



Preloading Auto Butler \$1,295 Retail Sell Price

This overview endeavors to demonstrate the value of the Auto Butler Car Care Appearance Program and to showcase several advantages of our automated polisher versus manual application of polishes and sealants. The automation of the polishing process and the paint sealant process reduces labor by one (1) man hour per vehicle. If you are only selling 100 new and used vehicles per month and your labor cost is \$25 per hour you will experience a labor savings of \$2,500 per month on the vehicle preload alone.

By using the polisher in the PDI process your inventory will look and feel smoother than vehicles which have not been polished and waxed. This will also translate to quicker get ready times during delivery due to the vehicles being easier to clean and already having the paint protection applied. You should also use the polish and sealant process to smooth over the heat cases (over \$150 value for customer with minimal labor cost to you) and do so without having hard cost for remedies like complimentary oil changes.

The true benefit however is the retention element of the product when used in the Auto Butler Program. One-time sealant programs offer good F&I profit results but that is the extent of the benefit. With Auto Butler, we provide a service contract as well as an insurance product with the added benefit of bringing you customers back to the store every 6 months for reapplication of the polish and sealant ceramic which maintains their warranty coverage. The intent for the store is to have the polish and sealant which maintains their warrant coverage. The intent for the store is to have those customers visit the service department every 6 months around normal maintenance intervals so that you can capture the maintenance business. This works!

In order to maximize your profit, you set up the program with an initial application charge of say \$225. \$100 goes to Dealer Accrual and \$125 can be accrued for Service Reserve. In this way the Dealer assures additional profit every month and the service department its budgeted funds to pay for work to be done down the road on vehicles which are sold the service contract in F&I. Your cost to the program to F&I at \$200.

\$110 is the cost of the program and budget \$25 as the sales spiff for the salesman to tee up the program for F&I. Set the minimum acceptable penetration in F&I to say 25%. Then use \$25 as a bonus for the 35% penetration and an additional \$25 as bonus for 50% penetration. All unattained bonus levels turn into dealer profit and when increased penetration levels are reached your whole dealership profits increase.

By adopting the Auto Butler Program, you are receiving the benefit of customers returning to your dealership for a service that they truly appreciate and have already paid for. **We can think of it as if it were a cover charge to visit your dealership.**



The customer pays you for the privilege of returning to your store to give you an opportunity to earn their maintenance business. No other program in the automotive industry has proven results ensuring this success.

We will include all the chemicals you will need for preloading your entire inventory if you choose to establish this program in the store. All your PDI, both new and pre-owned as well as all your wholesale pieces will be covered. We will provide you with 40 policies to sell in F&I with a MSRP of \$1295. Your commitment to us is for a monthly remittance of \$4,400 plus \$110 for all the programs sold over 40 policies, which are included in our program. We send follow up reminders to your customers and invite them back to your store every 6 months for 5 years to receive their reapplication services.

We also provide you a list monthly of your returning customers so you can be proactive in getting these customers back to your dealership. We will provide a kickoff event including training your operators, sales team and F&I managers on how to sell the program and how the program works to benefit each of them. We also provide monthly on- going visits to ensure the success of the program.

The commitment for this program is sixty months and then is on a month-to-month basis.

At 100 sales of new and used cars and a penetration rate of 35% the program would provide the following results:

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| Dealer Accrual (100 Cars) | \$10,000 per month | \$120,000 per year |
| Service Accrual (100 Cars) | \$12,500 per month | \$150,000 per year |
| Preload Labor Savings (100 Cars) | \$2,500 per month | \$30,000 per year |
| F&I Profit at \$960 price (35 Cars x \$1295 Price - \$335 cost) | \$33,600 per month | \$403,200 per year |
| Total Profit from the Program | \$58,600 per month | \$703,200 per year |

F&I gross will of course not be all incremental. However, this service is one of the easiest products to sell due to the customer's importance of the appearance care. Combine this penetration helper with the fact that the margin on this sale will be much greater than most F&I products and a PVR F&I gross figure of \$40 - \$50 would not be unusual.

Please consider this proposal carefully and I assure you that we will do our part to help make the program a success for your Dealership.