



2013 PACESETTER: EFG CLIENT STAR FAMILY OF DEALERSHIPS

Setting the pace
by adopting the
neighborhood.

PARTNER PROFILE

Star Family of Dealerships

1501 S. 1st Street
Abilene, TX 79605

Objective

Overcome economic decline and location challenges to:

- Drive traffic
- Improve VSC penetration
- Improve unit sales
- Enhance performance standards

Success

Took a proactive and nontraditional approach to market to local area while cultivating a team of peak performers that:

- Increased Average PRU by 62%
- Increased F&I Product Penetration to 73%
- Increased Used Vehicle PRU to \$1,250
- Increased New Vehicle PRU to \$1,500

The Situation:



Each year, “F&I and Showroom” selects six F&I Pacesetters of The Year based on their ability to balance performance with customer satisfaction. These dealerships set the pace for the rest of the industry with their professionalism and integrity. In 2013, Star Dodge Chrysler Jeep Hyundai of Abilene, Texas was named as one of “F&I and Showroom’s” six Pacesetters.

What sets this family-owned small-town dealership apart?

In 2010, one of Star’s rooftops bordered a neighborhood with the highest crime rate in Abilene, TX. As can be imagined, they had a difficult time just generating store traffic. Rather than seeing this as an insurmountable obstacle, Star’s Dealer Principal, Mike Dunahoo saw this as an opportunity.

Abilene’s economy endured a steep decline in 2009. At the midpoint of 2010, there were small indications of improvement, however spending and employment sectors appeared to be negative or flat. Consumer confidence was still shaky, and many people were still unemployed or under-employed. According to Nielsen Company, **at the end of 2010, forty-five percent of North Americans still expected the recession to last for another year**, and the U.S. jobless rate was the heart of the issue for most Americans.



The Solution:

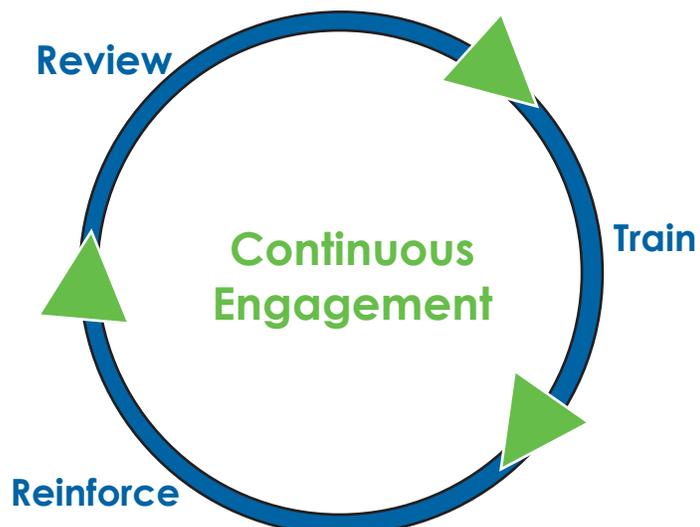
Dunahoo always believed in putting the customer first, and in this case, that meant putting the community first. “We adopted the neighborhood, hosted block parties and organized committees,” Dunahoo said. “We picked a resident every quarter and fixed up their house, including everything from cleaning up to painting. Sometimes we replaced stoves and heaters.” As an active supporter of the Boy Scouts of America, Dunahoo also helps foster the development of strong future leaders and responsible citizens within his community.



As a next step, Dunahoo re-evaluated dealership operations. **Every aspect from reception desk to the F&I office, was reviewed** to ensure the customer and community experience surpassed even Star Dodge’s previous high standards. Dunahoo also turned to EFG Companies to equip his team with the skills needed to meet performance goals while enhancing the customer experience.



With **compliance training**, held at EFG headquarters in Irving, TX, **producers in every Star dealership learned that understanding the customer’s needs and driving habits sets up the product presentation and benefit discussion**, as well as provides a strategy for responding to customer concerns.



The Approach:

Once back at the dealership, EFG's client representatives **conducted onsite training**, reinforcing the methods learned in the classroom. They also **provided guidance and a sounding board to both the front lines and upper management**. This continuous engagement ensured that the skills learned in the classroom setting remained sharp, generating a higher success rate and PRU.

When it came to the entire Star team, Dunahoo took a very strategic approach to gaining a greater understanding of aligning people in optimal roles for top performance. Here again, Star relied on EFG, which conducted a four-pronged approach to revamping the team dynamic:

1

EFG conducted a Professional DynaMetric Program (PDP) analysis, which is proven EEOC-compliant behavioral scoring model to understand the Star family of dealerships baseline productivity.

2

EFG provided an analysis on each individual's profiles with specific recommendations on behavioral changes and training.

3

EFG actively recruited to build their sales team, which included planning and holding recruiting events at the dealerships, attending campus recruiting events, screening candidates and providing management the top candidates for final interviews and offers.

4

EFG conducted integral training and on-boarding of all new sales professionals.



P.H.D.[®]

Client Engagement

With EFG's help, Dunahoo increased employee retention with long-term Top Performers®. Their skills and tenure afforded invaluable opportunities to reduce risk, manage compliance and increase business opportunities for the dealership group.



Meanwhile, Dunahoo worked with EFG to revamp his F&I product mix to better address the Abilene consumer. For example, with a down economy and high crime rate, Dunahoo decided to push theft protection, which is now one of the dealer group's top sellers, clocking in with a 68 percent penetration rate.

In addition, Dunahoo understood that one of the biggest threats to his business during an economic recovery isn't necessarily the customer's inability to take on payments here and now, but rather the uncertainty of whether today's income will be there tomorrow. Dunahoo chose to implement WALKAWAY®, the program behind Hyundai Assurance in all his dealerships.

WALKAWAY®
PROTECTION FOR AUTOMOTIVE FINANCING

WALKAWAY gave his customers the security to purchase a car through his dealerships, knowing that they could walk away from their loan obligation if unforeseen life events occurred that would inhibit their ability to make their payments. These life events included involuntary unemployment, physical disability, and critical illness among others.



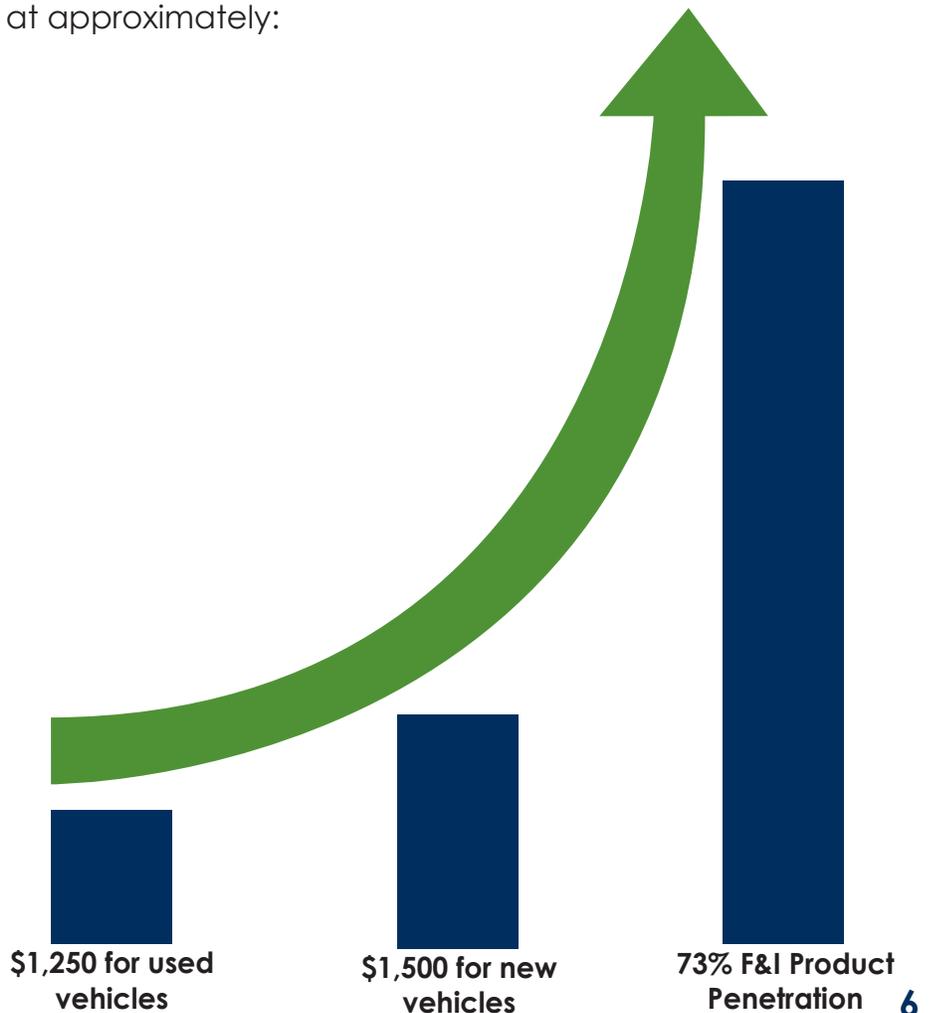
The Results:

The final piece in EFG's custom solution for Dunahoo was **reinsurance**, allowing him to take ownership of his profitability. With EFG's help, Dunahoo directed premiums generated from his F&I products back into his business, putting him in a better position to build wealth over the long term.

Star also provides the following products to its customers:

- MAP
- MAP Classic
- Limited Powertrain
- Signature Finish Dent
- Signature Finish Tire & Wheel
- GAP

With guidance from EFG, the dealership has gone from selling **105 units per month in 2010** to selling more than **200 units per month before the close of 2013**. Average PRU now settles at approximately:



Transforming Profit Potential

Since becoming an EFG client in 2010, Star has been able to:

Instill customer confidence
and drive sales

Transform one-time
transactions into long-term
customer relationships

Enhance operational
efficiencies

Boost CSI scores

Open new streams of revenue



2013 Pacesetter

This achievement would not have been possible if Dunahoo did not believe in treating everyone like family.

This not only includes customers, but also the community and employees. In fact, Star Dodge Chrysler Jeep was named “Best Dealership to Work For,” by “Automotive News” in 2012. By pairing excellent training, products and engagement from EFG with Dunahoo’s passion for providing the best experience, Star significantly increased product performance to become a 2013 Pacesetter.

“F&I and Showroom” magazine’s Pacesetters are nominated by dealership employees, general agents, F&I providers and dealership vendors based on their commitment to regulatory compliance, ethics, and to providing a customer-centric sales and F&I process.



Hector Lebron, Account Executive, EFG Companies - Left
Jeff Zinsser, Finance Director, Star Family of Dealerships - Right



Client Success

In 2012, two premier EFG clients were named F&I Pacesetters:

With EFG's world class products like MAP and Drive Forever Worry Free (private labeled Maxwell Forever), **Nyle Maxwell** averaged two products per deal while maintaining a CSI score of 93.4 percent for financial arrangements in 2012. Maxwell also credited continual training from EFG's Transcend Group for keeping his F&I sales high and his staff motivated and inspired.

The Robbins Auto Mall F&I team touted a 76 percent penetration with EFG's MAP VSC, and 41 percent with our Signature Finish Appearance Protection products. Robbins attributed the connection between the F&I and sales departments as responsible for such great penetration levels. By placing Top Performers for Robbins Auto Mall and extensive training from the Transcend Group, the sales staff adequately presented F&I offerings at the right time to their customers.



To learn more about EFG Companies,
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