAKE
A SWING AT THE
COMPETITION.**

**With Dent Wizard,
you're not just playing
the game—you're
playing to win.**



Give us a call today at: **(800) DENT-WIZ** or contact your local sales team to learn more about our **Frontline Fast** program.