

Auto Dealer Academy™

Training Dealers, Wholesalers, & Auto Brokers Since 1997



Buy & Sell Used Cars For Profit

Learn All The Tips, Secrets,
Strategies, & Techniques of
Successful Auto Brokers,
Dealers, & Wholesalers.

"An introductory mini-course"

AutoDealerAcademy.com

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Introduction

For the first time, you will learn the closely guarded trade secrets used by the top car dealers, auto brokers, & wholesalers in the nation.

I have been mentored by some of the top dealers and wholesalers in the country. I didn't skip a beat to ask questions. I took notes. I observed and took notes. I witnessed and took notes.

You have access to ALL these years of experience. I flipped my FIRST car in the 1980's during college. A Toyota Cressida. It was a silver automatic with automatic seatbelts (which I quite loved!) with NO air conditioning in Louisiana! I bought it for \$800, drove it for two years and sold it for \$1500!



Then I started flipping motorcycles too! Although this course does NOT cover motorcycles, it can be lucrative too.

I was hooked!

You will learn step by step how to make some serious money in the most lucrative profit generating business in the world. The car business!

**It really is pretty darn simple
to make money in the car business.**

The truth is, everyone needs a car!

And everyone knows the best value, for the money, is a good quality used car.

Simply... buy & sell mechanically sound, clean cars and trucks, and you can make a profit.

WHY SELL CARS UNDER \$5,000?

These are CASH deals!

\$3,000 - \$5,000 is usually how much money people have saved up for a car.

PLUS, you can own MORE cheap cars than expensive ones.

I would rather have five cheap cars than one expensive one.

PLUS, you can make as much profit on a CHEAP car as an expensive one.

I recommend starting with CHEAP cars. I also recommend having each car inspected by a mechanic - just to be safe!

Ten Reasons to Start a Profitable Used Car Business

1. It is a CASH business.
2. There is a high return on investment.
3. You can start with little or no money. (Just \$2,500 gets you rolling.)
4. It requires little manual labor.
5. You can start from home.
6. You can start part time and build it into a full time business.
7. The paperwork is easy and uncomplicated.
8. You can start as one person operation.
9. The product is always in demand.
10. It is a FUN business.

The day-in, day-out cash-generating techniques presented in the study course will help you make a great part time or full time income buying and selling used cars and trucks.

This can be your secret gold mine. You can start at home with little cash. You need just enough to buy that first car, recondition it, and sell it—then repeat the process over and over.

Email from Student

“George, I never thought I'd be in used car sales, but it's more fun than I ever dreamed and we're driving the cars we love (BMW's)!”

It's a big change, going from making car payments to making car profits!!!”

I know at least a couple guys who own HUGE car lots that started with just ONE car parked in front of their house for sale. It CAN be done.

By parlaying your profits and pyramiding the techniques taught the Auto Dealer Academy, you will build an incredible cash-generating machine.

Hands down, the car business offers a great return on investment with minimal effort. If you buy a \$1,500 car and make a \$700 profit – that's a 46% return on investment in just a few days! What stock has done that lately? (*FYI – there are many investors who would LOVE to invest in your new used car business. Just ask around!*)

You just need to be shown.. step-by-step... HOW to do it.

If you are an "I can do it! Just show me how, I'm willing to learn, type of person," you can make some serious money in the used car business. Let me teach you.

Listen: Right this very second, somewhere in your town, someone NEEDS to sell his car at a VERY LOW PRICE. Find that person, buy that car, and sell it for a profit.

Let's get started learning!

What I'll Teach You

My primary focus is to teach you how to buy & sell used cars for profit. I will teach you everything from A-Z.

You will start by learning the USED CAR PROFIT PROCESS:

1. Where to FIND cars
2. How to INSPECT them like a pro
3. How to place a WHOLESALING VALUE on the car
4. How to NEGOTIATE to buy the car
5. How to RECONDITION the car for resale
6. How to SELL the car for a profit

THEN, you will learn how to get your dealers license, how to retail, wholesale, eBay, and auto broker cars for profit.

You can make money either **wholesaling, retailing, OR auto brokering**. They ALL work.

You will be presented with many ways to make money in the car business.

I always recommend doing the business model that FITS your desired lifestyle. If you don't want to work nights and weekends, then owning a car lot is NOT for you - Auto Brokering is what you should be doing.

Personally, I recommend (*for the truly serious guys*) to run a profitable auto broker business. The flat-out truth is that the only profit model I have taught over the years that CONTINUOUSLY outperforms all others is auto brokering. NONE of my auto broker students went out of business the past two recessions.

Auto brokering is the wave of the future.

It's low risk. It's professional.

People prefer to buy from auto brokers instead of "dealers." It is a win-win! Truly.

As an auto broker you BUY cars for people - you don't sell them to people! You collect a fee for doing that and deliver the car to the customer's workplace so his friends can be jealous that he has an auto broker! The referrals are a natural after that!

“George, I read over and over your manuals often. Much of it is highlighted, and a lot of notes were taken.” - Joe (MO Dealer)

This program will teach you:

- How to get your dealer's license.
- How to start at home as a 'home based car dealer'.
- How to use innovative sources to buy all the cars you can handle.
- How to build an incredible auto broker business.
- How to inspect cars like a professional. No more lemons!

- How to shrewdly buy cars at or below wholesale. Never pay too much.
- How to get the best deal possible at auctions. Learn the inside secrets! This is key.
- How to negotiate to get the BEST deal.
- How to drive the car of your dreams for FREE. No more car payments!
- How to auto broker new & used cars.
- PLUS much much more

**You will learn things you
did not know that you didn't know!**

All the technical skills you need to make money are taught in this study course, especially inspecting and appraising cars.

Make sure you highlight the new things you learn. Take notes. Watch the inspection videos a few times. The first time you read the training material, you will learn a ton but you will learn just as much the second and third times you read it.

You may decide to specialize in old Hondas and Toyotas, or maybe exotics like Porsches. Maybe you live in four-wheel-drive country. Or maybe you live on the beach, where convertibles sell like ice

cream. You decide what you want to buy and sell. (Just make sure you can sell it after you buy it!)

ALL the training is at the Auto Dealer Academy.

The only natural skill you need to have is a nice personality.

You need to be able to communicate easily and naturally with other people. Every time you buy or sell, you have to communicate. Simply be pleasant and never take anything personally. After all, this is a business. The more pleasant you are to people, the more sales you will make. Period.

Once you make that first profit, you'll be hooked. It is easy and FUN to do.

The car business is not brain surgery. Making money is a simple process you repeat over and over. It gets easier each time you buy and sell a car. You will discover the car business is addictive; it gets in your blood and never leaves. You will begin to live a very profitable lifestyle with just a little effort, using the strategies taught in this study course.

The average profit generated per sale varies. If you are wholesaling from dealer to dealer or auction to auction, you make \$100-\$300, possibly more, per car. If you are retailing, you make \$500-\$2,000 a car—even more if it's a luxury or exotic car. NADA reports that the average retail gross profit margin of cars remains close to \$2,400 a car!

With auto brokering, your profit is usually a SET FEE of about \$900 - \$1200 per car. The beauty of this fee-based service is that there are hardly ANY advertising costs to sell the car and NO test drives—because the car is ALREADY pre-sold!

If you start out selling just two cars a month, at a small profit margin of \$800 each, that's an easy \$1,600 extra month in your pocket. Reinvest your profits and sell four cars a month to make \$3,200 a month. Simply keep reinvesting your profits, buying more and more cars, to parlay yourself into a small financial fortune.

Advice for Beginners

At any point, it is OK to say, "I don't know."

In fact, I want to demand you do it! It frees you from 'pretending' you are suppose to know!

You never know what you might learn if you act as if you don't know.

TIP: Playing dumb can be a great negotiating tactic. One I use often - so should you! Let the other guy THINK he knows the most and he will trip over his ego more times than not!

I asked one wholesaler...

What advice would you give beginners?

Have good bookkeeping skills. Get every market value publication (NADA, Black Book) and study them to know the numbers. Learn how to make good buys. Be a student of the industry.

Let me repeat... it's OK to say, 'I don't know'. Admitting you don't know opens up the opportunity to learn!

You will feel uncomfortable and unsure of yourself. That is normal and expected, and perhaps even desired. The uneasiness causes you to proceed with caution.

Believe me, your confidence will grow! Don't get discouraged. Stay focused on your goal. You can make it happen.

You can be a success in the car business.

After all, this is not brain surgery!

Simply go slowly and make rational decisions.

Do not go out and blow your profits. Keep plowing money back into your business.

Perhaps invest at least 50% of your profits back into the business.

Whatever your goal, whether it's to make an additional \$2,000 a month or to build a \$10,000 a week note lot, you can make it happen.

Ten Golden Commandments for Success in the Car Business

1. **Always inspect a car thoroughly. Do not buy project cars.** Do not buy TMU (TMU = True Miles Unknown – odometer roll back, odometer replacements, etc.) cars, frame-damaged cars, salvaged cars, or cars that smoke. I teach you all of this in my Inspection Video and in the Inspection Chapter (50 pages) in my study course.
2. **The Golden Rule of the car business is "You lock in your profit when you buy the car, not when you sell it." You make your profit when you buy the car. You collect it when you sell the car!** The only way to know the value of a car is to know your local market. Attend auctions, visit dealers, call other wholesalers. Get out on the street and start learning. (I teach you several exercises you should do to learn your local market!)
3. **A pricing guide is only a guide—not the Bible.** A car is only worth what someone locally will pay for a car. (People use different guides, depending on where they are in the country. For example, in Texas we use NADA and Black Book and the MMR, in California they use KBB, in Georgia they use the Black Book mostly, in New York they use Galves— I will help you figure it all out!)
4. **Stand behind your word.** Your word is everything in the car business. Many deals are closed over the phone or with a handshake. Ethics do exist. I preach this all the time on my website. Ethics, Ethics, Ethics!

I asked another dealer....

“What mistakes do you see beginners make most often?”

His reply, *“Being arrogant. Letting your emotions control your actions, especially at an auction. Cheating your customers, whether it may be retail or wholesale.”*

5. **Build a network of buyers and sellers.** If you are retailing, you need customers to come and buy from you again and to tell their friends. If you are wholesaling, you need as many avenues as possible to redistribute cars. Build your number of contacts every opportunity you get. Build your rolodex THICK!
6. **Follow strict inventory turnover rules.** As inventory ages, your profits will drop. In retailing, do not hold inventory over 60 days for any reason (unless you own a note lot selling cars for under \$5,995). In wholesaling, do not hold a car for over 7 days. This is such an important rule, I cannot emphasize it enough!
7. **If you do NOT know the value of a car, do not buy it!** If you break this rule, quit the business. Make decisions based on logic and knowledge of your local market.
8. **Trust, but verify.** People will try to take advantage of you.
9. **When retailing, location is the key.** When wholesaling, visiting dealers daily is key.

10. **When starting out: Specialize, specialize, specialize!**
Start with just one car. Do everything yourself. Keep it a one-man operation as long as possible.

Ethics & the Car Business

Let me tell you right now, my friend, tell the truth about every car!

Do not lie—it is not worth it.

Do not deceive in your dealings with people. For example, if the car has paint, flood, or frame damage, tell the person you are dealing with.

It is so easy in any industry to lie and cheat and make an income, especially in the car business. **I challenge you to operate at a higher standard of ethics.** Which is stronger, your character and honor or your desire for money? There is a lot of money to be made in the car business by being a fair, honest business owner.

Be ethical. I know that to an outside person looking in at the car business, this might sound strange, but let me tell you this: some of the most ethical and honest people you will ever meet are in the car business.

There are also some unethical people in the car business. They usually do not last long! Some are out of the business within a few months because honest people only want to deal with honest people! Remember that!

This is a PEOPLE business. Without friends in the car business, you will go broke. Your friends are your avenues of revenue. Build your relationships carefully. Realize friends take friends out to dinner. Out to the NFL football game. Out to the race track. Friends scratch friends' backs and friends watch out for each other. You need friends in the car business.

Email from Student

Purchased your program and I love it. You have the best website, chock full of information...and to top it off, you say what you mean and mean what you say.

- Mike (FL)

No Money? No Problem!

Six Quick Start Techniques.

1. Sell something of value.

- Take something to the pawn shop for a quick loan.
- Sell your TV. Your TV is not making you any money.
- Sell an old car you own.
- Sell that boat.
- Do a garage sell.

2. Borrow money.

- Ask your parents. Ask your employer.
- Go to the bank for a loan.
- Talk to your rich uncle.

3. Take out a cash advance on your credit cards.

- Turn the car over in 30 days and you'll be sitting pretty! You will have made a lot more than the interest charges.
- Some credit cards will send you checks. Simply write a check to yourself and deposit the check. That way you will have cash in the bank ready to make a great deal.
- This is an OPTION... not one I really recommend.

4. Find a partner.

- Advertise in the "Opportunity" section of the classified section of your local newspaper seeking a partner in a small used car lot. You WILL get calls. There are a number of ways to make this work!

- Call up that rich uncle. Split everything 50/50.
- Use his money and you use your labor.

5. **Start taking consignments.**

- Advertise, "I will sell your car for you. No strangers coming to your home. No phone calls at all hours of the night ..." There are many benefits to letting someone else sell your car for you.
- If you have a small lot, charge \$50-\$100 a month rental space and \$200-\$500 to sell the car. You get FREE inventory.
 - ★ If you have 10 cars on consignment at \$50 a car, that's \$500 a month! Think about it. Your only cost is the location and a little advertising.
 - ★ If you do not have a lot, find a friend who is selling his car and sell it for him for a \$200 flat rate.
 - ★ There are a number of successful consignment lots around the USA. It might be a good way to make a living. Think about it, FREE inventory with NO risk to yourself. Find a spot for \$1,000 a month and you can park 50 cars. At \$50 a car, that's \$2500 a month gross. Not too bad for not doing a lot of work.

6. **Sell cars directly to dealers.**

- Find a nice pleasant car you can buy for a great price. Take the car to the used car manager. Ask for a cash price for the car. Shop the car around. If you get an offer that is more than you can buy the car for, you made a profit!

- Many major automotive retailers like Carmax and Auto Nation will make you a cash offer in writing that is good for seven days. They will give you the true wholesale value. This is also a technique to learn the value of used cars.

**MY BEST ADVICE IS TO SAVE
YOUR MONEY & NEVER GO INTO DEBT!**

Lesson 1: INTRODUCTION TO THE PROFIT MODELS

Suggestions

Retailing - Small Car Lot

Wholesaling - Used Car Wholesaling

Buying & selling from home

Getting your dealer's license

SUGGESTIONS

1. Print out this FREE Course. (People have written me and told me that they have actually bought and sold cars for profit just from this course!)
2. Use a highlighter to highlight interesting points.
3. Use a pen to write in the margins. Take notes.
4. If you want to Join the Auto Dealer Academy. Do It! :)

RETAILING - SMALL CAR LOT

You see dealerships everywhere in your town.

You see a lot of independent car lots selling cheaper higher mileage cars. Many of them have been in business for years. Why have they been in business for so long?

Demand for used cars continues to rise year and year. PLUS, they are most likely located in an advantageous location.

There are three main parts to a dealership:

- **Your Staff**
- **Your Inventory**
- **Your Marketing**

With the right staff, the right inventory, and marketing... you can be a very successful independent dealer. Gross profit for an independent dealer ranges from about \$, 1500 to \$2,100 front end profit per car, with back end F&I profit ranging from \$400 to \$700. (NOTE: If you don't know what front end and back end profits are—there are many things to learn that you don't know you don't know—let me teach you.)

A great dealer said...

A great dealer is one who will stand by his word! That is the **BIGGEST** issue with many car dealers these days. One who does not stand by the word will **NOT** last long.

Last but not least is “**ATTITUDE.**” A **GOOD ATTITUDE** makes the customer feel good & more comfortable around the dealer, leading to repeat sales.

STAFF:

Proper staffing is critical. With too little you will overwork your staff, thereby reducing efficiency and profits! Too much and you are wasting money. It has to be managed properly.

INVENTORY:

How much inventory should you carry? How many sales do you want to make? With too little inventory you miss sales opportunities and with too much you suffer an aging problem. What turn rate should you shoot for? These are a few topics I cover in more depth.

One of the most important issues we will discuss about inventory is **Inventory Turn**. You have to sell cars quickly because guess what: they are worth less and less each month. You have to turn your inventory. I provide specific inventory turn rules that have helped more than one dealership increase its bottom line!

In addition to discussing Inventory TURN, we will also cover inventory MIX, inventory ROTATION, and merchandising.

One dealer told me...

“The longest I have kept a car is around 60 days.... I especially do not get concerned if it is a nice piece, with the right mileage, and I’m in it “right.”

As the car business is kind of funny sometimes—you can have the nicest car in town, and no one will look at it for 45 days. It’s just the way it is. Then all of a sudden on that 46th day, you will have three people fighting over it... out of the blue.”

Advice: Start out small with one or two cars. Make a nice turnover and keep moving them. Eventually build up to your state dealer’s

license and get a small lot handling 5-10 cars and selling cars of various price ranges. And just keep building from there.

MARKETING:

Your facility needs to be top notch CLEAN. Pick up trash and have the cars clean! This can do more for sales than you would think. Spend about 10% of gross profit towards marketing. The average marketing cost per unit sold is around \$200 a car.

Another dealer told me...

I always try to buy cars in twos. Every time I buy a car, it seems I get 15 calls after I sell it. So I get maximum mileage out of my marketing by trying to buy cars in twos so I have TWO I can sell.

Fundamentals:

Fundamentals don't change. They are timeless.

These are the unbreakable laws.

If followed on a consistent basis, you will experience success. That is one of my goals—to give you the fundamentals of the business. And remember, nothing worthwhile happens overnight.

It takes time and a “stick to it” attitude. You can do this business and it can be learned. As one lady told me, “When I talked to the

owner (dealer), I said to myself, 'If he can do it – I KNOW I can do it.'”

I asked one successful small dealer...

“If you had to start over, what would you do the same?”

His reply, *“I would definitely start slow, and slowly build the business slowly. All the money in the world will not make a great car business to start out... It takes the right inventory mix and the right attitude!”*

Also covered in the "Auto Dealer Academy" Study Course:

- Goals & Objectives of Retailing
- Ten Commandments for Retailing Success
- Financing, Warranties, & Paperwork
- Inventory Turnover: Your success will depend on it!
- Inventory Mix
- Price Range of Cars to focus on
- Display Area Management & Inventory Rotation
- Special Notes for Small Independent Lots and Note Lots
- Dirty Car Tricks to Avoid
- Car Security

- Methods of Operation
- Where is the BIG Money in Retailing?
- How to set up your retail store, step by step.

I asked a successful small dealer...

“If you had to start over, what would you do differently?”

He replied, *“As strange as it may sound, I definitely would have even gone at it a little slower. When I got going at first I was still in another business which I pretty well had neglected. Once the car business got going, the other business ended up failing as a result. But the car business has definitely brought bigger returns, and more fun.. I really wouldn't have it any other way.”*

WHOLESALE

By definition, a wholesaler is a middleman between dealers. He moves cars from:

1. dealer to dealer
2. auction to auction
3. auction to dealer

Retail dealers get rid of aged inventory and trade-ins not meeting their retail criteria (such as miles or

age of the car). Dealers can either wholesale the cars or take them to auction. Since taking cars to an auction is time consuming, most dealers opt to wholesale the inventory **QUICKLY**.

Dealers do like to deal with each other because other dealers are the "competition," SO wholesalers sell cars back and forth from dealer to dealer. They make a small commission on each trade, usually \$300-\$500 a car. It is pretty easy to make \$800 + a DAY wholesaling.

In wholesaling, you are making a small profit per car, BUT you are turning over your inventory daily! It is not uncommon to move 5 to 20 cars a day for seasoned pros! You are buying one minute and selling it the next—or the next day at the latest. Your cell phone is on all day. You live on it!

A good wholesaler on the ball can make \$10,000 - \$30,000 a month. You will need access to a dealer's license. You can get your own and piggy back off another wholesaler's license.

Email from Student

When wholesaling, my average profit is \$700. I try to sell everything in less than 5 days.

– Tim, wholesaler in Kentucky

I asked one successful wholesaler...

“What makes a great wholesaler?”

“Knowing the market values of the vehicles at all times without looking at the Black Book or MMR. Having the ability to spot paint work on a vehicle and estimate reconditioning costs. Knowing how to conduct yourself at the auction, whether buying or selling. Having a solid network of dealers to buy or sell to.”

Wholesaling Topics covered in the "Auto Dealer Academy" Study Course:

- Ten Commandments for Wholesaling Success
- The Good Ole Boys - Your Wealth Building Network
- Basic Wholesaling Information
- How to Become a Wholesaler
- A Typical Day in a Wholesaler's Life
- Tools of the Trade
- Tips to Wholesaling Success

I asked one successful dealer...

“What makes a great wholesaler?”

“A great wholesaler is one who straight up KNOWS THE BUSINESS. This takes time; this definitely is not a overnight thing. A good wholesaler keeps the roads hot & is on the phone while in the car. Personally, a couple of the wholesalers I purchase from call me 2-3 times a day and bring vehicles by.”

BUYING & SELLING FROM HOME

The cheapest way to start making money in the car business is to start part time buying and selling one or two cars a month from your home.

I recommend starting here because you can build on your skills, car knowledge, & build up your bank roll. This is the **KEY** to making **LOW RISK PROFITS**. I don't want you to jump into the deep end of the pool and immediately get your license - no sir-re-bob. Be smart. Smart small. Start from home.

You source the car locally. Take your time negotiating the deal for the best money. You buy the car. Recondition the car yourself. Park it at local Wal-Mart and/or advertise the car in a classified ad or online. Sell the car. Pocket the profit. Buy another money maker!

JI know guys who do this to pay for their yearly vacations **OR** Christmas **OR** their flight lessons or the apartment for their mistress (just joking - making sure you reading this!). This is not brain surgery. **It really is pretty easy to sell one car a week.**

However, if you truly want to make this a **BUSINESS**, you should/need get licensed! It grants you many privileges!

GET YOUR DEALER'S LICENSE

It really is **EASIER and CHEAPER** to get a dealer's license than most people think! I know **MANY** guys who get their license for under \$500 a month and get started with about \$2,000 start up capital.

When should a person get his dealer's license? Only after you have bought and sold your state limit of cars. All states allows an individual to buy and sell a certain number of cars per year in his own name. Usually that number is 4 – 5 cars per year (12 in the case of Illinois – lucky guys!).

ADVICE FOR BEGINNERS: Buy & sell your state limit **FIRST** – before you ever even think of getting a dealer's license. This is the smartest route – you will learn tons of valuable lessons with your first few cars, plus you will learn if this business is for you. Doing it this way is low risk...and the reasons go on and on about why I want you to follow this advice.

Bonus TIP

I am no mechanic or body man. Most likely, neither are you. I see many beginners at the auction buying cars that neither I, nor other dealers, would touch for apparent problems such as paint, body work, possible collision damage, etc. Stay away from those problems as a beginner. Learn to inspect cars properly. It takes time to learn these things. Be careful, take your time. Never be in a huge rush to buy a car. There are tons of nice ones around! Make sure you study my inspection chapter and watch my video several times.

Some Advantages:

- ★ Use of dealer's license and dealer's plates.
- ★ Attend dealer-only auctions. Also, purchase inventory for wholesale prices from dealerships.
- ★ No limit on the number of cars you can sell per year.

- ★ Purchase cars tax-free! You do not pay taxes when buying a car. You never register the car into your name. You simply re-assign the car to the new owner, whether it's another wholesaler or a retail customer.
- ★ Prestige. There is prestige in owning a car lot.
- ★ You own your own business. You are the man. You are in control. You set the rules and laws. You determine your own profitability and future.
- ★ You can make a great full time income. It honestly does not require a ton of effort and after the car business gets in your blood? It's there to stay! It becomes a lifestyle. Very lucrative and very fast paced.

Dealer License Topics Covered in the "Auto Dealer Academy" Course:

- **Introduction**
- **Start Up Costs**
- **Six Major Action Steps**
 - Step One:** Call your State's DMV
 - Step Two:** Finding a Location
 - Step Three:** Legal Issues: DBA, Sales Tax Certificate, Local Licenses, Bonding, & Business Insurance
 - Step Four:** Set up a Draft System with Your Bank
 - Step Five:** The Red Tape: Getting Your Retail and Wholesale License
 - Step Six:** Final Steps: Financing, Accounting, Marketing Strategy, SOP, Mechanics & Vendors

Email from student with my reply

STUDENT:

I have just completed reading your free course. I have a few questions; You recommend selling up to the state limit before getting a license. I live in South Carolina where you pay a 6% tax on purchases with a maximum of \$300. But you also pay personal property tax, which is very expensive. My son just bought a 2000 Mustang for \$13,500. He paid the \$300 tax plus \$500 in personal property taxes. Can this be avoided without having a license?

ME:

Yes.. but it's illegal.

STUDENT:

Also, I plan on using eBay as my primary sales tool. However, South Carolina requires me to have a "location" which includes a 96 sq. ft. building; a lot to hold cars and a sign. Can I avoid the expense of this if I am going to be an internet seller?

ME:

Not if your state requires it. I know Washington state changed their requirements b/c start ups were completely internet based. Also, eBay is a great way to sell cars.

You should be able to get a location for a few hundred bucks a month - a lot cheaper than paying all the taxes you have to pay if you didn't get a license.

STUDENT:

I would like to have a license so I can buy at auctions.

ME:

To get into dealer-only auctions, you have to have a dealer license.

Bottom Line: the cost of getting your license is much less than the profit you can realize in the car business!

Lesson 2: SOURCING & INSPECTING CARS

Where to Find Cars to Buy

Car Jargon: Know the Language

Nine Steps to Effective Inspecting

WHERE TO FIND CARS

For the purpose of this FREE training course, I will give you a FEW of the best places to find cars WITHOUT having a used car dealer's license. Once you get a dealer's license, there are EASIER places to source cars.

Here are some of the places I have found cars recently that I bought and sold for a profit.

1. Work

- ★ I let everyone know that if they are selling a car, trading a car OR know someone who is, they need to let me know. I offer a \$200 CASH finder fee for any leads.
- ★ One recent purchase: At a place I volunteered, I was able to buy a co-volunteers BMW 5 Series. It was a red with.. not so nice leather. I had a leather guy repair two seats... replacing some of the leather. I ended up driving the car for three months and selling it for a \$2,200 profit! That is no lie!!
- ★ In the "Auto Dealer Academy" course, I teach you a way to make some GREAT money using this technique!

2. Wal-Mart, KMart, Gas Stations...

- ★ That's right, Wal-Mart. Here in my town, lots of people put their cars up for sale at the local Wal-Mart. I am up there bright and early on Saturday and Sunday mornings, looking at cars.

3. Cars parked on the side of the street with "For Sale" signs.

- ★ On my way to Wal-Mart, I take a different route each day. I am scouting for new cars to buy OR cars that have been sitting there forever.
- ★ I make offers, LOTS of offers.

4. Finally, apartment complexes!

- ★ I cruise apartment complexes looking for cars to buy. You see, people at apartment complexes have cheaper cars AND when they need to sell the car, they NEED to sell the car!

There are MANY sources revealed in the "Auto Dealer Academy" study course!

CAR JARGON

Here are FEW terms that might make you chuckle. These terms are common terms used car buyers. They have a language all their own - just like any other field.

All the money = brings top dollar.

Books = Stamped Mechanic Records from a dealer. * Very important for BMWs and Mercedes.

Bump = Raising the price.

Buried = Paid WAY too much for a car.

Clock = Odometer

Dime = \$1,000

Fisheyes = Small specs of dirt/silicon were trapped in the paint during a paint job. They actually look like eyes of a fish.

Green Light = The car carries some sort of mechanical guarantee.

Pot Lot = A used car lot that has very used cars.

AUCTION NOTE:

If you get a dealer's license, I have a FULL section in the study course about HOW auctions work and HOW to work the auction! This is critical and this information can NOT be found any other place. You can also use the auction information to help you buy cars at public auctions.

INSPECTING A CAR: AN INTRODUCTION

Most used car buyers want the same basic ideal purchase—a clean car that is mechanically sound and in their price range. The purpose of this section is to teach you step by step how to inspect a car to be reasonably assured the car is clean and mechanically sound.

Do NOT make the same mistakes many buyers make when making a purchase. They get emotional and buy on impulse.

Getting excited about a car can often make you overlook a lot of little things. Stay calm and relaxed. Do not let the seller get you emotional. He will tell you that someone is coming to look at the car this afternoon. Don't let it bother you. There are plenty more cars out there in the market.

My 22 year old step-son was looking for a car. He got all excited about a Corolla. He asked me to come look at it - he's not a dummy afterall. "This is the one. I looked it over good and the guy selling said its never been in an accident!". I looked at it... It was a complete re-paint with frame damage! He was shocked.

You do not have to be a mechanic or body man to learn this stuff. I am not a mechanic or a body man. You CAN learn this!

Perhaps you have looked at 10 cars and have not yet found a good one. That's okay! Keep looking and inspecting. Perhaps your next three will be steals! Do not let the seller know how much you want the car.

Remember, this is a business transaction, not a marriage.

Be calm and cool. Businesslike!

Inspecting the car is a very critical step. Do NOT take this step lightly. After all, you do not want to be selling JUNK.

Take your time. Do not rush the process of inspecting the car.

Inspecting a car is actually fun. You are a detective looking for clues to determine the real condition of the car. Take your time and have fun with it. Every car you inspect will help you become a better car buyer.

You must KNOW HOW to inspect a car BEFORE you can place a value on it!

Do you know what your
ultimate power is when
inspecting or negotiating for
the car??

WALKING AWAY!

The key is DEVELOPING the KNOWLEDGE of HOW to inspect a car! The "Auto Dealer Academy" Study Course & Video teaches you IN DEPTH.

You will become an expert car inspector. Operating an Auto Broker business REQUIRES you to be an expert car inspector—no doubt about it.

NINE STEPS TO EFFECTIVE INSPECTING

- The Walk Around
- Identify Paint Work
- Identify Frame Damage
- VIN Check
- Mechanical Check
- Interior Check
- Trunk Check
- Test Drive
- Professional Mechanic Check

For the purpose of this FREE course, I am going to hit a FEW points of each step. **This chapter alone is over 40 pages long!** This is the MOST critical skill you MUST master!

1. WALK AROUND

- ★ ALWAYS inspect a car in sunlight. Never at night. Never when it is wet. YOU HAVE BEEN WARNED!

- ★ Look all over, on top, the side, and underneath. You will learn **MORE** in this course, specifically what to be looking for and what it tells you about the story of the car.
- ★ Take a look at the tires. What do the tires tell you about the car? What do the door, trunk, and hood alignments tell you about the **HISTORY** of the car? These are things you will learn when you order the "Auto Dealer Academy" study course.

2. IDENTIFY PAINTWORK

- ★ The more expensive the car, the more adversely a paint job affects the car's value. There is a **STORY** behind every paint job. Learn **HOW** to identify paintwork and you will know the story of the car! This is **KEY!**
- ★ How much does a paint job affect the value of a car? I can't teach you that here. It is in the training at Auto Dealer Academy!
- ★ The study course teaches **NINE EASY WAYS TO IDENTIFY PAINTWORK!**

3. IDENTIFY FRAME DAMAGE

- ★ What is a Frame? The frame is the vehicle's primary support structure. Everything is connected to the frame—the suspension and drive train components, and even the interior is connected to the frame. A strong frame forms a strong foundation on which the vehicle sits. A strong frame helps protect its occupants.

- ★ What is Frame Damage? Once a car is in a wreck, the integrity of the frame is at risk. In fact, in many crashes, the frame is bent. Typically, the frame is originally a perfect rectangle. Once hit, the rectangle is no longer perfect and requires frame damage repair. Once a frame has been bent and re-straightened, it becomes weak. Its new weakness can make the car a death trap. In addition to this risk, after a car has been hit hard enough to have required frame damage repair, the internal engine components have often suffered damage than is not apparent to some time later.
- ★ By buying a car with frame damage, you are dramatically increasing the risk of the purchase. Some dealers buy frame-damaged cars at auctions on PURPOSE because they can buy them for CHEAP. They do a little cosmetic work and will sell the car as if it were brand new.

The "Auto Dealer
Academy" Teaches...

FOUR Ways To Find
FRAME DAMAGE!

This is worth its weight
in GOLD!

4. VIN CHECK

- ★ This is a small but important step. I teach you what to do in the "Auto Dealer Academy" study course.

5. MECHANICAL CHECK

- ★ You will be checking many things. Once you get more experienced and know how to do it, the inspection process can be **QUICK**. I will teach you how!
- ★ Check all the fluids. Make sure they the color, texture, and smell are consistent with its original condition.
- ★ Crank the car, get out and check to see if it is smoking. If it is smoking, do **NOT** buy it. **PERIOD!!!**
- ★ Check for **RUST** and **FLOOD DAMAGE**. The Study Course will teach you **HOW** to do this. These are **CRITICAL** checks!

6. INTERIOR CHECK

- ★ Check all options.
- ★ Check the convertible top and sunroof for leaks!
- ★ There are **MANY** additional little checks to make.

7. TRUNK CHECK

- ★ There are a number of things to learn about a car by inspecting the trunk. **DO IT!** You will learn everything you need to know.

8. TEST DRIVE

- ★ Basically, **ALWAYS** test drive a car before you buy it. Sign **NOTHING** before a test drive and drive carefully. It's not your car yet!
- ★ Get comfortable with the car before going onto the interstate. Take as much time as you need. If the owner accompanies you, do not let him disturb you. Turn the radio off.
- ★ You will learn what you need to know about brakes, suspension, steering, and the engine. It's not brain surgery.

9. PROFESSIONAL MECHANICAL CHECK

- ★ This is the final recommended step in a thorough inspection. You might be asking yourself, why this is necessary. Well, in all honesty it depends on how you want to operate your business.

If you just want to sell \$700 cars that just **RUN**, then you do not need the inspection.

If you are selling \$2,500+ cars, I would recommend getting the inspection done. It's **CHEAP** insurance against stupid purchases. If you are trying to develop a reputation in your town for quality used cars, get the inspection done.

Lesson 3: DETERMINING WHOLESALE VALUES

Introduction
Learn Market Values
Conclusion

INTRODUCTION

What is the car worth? Surely, this is the most asked question.

If you ask 5 wholesalers about the value of a car, you will get five different answers!

There is **NO ONE** answer!

There is no **ONE** value for any car. Each car is unique.

Each has its own positives and negative. Each factor has to be weighed with current market conditions.

Determining the value of a car or truck can be very difficult and often a perplexing problem for beginners. Many times you will experience a high degree of uncertainty. With time and experience, however, you will learn to deal with that feeling. There is never a

concrete value for any car. There is always some leeway, either up or down, about the true value of the car.

Early in your career, determining the wholesale value of a car requires you to overcome a psychological hurdle. The "unknown" can sometimes paralyze a buyer and sometimes it can make a buyer make a stupid purchase. Use the techniques in this guide and your risk of making a stupid purchase will be reduced.

Appraising a car accurately is **THE** most critical skill you will need. However, before you can place a value on a car, you **MUST** have inspected it properly and thoroughly!

How can you know what a car is worth **UNTIL** you know what condition of the car is? Ninety percent of this business is inspecting and appraising accurately. The "Auto Dealer Academy" study course will teach you how!

This is not a skill you can learn any other place!

Making money in the car business is part science and part art. The science part you can learn through studying. The art part can **ONLY** be learned through practice and trial and error!

You will develop a 6th sense. The science part includes functions like the inspecting process while the art part includes how to determine the value of a car or how to "work" an auction for maximum profits. The "Auto Dealer Academy" Study Course will teach you the science!

With the art side of the business, you will actually develop a "feel" or "gut feeling" about cars. If you have ever been an expert at anything, you will know what I mean by "gut feeling."

You will just know things about the car! You need to listen to your gut feeling. If you get a bad feeling about something, walk!

Remember walking is your ultimate power. Walking prevents dumb mistakes.

Also, you will develop a gut feeling about the value of the car. After a while, you will learn that sometimes a "pricing guide" is worthless in determine value!

Here is a little insight for you. Each used car is DIFFERENT! Each car is unique. Since each car is unique in its own right, then no two cars have the same value, not matter what a pricing guide tells you!

Example:

There are two old Hondas parked next to each other with identical miles and in the same "mechanical" condition. However, after a close inspection you discover that one car has been repainted (poorly) and then you find clamp marks (frame damage as described in the "Auto Dealer Academy" study course) on the frame rails. Let me tell you, there is no "deduct" in the book for frame damage! So, no matter what the pricing guide tells you, the two cars are NOT worth the same thing!

To the average "know nothing" Joe, the two cars seem to be worth the same money! (Some dealers know this and buy frame-damaged painted-on cars because they can buy the cars cheaper and then sell them for the same price as a "real car." Of course, this means higher profits for them!)

There are a lot of variables to take into consideration.

I will teach all of them to you!

LEARN LOCAL MARKET VALUES

How can you learn the market value of cars?

In the study course there are FIVE different “Market Value” exercises.

**This information
ALONE is worth
MORE than the
price of the "Auto
Dealer Academy"**

For the purpose of this FREE course, I will give you an overview of one of them.

Exercise I: Newspaper/Facebook/Craigslist Auto Trader Review

Find the cars you are most interested in. Simply write down all the information about the car and the asking price. The selling price is most likely \$500 - \$1,500 less than the asking price.

Make a few phone calls and ask if the car was sold. If "yes," ask for the selling price. WRITE it down. (*This worked great in the newspaper days because you could do to the library and get a newspaper from two months ago and call all those ads. MOST were sold!*)

Your goal is to make a Local Market Book.

Also, do not overlook the power of the internet. See what the similar cars have sold for on eBay motors. Check different web sites to see what people are selling cars for and ask what they sold for!

CONCLUSION

The information contained in the valuation section is SO valuable, I CANNOT disclose any additional information in this FREE Course.

The "Auto Dealer Academy" Study Course also teaches you:

- ★ TWO Common Valuation Methods for Beginners
- ★ Pricing Guides. Which ones to use, how to use them, and which ones to avoid!
- ★ Common estimates of deducts and adds to the pricing guides that most pricing guides do not list!

And remember, before you can place a value on a car, you MUST have inspected the car accurately!

This is CRITICAL!

Lesson 4: HOW TO BUY THE CAR FOR PROFIT

Introduction
Negotiating Tips
Tips to Avoid a Stupid Purchase
Conclusion

INTRODUCTION

Negotiating is the name of the game. And **CASH is KING!**

Get the best price you can get. Negotiating involves compromising. Both parties meet in the middle. However, there are a few rules and techniques to follow that can tip the scale in your favor.

It is always easier to talk for money than to work for it.

Learning to negotiate effectively in a friendly way is a key to success. Follow these rules and adapt a style all your own. Each personality will negotiate differently, but being friendly but firm always works best.

In general, I want to tell you **NOT** to be afraid to open your mouth. You can lose anywhere from \$50 - \$5,000 because you did not ask a question or employ the negotiating techniques taught in the "Auto Dealer Academy" Study Course.

NEGOTIATING TIPS

You will learn Thirty-Three Tips to Successful Negotiating. For the purpose of this FREE Course I will share with you the **FIRST SIX** Tips.

1. **Cash is KING!** CASH Talks. Cash makes deals happen, in more ways than one. When dealing with a private party, CASH can close the deal because you are the only guy with the cash! When dealing with a wholesaler, \$100 cash in his hand can close the deal. A couple hundred bucks in a used car manager's hand can close the deal!
2. **Make small talk at first.** Talk about the weather, sports teams, and other topics. This builds rapport and shows you are NOT dying to buy the car! It can slow things down.
3. **The first guy to say a number loses!** Never mention your number first. If you are buying a car and you say your number first, you can NEVER go under the number you just quoted. It works the other way also. If you are selling the car and say your number first, you can't suddenly raise your price from what you already quoted. By saying your number first, you are potentially limiting your profit.

For example: You want to buy a particular car. You have inspected the car and you know it's worth \$4,000. Now it is time to negotiate. IF you say you will pay \$4,000 FIRST, the sale price will NOT go under \$4,000 because he will counter with a higher offer. So, the price will only go UP. However, if you let him give his asking price FIRST, however, you will be negotiating DOWN in price.

KEY POINT:

If you let the seller say his number first, you are negotiating **DOWN** in price, **NOT UP!**

Plus, you might be surprised when he says he wants \$800!

Always let the other guy make his offer first!

If he will not say his number, say, "I really do not know what it's worth. What do you want for it?" Or, as a last resort, "low ball" the car! You might offend the guy with a low ball figure, but he forced you to say it.

- 4. This is BASIC but important: always offer LESS than the amount you want to pay.** It gives some room for negotiating. It will make the deal fair for both parties. It also gives you room for repairs, reconditioning, advertising, and **PROFIT.**
- 5. Remember to buy cars that sell in your area, not necessarily what you like.** Buy cheap, clean mechanically-sound family cars. Trucks always sell! You can make a good supplemental income selling cars part time or a full time income doing it full time. (In the "Auto Dealer Academy" Manual I tell you what type of cars to focus your attention on!)

6. **Sometimes, it's best to be direct in your negotiating.**

Tell the seller that you do not like fighting back and forth over the price of a car. Make a "good & fair" offer for the car. It is your final offer. And walk if he does not sell the car. I have closed many deals with any haggling. It's true.

Tip:

Most people like negotiating. It lets them "feel" like they got a better deal.

Remember, not every person will make an acceptable offer. That's OK.

I rarely lose a deal over a LITTLE bit amount of money. I sell the car, make the profit, and reinvest the money for MORE profit.

TIPS TO AVOID A STUPID PURCHASE

In the "Auto Dealer Academy" Study Course, I give SIX TIPS TO AVOIDING A STUPID PURCHASE. For the purpose of this FREE Course, I will give you the FIRST TWO!

1. **If in your "gut" you do not know what the value of the car, do not bid on it, or place a number on it, or make an offer.** It is not worth the mistake. Focus on the cars you DO know. This is reason some wholesalers and retailers specialize in certain lines of cars and stick to ONLY those cars.

- 2. Call a couple of buddies in the business and get their opinions.** Remember, in the end it was YOU who bought the car. So if you get buried (or "tanked") in the car, blame only yourself. Learn your lesson and move on.

CONCLUSION

Your negotiating skills will improve with practice. Stick to your guns. Set a price limit and do NOT go over that price.

Learn from EACH car. Learn what you SHOULD have said and what you SHOULD NOT have said.

Learn ALL the tips and adapt them to your style!

Lesson 5: RECONDITIONING THE CAR

Introduction
Basic Detailing
Conclusion

INTRODUCTION

The way it is....

The average consumer believes, "If it looks good, it must be good." And any car that "must be good" is worth MORE than a car that isn't. Your goal is to detail the car so it looks like the day it rolled off the showroom floor.

**You can make a \$500 profit
JUST in the detail!**

You want the car so clean that the potential buyer falls in love at first sight! A strong first impression is critical. A clean car gives the impression it has been well taken care of.

When first starting out, detail your cars yourself. You will learn a lot about each car you detail. You will find things you overlooked during your inspection. It will make you a better buyer! You will learn WHAT cleans up and what doesn't. In detailing, "nothing

good comes easy." There are NO miracle cleaning or waxing solutions. It requires good ol' elbow grease.

FWIW, the BEST stuff I use on my PERSONAL cars is Adams! Check them out. Adams Polishes.

BASIC DETAILING

Basic detailing includes:

- Car washing
- Paint cleaning, buffing, and waxing
- Glass cleaning
- Tire and wheel detailing
- Engine cleaning
- Full interior detailing

Sometimes in reconditioning, there is a synergy effect. For example, pretend you bought a mechanically-sound car and had the car professionally detailed, bought new floor mats and some new wheel covers, removed the cigarette burns, and placed a pin strip down the side. You spent \$250 in reconditioning, but you will get back \$500 because of the geometric effect on the consumer buying the car. Basically, you would have transformed the car into a totally different car. The sum of all these little touches adds up to quite an impression.

CONCLUSION

You are DONE! It's time to sell the car and pocket some profit from your efforts.

There are topics in the Reconditioning Chapter of the "Auto Dealer Academy" Study Course we did not address. There is a LOT of information in this chapter.

Detailing is an often overlooked area. **Do NOT overlook it!**

There is so much information in the reconditioning chapter that you could almost start your own detailing business!

Do NOT underestimate the value of this information!

Lesson 6: SELL THE CAR & POCKET THE PROFIT

Introduction
Set the Retail Price
Places to Sell Your Cars
Newspaper Advertising

INTRODUCTION

You have done the leg work, found the car, inspected it thoroughly and maybe even took it to a mechanic to make sure it's a mechanically sound car. Then you took it to a detailer or you did the work yourself to make it a showroom car, ready for a fast sell.

The sooner you sell the car, the faster your profit and probably the more profit you will realize. You see, a car is a depreciating asset, worth less and less every day. The key is to turn over your inventory.

THE ULTIMATE GOAL:

The goal is to make money and reinvest the profits to buy more cars to make even more profit!

Steps to Selling the Car

1. Set the Retail Sales Price
2. Ten Places to Sell your Car
3. Fifteen Tips to Writing Effective Classified Ads—PLUS 75 Powerful Selling Words
4. Taking the Telephone Calls
5. The Walk Around
6. Financing & Warranties (in the Retailing for Profit Chapter)
7. Doing the Paperwork

SET THE RETAIL PRICE

I will save this valuable information for members of the Auto Dealer Academy.

PLACES TO SELL YOUR CARS

Today, I will give you a taste of this information. I detail ten places in the study course.

The first step to effectively advertising will be to write an effective ad. You have to tell people what you have for sale. It will also clarify to **YOU** exactly what you are selling and what the car's strong points are (its selling points).

Spend as little as possible on advertising. It cuts into your profit. Use **ALL** of these methods listed. There are a number of effective ways to advertise you car. Some are **FREE!**

Facebook Marketplace, Offer Up, Craigslist, Auto Trader,

TEST, TEST, TEST. This is the motto of direct marketing. By testing different advertising venues, you will learn what works best for your area.

TWENTY-FIVE TIPS FOR EFFECTIVE ADVERTISING

1. The goal is to write an ad that GETS CALLS. You are not trying to sell the car directly from the ad. Grab the readers' attention. Give them the facts and get them to call.
2. Get excited about your car when you are selling it. You will write a better ad.
4. The ad should be creative with easy readability. Do NOT over abbreviate.
7. Do not imply you have a warranty unless you do offer a warranty. Avoid phrases such as "good engine"; it implies you are selling a car with a "good" engine. Be careful of such phrases.
9. List the basics about the car:
 - ★ Year, Make, Model, Trim
 - ★ Miles, Color
 - ★ Mechanical condition
 - ★ Physical condition
 - ★ Special Options (such as tow package, rear A/C, and traction control)
 - ★ Power Selling Words (There are Seventy-Five!)
 - ★ Always put OBO after the price (OBO = Or Best Offer). It shows you are flexible and are willing to negotiate.
 - ★ Your name, email, and phone number.

11. If you are allowed 20 words, use all 20 words! The more positive information you can provide, the more calls you might get.

17. Weekends are the most effective time to advertise; however, during the week your ad will not be competing against a ton of other ads. There is higher readership during the weekend, but your ad will stand out more during the week.

Lesson 7: HOW TO BE AN AUTO BROKER

Introduction

Fifteen Steps to Auto Brokering

INTRODUCTION

Being an auto broker is a great way to be in the car business. Without a DOUBT, this is THE model to study. Auto brokers have it made if you ask me. You can get your client a new car or a used car. You don't care. You aren't selling cars, you are 'buying cars for clients' for a set fee. It is a sweet set up. No test drive, no advertising cars for sale. You simply FIND the car a client WANTS who is ALREADY qualified to BUY IT or they have cash in hand!

I have a number of guys doing 12-20 deals a month at \$950 fee per car PLUS about 75% of your clients WILL buy an extended warranty which puts another \$500 - \$1500 in your pocket. I told you this is a great model!

Having actually been an auto broker, I show you how to make this business profitable, where to get clients, how to structure deals, where to buy new cars at fleet prices, sales techniques, and much much more.

Learn

- ★ Why and How Auto Brokering is Profitable!
- ★ Fifteen Steps to Successful Auto Brokering!
- ★ How to Buy New Cars at Fleet Prices!
- ★ Twenty-One Effective Marketing Strategies

- ★ Dealing with Credit Unions
- ★ Working with Small Businesses
- ★ Networking Groups
- ★ Dealing with HR Directors
- ★ TWENTY-ONE different marketing approaches
- ★ How to Structure This Profitable Service!
- ★ Exactly What to Tell Prospective Clients!
- ★ How to Get Profitable Orders!
- ★ What Orders NOT to Accept - This is Key!
- ★ How to Deal with Fleet Managers!
- ★ How Leasing Works!
- ★ The SEVEN Profit Centers of Auto Brokering!
- ★ Insider Tips to Maximizing Profits!
- ★ Sample Forms and Supportive Material such as...
- ★ Sample Brochure & Fax
- ★ Sample Order Contract Form
- ★ Sample Deal Worksheet
- ★ Actual New Car Fleet Manager Pricing Fax
- ★ Sample Wholesale & Retail Warranty Prices
- ★ And more!

So, what is an Auto Broker? An auto broker is a person who finds and negotiates a new or used car deal on the behalf of another person for a profit. You are the middle man. Basically you act as a one-man car dealership. You can get new cars at discounts and used car at discounts without all the hassle and frustration of the typical showroom experience.

Why do people use auto brokers?

I have discovered mainly three reasons:

1. To avoid the dreaded typical car salesman song and dance. “If I could, would you...”, “If you will sign here I can take this offer to my manager...” The pony show gets tiring after a while. It’s frustrating, time consuming, and downright manipulative.
2. To save **TIME**. Busy executives just do not have a weekend to waste driving from dealer to dealer to make deals.
3. To utilize an expert’s advice.

Most customers already know what they want. They have surfed the internet and know the options, the colors, and the price of the car they want.

They just want it **NOW** at a **FAIR** price **TODAY** without **ANY** hassle or frustrations. This is where you come in—you are a friendly welcome smiling face who is there to help facilitate a smooth quick, easy, painless transaction—the way car buying should be! Right?

You are the automotive expert, there to answer questions and provide information so your clients can make the decisions that are best for them and their families. Your goal is to provide all the information and pricing up front in a controlled relaxed manner, without all the pressure and song and dance. Straightforward answers and exceptional service is your motto.

You can get your client a **NEW** car or a **USED** car. And you can get the new car delivered to his or her door, home or office, within 3 business days and get a used car in less than 30 days with no problem. In general, you know exactly what the clients want, and price they will pay—and you are off to find their car!

The referrals in this business are crucial, to say the least.

Once you treat one customer right, he will send you more. And guess what? They will keep coming back – I mean after all, you were the one that got them a fair deal in a reasonable amount of time with the utmost courtesy and professionalism.

Additionally, you will want to be signed up at every auction in your area if you are going to broker used cars. Also, drive to ALL the dealerships and introduce yourself as a wholesaler who also brokers a few cars here and there. Ask if he would like to be called on cars you might run across.

These are the guys you will call when you have a trade in and who **MIGHT** have a car you need for your customer. Most dealers don't like brokers, however, so be prepared.

Also, call all the fleet managers at the major car stores in your town and those who are only few hours away from you. What is a fleet manager, what does he do, and why would he want to work with you? The fleet manager is a person who historically has dealt mainly with commercial customers, ordering work trucks, sales force vehicles and similar vehicles. The fleet manager has to develop his **OWN** business within the dealership. In other words,

How Much Money Can An Auto Broker Make?

You should be able to complete 8 to 14 deals a month after one year in the business pretty regularly, averaging about \$1,400 per deal for a \$168,000 year.

That is serious money!

Your first year can be **TOUGH**. You might make only \$2,000 one month, yet \$7,000 another month. Most people quit their first year and never make the real money!

the dealership does not develop leads for him. He cannot take “ups” (customers who walk on the dealership’s lot shopping) nor does he answer the “phone ups” (customers who call the dealership). He has to develop his own business the old fashion way —get out there and develop the business himself by calling on company presidents, handing out his business card to everyone, being the master of getting referrals, and such.

A fleet manager deals on volume. He usually only makes “minis” (the minimal commission the dealership will pay for a deal (usually \$75 - \$150) or the usually 25% - 35% commission for used cars (which they sell very little of). He deals in volume, selling somewhere between 15 and 30 cars a month. He generally sells the same customers cars every year, generating much repeat business – repeat business and referrals are his life blood.

Fleet managers usually work 8 – 5 Monday – Friday (the dream job at a dealership) – no nights or weekends for these guys. The fleet manager has management’s approval to sell cars SUPER cheap with NO HASSLE. Prices usually vary monthly, based on what is in inventory, what is being trucked in, what the dealership is heavy in and what it is light in (inventory mix). See the Resource Guide for a sample REAL fleet manager pricing sheet to see the kind of pricing I am talking about.

Not every car will be cheaply sold – for example ANY “hot” car on the market will not be cheap. When the PT Cruiser first came out, everyone paid MSRP or above! In some regions of the country some cars always go above MSRP (the Corvette in Seattle is regularly sold for \$2,500 OVER MSRP).

Now, there are aggressive fleet managers and laid back ones. You want to find an aggressive fleet manager who WANTS to do a ton of business. These guys work on volume and do not spend time hassling around. They tell you the price (price is either above or below invoice and he can tell you all the rebates and incentives)

and want to get the deal done ASAP. Do not waste this guy's time (just like the used car manager – do not waste his time either).

If everyone knew how fleet managers worked, they would never need YOU, the auto broker. But the truth is, people do NOT know about this source. Nor do you want to tell your customer about them! Understand? Also, some fleet managers SIMPLY will not work with auto brokers—but a good many will, so find them!

Introduce yourself and what you do. You buy cars for people. You would like to do a lot of business with him (or her). “When I get an order for a Impala, can I call you? He will say YES. You will 99% of the time get the lowest price the dealer will sell a car for. (I know – I was a fleet manager and internet manager for a Chevy store and I was a broker after that!). Ask if he will cut you a check back for whatever profit you generate (his quoted price and the price you told your customer). I have always been paid! If says no, collect a flat fee from your client.

Aggressive fleet managers will even sent out a weekly fax detailing Fleet Prices. You want to be on that fax list! See the Resource Guide for an example.

Once the marketing and networking starts to fill the pipeline, orders will be steadily coming in. At any one time, you should be working on 5 to 10 deals. The bottom line is that you control your own production. If you treat every one as a one-time sale, you will ride the income roller coaster, with average highs and devastating lows.

FIFTEEN STEPS TO SUCCESSFUL AUTO BROKERING

In the "Auto Dealer Academy" Study Course, we will discuss EACH step in great DETAIL.

1. The customer contacts you via your offline or online marketing or through a referral (who you call and thank immediately).
2. Walk the customer through the buying process, explaining the obvious benefits of dealing with you and share information and LISTEN. (And I mean listen, let the client talk!)
3. Invite the customer to come in and further discuss their options and to inspect his or her trade in.
4. Write up the order and take a small refundable deposit. Also mention the benefits of a long term extended service contract.
5. Hunt for the car via retail or wholesale channels.
6. Negotiate the deal and buy the car.
7. Get a buy bid on their trade in.
8. Call the customer with the trade in value and prices on the extended service contracts.
9. Call the client and update on your progress.

On average it takes about 40 phone calls with prospective clients to get 20 appointments, and out of that you will get 15 orders. Those numbers tend to hold very true. Your telephone skills are critical!

10. You get the car cleaned and/or inspected.
11. Facilitate financing through their bank, credit union, or utilizing your sources.
12. Have the paperwork printed up.
13. Deliver the car to the client at his or her home or office, or at your office, and sign the paperwork on the trunk or on their kitchen table. Then you drive their trade in back to the office.
14. Send a Thank You letter the next day.
15. Call one week, one month, one year, and each year thereafter.

Lesson 8: BUY HERE/PAY HERE

Introduction

Ten Commandments of Note Lot Success

The Basic Mechanics of a Note Lot

INTRODUCTION

Buy Here/Pay Here (BHPH) dealers deliver basic transportation to thousands of Americans every day who couldn't get it any other way. They allow people to find jobs, get their kids to school and doctors, and pursue their version of the American Dream. What a great story. Usually cash is king, BUT in the BHPH business CREDIT/CASH FLOW is king!

They are in every town: "We finance" or "Your job is your credit." They serve an important service to the community. They sell cars to people who could never get financed at a traditional dealership. However, this service is at a price, a BIG price. Those people will pay high interest rates, usually at the maximum state limit. Around 18 - 22%!

I have one friend who owns a "Buy Here/Pay Here" lot (also called a "Note Lot") in Texas. He has 300 people bringing him \$40 a week. That's \$12,000 a week. That's serious cash. It takes years to build the business to that level. He has MANY repeat customers and tons of referrals because he treats his customers "right." In fact, if the car breaks, he fixes it with NO up front cost to the customer. He just adds the cost to the end of the loan! This makes the customer SO happy. Plus the dealer keeps collecting weekly

payments! He is in the business of collecting payments (also called notes. Hence the name, “Note Lot”), not making repossessions.

Your goal is to get many people paying you each week. After you sell the car, you have to get them to keep paying you. (That is the tough part of the business—the collection part).

TEN COMMANDMENTS OF NOTE LOT SUCCESS

First three....

1. **Choose a good Location where your target market travels.**
2. **Getting a down payment equal to your total investment is ideal but HARD to get done!.** Get as much as a down payment as you can! This WILL reduce default rates.
3. **Make sure that when the customer gets paid, you get paid the same day!** Set up the payment schedule to correspond to your customer’s pay dates.

One reason BHPH lots are so profitable is because this is truly a vertically integrated business. You are the dealership and finance company. You make ALL the profit on the deal, the front end gross and the back end gross. Of course, there are greater risks involved, but the financial rewards can be outstanding, to say the least. ROI can range from 60% - 80%! Where else can you make that

THE BASIC MECHANICS OF A NOTE LOT

The cash flow is incredible. And the financial risk is relatively low. The return on investment can range from 60% to 80%, with a 25% repossession rate.

FOR ILLUSTRATION: If you buy a car for \$500 and get \$500 down from the customer you resell it to, you get all your money back! (If you only get \$300 down, you are putting \$200 “on the street”— also known as Cash in Deal.) And you collect \$40 a week for 100 weeks. (If the loan is paid off in full, you will net over \$3,500!) And if you have 100 people paying you \$40 a week, that’s \$4000 a week! Not too bad!

More than likely, you are paying \$5000, and getting \$1000 down! You **NEED LOTS OF CASH** to make BHPH happen!

Plus, if you repossess a car, that’s **FREE** inventory (repossession laws vary—in some states you have to send the car to the auction instead of reselling it) to make more money! It’s **FREE** because the first buyer paid you a down payment that was equal to the amount you originally paid for the car. Some buy here/pay here guys can’t wait until you miss a payment so they can get some **FREE** inventory. See Resource Guide for a Note Lot Profit Projection Analysis.

If you want to do it right, you need \$50,000 - \$300,000+ for inventory. You will need a great location with lots of traffic. (This will cost a lot of money!) Have an average inventory of 30 to 40 cars. Buy cars for \$800 - \$5000 each. Retail the cars for \$1995 - \$12995. This is **BIG** business.

Remember though, once you run out of money, you are out of business. You must calculate your capital requirements until you break even. This is when the cash flow will start to pay for the business. Until then, you need sufficient cash to keep yourself in business or you will sell yourself right out of business!

You will finance everything. Tell your customer, “When you get paid on Friday, I get paid on Friday. If I do not get paid on Friday, I will come get the car on Saturday.” Look him straight in the eyes with a serious tone and voice and face. It can be dangerous! People need their cars to get to work and get to the grocery store. You would be taking their rides!

You do need a dealer’s license! Your main focus needs to be on Location, Location, Location. The dealer’s license is not big deal if you are going to get a car lot! To reduce cost, let a mechanic rent out a portion of your lot for his business. He will do all your mechanical work for free in exchange for free rent. All you have to do is buy the parts! (And with a dealer’s license and a sales tax number, you will buy all parts TAX FREE.)

If you know you want to own a Buy Here/Pay Here, start small, buying and selling cars on your own. Parlay your profits until you have an inventory of 10 cars. Keep buying and selling until you have enough money to afford a decent location! Then keep building your inventory until you have 30 to 40 Buy Here/Pay Here cars.

There are a few finance companies that will buy all the “paper” you can create. Of course, that comes at a price. They will buy the loan at a 40% discount, BUT at least you get some working capital out of the deal. Some BHPH lots create their own RFC (Related Finance Companies), which we will cover in the study course.

The BHPH business is not really the car business—it's the consumer finance collection business. The car is simply the thing you finance in order to collect payments.

You do **NOT** need to be a car person to make this business work. It is **EASY** to sell the car. Heck, you are practically giving it away.

The hard part is making the financial decision, having the ability to read people, and having a solid daily collection process. Your main job is to turn paper receivables into cash profits!

You need to be a person who can relate to the client base. Show respect and be genuinely interested in helping make reliable transportation available to the credit-challenged. This is a **PEOPLE** business more than anything else. You are more interested in your clients' futures than their pasts.

TIP

Give your customers positive reinforcement for timely payments. Do a monthly drawing, give half-payment certificates in December if they paid on time all year, so they can buy Christmas gifts for their families.

Your financial decision to lend money is a critical one. This is **NOT** one for a salesman to make. You should make it yourself, or the F&I person you hired from the consumer “rent to own” credit industry should make it.

The greater the risk of the customer the more exposure/risk you have; therefore, the greater the risk, the greater the cash down payment you will need, and the more complete the credit

application will need to be, and the more complete your collection of maps to his workplace and home... (!)

One of the single most important things about a BHPH customer is getting a **FULL, COMPLETE, DETAILED** credit application and verifying everything on it!

It is equally important to be serious about your business and to let your clients need to know that by **SPELLING OUT** your expectations of the client to your

It is critical to the collection process. Remember, you will want to collect your payments!

client. Your clients should always call if there is a problem. Let them know you will help them if you **KNOW** there is a problem, but that you will repossess the vehicle if there has been no contact and no payment. Explain, also, that repossession is the last report: you are not in the repossession business, you want your client to stay in the car, and you want to help the client get back on track.

It is important to let the client **KNOW** that if there is a current problem or a foreseeable problem. he should
CALL YOU IMMEDIATELY!

Also covered in the Buy Here Pay Here Manual:

- ★ Vehicle Selection
- ★ The Customer Interview – Critical!
- ★ Collection Law
- ★ Repossession Law
- ★ And more....