



PARKWAY FAMILY DEALERSHIPS

Tightening operations and addressing consumer concerns to enhance growth potential!

PARTNER PROFILE

Parkway Family Dealerships

22565 Highway 59 N.
Kingwood, TX 77339

Objectives:

- Maximize PRU
- Boost Profit Margins
- Enhance Growth Potential

Success:

- PRU increased by **46% in 5 years**
- Average **unit sales grew by 49%** in same time period

Economic Landscape



In 2009, the bottom fell out of the Houston economy. While Houston started the year well below the national average for unemployment with a rate of 5.5%, it surged to almost 9% by 2010. In fact, **Houston-area employers cut almost 100,000 jobs** between December 2008 and December 2009. Journalists dubbed the year the worst since the 1980s oil bust.

Meanwhile the auto industry was experiencing its own crisis as **demand for new autos fell from an annual rate of over 17 million units to under 10 million units.** It was during this economic upheaval that Parkway Family Dealerships approached EFG Companies for a strategy to wade through the crises and come out strong on the other side.

At this time, Parkway Family Dealerships was averaging \$1100 PRU, and with the expectation that fewer customers would be walking through any dealership doors in the coming months, they needed to leverage their customer base to **maximize PRU, enhance their growth potential, and boost profit margins.**

The first step in achieving the dealership group's goals was to partner with a credible product service provider that was nimble enough to navigate fluctuating economic waters and provide a level of service that would enable Parkway Family Dealerships to increase their profit in F&I.



EFG's Engagement

Acting as an extension of the auto group, EFG's management team developed an aggressive growth model through the implementation of new systems, policies and procedures designed to help dealership staff achieve their full potential. EFG utilized proprietary research to identify the core

qualities of the dealership group's Top Performers. With their Top Performer profile in hand, EFG sourced and recruited individuals whose personality characteristics and work style made them successful within the Parkway Family Dealership environment.



industry. EFG's management team also provided audits, feedback, and continuous training on every visit with the dealership group.

EFG's management team then focused on training the dealership on everything from sales and F&I tactics, to overcoming compliance issues. With the rapidly evolving compliance environment, **EFG worked hand-in-hand with management from Parkway Family Dealerships to evolve their processes and keep pace with the**

In addition, **with surging unemployment rates, Houston-area consumers were extremely concerned with their ability to take on an auto loan payment.**



Parkway Family Dealerships addressed this concern with EFG's vehicle service contract, MAP®, backed by EFG's philosophy and reputation of being a claims-honoring third party administrator.



EFG's Engagement

EFG implemented the program within all three of the Parkway Family Dealerships, giving their customers the security to purchase a car, knowing that they would be covered in the event of a vehicle breakdown and would not have to worry about making the choosing between making their auto loan payment and repairing their vehicle.

Parkway Family Dealerships supplemented the MAP program with the following offerings, also designed to protect their customers' pocket books from unforeseen expenses:



TIRE & WHEEL
PROTECTION



DENT PROTECTION



WINDSHIELD
PROTECTION

The final piece in EFG's custom solution to maximize Parkway Family Dealerships' total profit was reinsurance. With EFG's reinsurance solution the **dealership group was able to take ownership of its profitability** and direct premiums generated from F&I products back into the business. This set Parkway Family Dealerships up to build wealth over the long term.



Results

49% increase in average monthly unit sales

2010 Average Monthly Unit Sales: 185

2014 Average Monthly Unit Sales: 303

46% Increase in average PRU

2009 Average PRU: \$1100

2014 Average PRU: \$1750

With EFG's second-to-none level of engagement and continuous training, Parkway Family Dealerships increased their average unit sales by 49%, from 185 units per month in 2010, to 303 units per month in 2014. In addition, the dealership group capitalized on consumer behavior with F&I products designed to address current consumer concerns, enabling the dealership group to **increase their average PRU to \$1750, which represents a 46% increase from 2009.**

EFG's agile product development and expert implementation creates real value for consumers and drives real results. By focusing on end-to-end solutions, EFG empowers their clients to differentiate themselves within their respective markets, drive purchase behavior, and meet or exceed their business goals.



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