

Dude, what's the right mix of cars?

In business, nothing stays the same. Today's automotive market demands and conditions are constantly changing—and dealers are trying to keep pace—to meet the buying demands for a wide range of customers.

In the current economy, you may be trying to reach out to more "Average Joe" customers who are looking for used, low cost, fuel-efficient models. But you still have "Joe Cool" clients who want new or quality used, high-end models to choose from too. The challenge is finding the right balance of inventory to meet your customers' needs. That's why it's so important that dealers be flexible; that they learn to anticipate market shifts and not be tied to past purchasing habits.

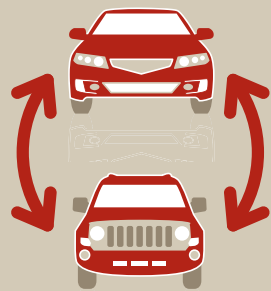
Having a game plan

Many dealers today are running smaller used vehicle inventories even though used car sales are running at a very healthy clip. Though new car sales continue to suffer, there's hope that the government's new Cash for Clunkers program will help jump start these sales. At a minimum, the program is getting a lot of press and dealerships are benefiting from increased foot traffic.

Traditionally, a 60-day supply of vehicles on a dealer's sales lot was the norm; but today, many stores are running a 35- to 40-day supply of cars. It is all about turning fewer cars faster. And franchised new car dealers are holding onto trades, even older models that not long ago, were taken to auction. In addition, stores have a wider range of vehicles (older to younger selection), but shallower (lower total number) of used car inventory on their lots today. The days of using emotional

Questions to ask yourself when reviewing your inventory:

AM I TAKING IN ENOUGH VEHICLE TRADES?



Am I fully **utilizing the auctions?**



Can I **purchase vehicles** from

other dealers who **might be getting out-of-the business?**



AM I USING ALL WEB-BASED ONLINE TOOLS?



If not, when was the last time I **reviewed my appraisal process?**

{Am I missing trade opportunities?}



How many cars can I **buy off the street** to boost inventory?

and personal preferences in your inventory decision process are gone. We've entered an era where dealers must take a serious approach to their pre-owned business and used car inventory decisions.

Getting the guidance you need

To assist dealers, ADESA.com features a variety of free online tools such as Market Guide and analytical services to provide the latest buying and selling research information available for ADESA auction purchases.

ADESA has also partnered with a number of quality used car management service providers. The resources and tools these companies provide make inventory much easier for dealers to find, buy and track. And, ADESA's run lists have been added to each company's various applications to make it even easier for you to use.

Take a look at the used car management services ADESA suggests:

- **AAX**
(based in Lake Success, New York)
jmsaax.com or dealertrack.com
- **Black Book**
(based in Gainesville, Ga.)
blackbookusa.com
- **FirstLook**
(based in Chicago)
firstlooksolutions.com
- **GigglePop**
(based in Urbana, Ill.)
gigglepop.com
- **vAuto**
(based in Chicago)
vauto.com

If you need further assistance, please contact ADESA's dealer relations team, at 317-706-3776, available 8 a.m.–7 p.m. ET, Monday–Friday. ■

Overview of top used car inventory management services:



AAX has on-demand software and data for the U.S. automotive retail industry. AAX's inventory management suite is marketed with InventoryPro™ DealerTrack's inventory management solution which provides a complete analysis of transaction data—and has the ability to update Internet pricing.

PriceDriver™ is another AAX stand-alone product that lets dealers see current vehicle market pricing in a clear, detailed format. More than 20,000 dealers and 700 financing sources are active in the DealerTrack network.



Black Book offers vehicle valuation guides, both electronically and in print. Users can plug into information on loan origination, used vehicle values and inventory searches. You can get information on mobile devices (such as Palms, BlackBerrys, and Smartphones) as well as from your desktop PC. Black Book is a division of the Hearst Business Media Corporation.



FirstLook provides dealer performance management software to more than 1,400 automotive franchises nationwide. This includes getting accurate appraisals and profit margins for similar autos sold in your market, having your finger on the pulse of your inventory position, being able to search more than 30 online marketplaces and more than 50 live auto auctions for additional inventory—and more. FirstLook's search engine also helps dealers know which vehicles in their prospective markets are "hot" (capturing other dealer's profit, inventory turn and selling price).



GigglePop has software tools to help users make smart buying and selling decisions as well as ways to value vehicles more accurately—in your office or on the go with wired or wireless connections (including Smartphones and Palm OS devices). It can also find inventory in the marketplace and even track what's currently on your lot.



vAuto offers dealers "live market view" technology which lets them manage used car inventory, based on supply and demand technology. Updated daily, vAuto maintains a database with details on millions of pre-owned vehicles. It's currently used by more than 2,000 dealers nationwide. Chairman and Founder of vAuto, Dale Pollak, also has a blog you can visit at dalepollak.com that discusses used-car trends. ■

