

Building sales productivity for profitability. The Top 20% system.

How can your salespeople and sales managers unite to increase your 2015 net profit?

The prior two articles in this three part series focused on advertising and inventory choices to increase dealership profit. Well I saved the best for last, because now we're going to increase your net profitability through the Top 20% system.

The Top 20% system is the best way that grows auto dealership net profit, or any other type business for that matter.

As said by Tom Gould, one of the most dynamic business executives in retailing, "We in management exist to serve the customer in a more satisfying buying experience. Our top sales associates are our keys to success! Let's us learn from them, that we may better support them in their and our success. We must focus on selling what we have in stock while adjusting our inventories to our customers' requests. Fixed in our goals and flexible in our approach!"

Being fixed in our sales goals but flexible in our approach means that we need to continually adapt and change though the year as we strive for sales projections.

We need to think about what the customer expectation is walking in the door to a car dealership right now. No more are they expecting the gut wrenching experience of their forefathers. Today it's all about value, advice, professionalism and speed of execution.

The Top 20% system focuses in the top 20% of your sales team. By cross training best practices of the top 20% of sales performers new benchmarks are established for your entire sales team increasing profitability, closing rate, average gross, add-on sales, and F&I.

If the average dealership only grosses about \$1200 dollars per unit, then most dealers should be interested in this article already!

Let's start with the power pyramid. Is your sales structure set up with management at the top and salespeople the bottom with perhaps the customer listed even below the pyramid?

Consider inverting the pyramid having the customer above the pyramid and the "top ranking" company employee is the sales associate. Below the sales associate should be their direct report or the general manager. Customer inquiries requests and comments should immediately flow down from your sales associate to management. Companies that have this type of customer centric culture financially outperform the competition dramatically.

Always accept suggestions from Top 20 performers as sincere. Remember this is your customer talking. Don't shoot the messenger. Act on these suggestions after discussion and you'll demonstrate to your top 20 sales performers that you're serious about being a market beater. No idea should go unconsidered.

Top 20 sales performers also know how to "sell what they've got". Automotive experts report that a car shopper will buy, from even a poor salesperson, 70% of the time. That means that most salespeople only really "sell" three cars per month because seven of their 10 cars sold monthly would have sold without any real sales effort.

Top 20% sales people also know how to sell from inventory. They know that most customers only have a vague idea of what they truly want and top sales professionals are good at selling from existing inventory and rationalize the purchase with the consumer. They do this though listening to the customer's needs and wants and then position their in-stock inventory. The result is a fast sale.

When we focus on the top 20% of our sales team and improve their performance, we create a new benchmark.

The second step is to turn and shift focus to the bottom 80% of the sales team and then raise their average daily performance. When this process repeated and tracked over the course of 3 years, your entire sales force will be performing at a market beating level.

Lets not let NADA tell you how many cars you are going to sell in 2015, or how much you are going to net. Instead, consider letting your sales leaders lead you to massive sales success.

(If you like these articles consider watching our upcoming live webinar entitled; "3 BIG Moves to increase Net Income in 2015" right here: Register for free here: [_www._____](http://www._____.com)) Free to all WardsAuto.com readers