

# ***THE SECRET TO LEASING MORE VEHICLES***



**Autovance**



# TABLE OF CONTENTS

INTRODUCTION	1
MISTAKES WERE MADE	2
10 PROVEN STEPS TO LEASE MORE VEHICLES	3
GET SOLD ON LEASING	4
DEFINE AND OUTLINE YOUR PROCESS	7
STOP ASKING YOUR CUSTOMERS HOW THEY PLAN TO PAY	8
OFFER-TO-PURCHASE SHOULD ALWAYS COME FROM THE DESK	10
BUILD A TALK TRACK AROUND YOUR OFFER-TO-PURCHASE	11
ALWAYS PRESENT CASH, FINANCE, AND LEASE	13
GUIDE THE WAY THROUGH THE OFFER-TO-PURCHASE	14
NOW STOP TALKING	18
TRY TO TAKE OFFERS ON LEASE PAYMENTS INSTEAD OF FINANCE	19
RINSE AND REPEAT	20
WRAPPING THINGS UP	22
ABOUT AUTOVANCE	23

# INTRODUCTION

## “WHAT’S THIS ALL ABOUT?”

Allow me to explain the purpose of this book: it’s not our goal to tell you what to do, but to provide valuable resources and insights into what we’ve learned throughout our exhaustive experimentation and communication with many award-winning Canadian dealers. As providers of the deskings tool, Autovance Desk, we’ve had the good fortune to work with nearly 200 dealers across Canada.

It’s no secret that leasing offers are becoming more and more appealing to dealers, and there are so many reasons why it is a no-brainer to push leasing at your store. Leasing offers great potential for strong front-end profits, subscribes customers to an automatic buying cycle, and creates excellent opportunities for sourcing used vehicle inventory.

We encourage you to take what you need from this book, and leave the rest. It is our only hope that you find some valuable information in here that will help grow leasing in your dealership.

Leasing has a bad name, we know. This is the result of poor choices made by manufacturers in the late 90s and early 2000s. We think it's crucial to be aware of the fact that leasing was once not a good option for buyers or for sellers. This knowledge allows us to approach the topic of leasing with transparency and accountability. It allows us to show customers how new methods of leasing have dramatically improved upon the old. Here are a few examples comparing the way things used to be versus how they are now:

### **INFLATED RESIDUALS → MARKET DRIVEN VALUE**

In order to drive payments down, manufacturers would increase residuals, leaving customers with only one scenario at the end of the lease: drop it off. Today, manufacturers work very hard to get the residual right, providing the customer with realistic choices at the end of their lease.

### **OPEN-ENDED → CLOSED-ENDED LEASES**

Many of us probably don't remember, but there was a time when the residual meant the amount that the customer paid at the end, like a balloon finance. Closed-ended leases are now the only lease that new vehicle manufacturers offer. If the market slides and the customer's car or truck loses its value, they have the option of dropping the vehicle off.

### **LACK OF KNOWLEDGE → EDUCATED CONSUMERS**

Twenty years ago, consumers didn't have the access to information they have today. Previously, consumers were told things about leasing that were just not true, which eroded any trust consumers had in leasing. Today, customers are equipped with more information at their fingertips. Customers are now able to educate themselves about the benefits and risks of leasing and it turns out, leasing has a lot of benefits.



# **10 PROVEN STEPS TO LEASE MORE VEHICLES**

# 1

## **GET SOLD ON LEASING**

First things first: why are we making the effort to lease more vehicles at our dealership? Is it worth the hassle? We say: YES. Leasing should not be reserved for luxury brands and big spenders. In fact, it is a very powerful method of purchasing for buyers from all points of the spectrum, and it is an absolutely untapped gold mine in many Canadian dealerships today.

On the next page, you will find a list of advantages of increasing your dealership's leasing penetration. We are confident that you will be sold on leasing and ready to bring more leasing opportunities to your customers!



# EVERYONE IN THE STORE IS A WINNER



## Sales Department

- Leasing creates an automatic sales cycle for the customer: a vehicle purchase event is guaranteed to occur at a specific time in the future
- No more dreaded conversations about being “buried” every three-to-four years which means leasing is an excellent alternative to the 84- or 96- month loans
- Lease returns are a very valuable source of used inventory for your store



## Business Office

- Warranties that cover the vehicle for the entire lease term are inexpensive and easy to attach, and maintenance plans are a no-brainer: “All you’ll need to worry about for the next four years is the fuel!”
- Your business office also gains access to the automatic sales cycle (just like your Sales Department), opening the possibility of a new lease, finance-purchase, or yet another opportunity to sell aftermarket products



## Service Department

- Customers are almost guaranteed to follow a regular maintenance schedule, and upon lease-end the vehicle will require a re-inspection
- Additional reconditioning opportunities present themselves as customers move into their next lease

The benefits of leasing should be loud and clear at this point. If they aren't, stop reading! You need to be on board with leasing first before you can convince anyone else that leasing is right for them. Make sure that your staff agrees that leasing is a win for all! You may even want to consider reviewing your pay-plans to ensure your staff is appropriately incentivized to lease more vehicles.

**ACTION ITEM**

**TELL EVERYONE ABOUT LEASING**

Introduce leasing into as many conversations as you can over the next 7 days.

Practice informing people about the benefits of leasing.

# 2

## DEFINE AND OUTLINE YOUR PROCESS

“Just stick to the process and you’ll sell cars.” It’s a phrase that is commonplace in car dealerships for a reason. You tell every new hire the same thing: follow the steps and you’ll be successful. It is absolutely crucial for your dealership to develop a process for the successful implementation of every new concept. In this section and throughout this book, we are going to emphasize changes to your process that will boost leasing in your store!

***“Take a step back. Work on your process, not in your process.”***

Without developing a strong strategy for promoting leasing, you are going in blind. Consider introducing different language, presentation tools, sequences of purchase events, levels of management involvement, and more to get repeatable results.

# 3

## **STOP ASKING YOUR CUSTOMERS HOW THEY PLAN TO PAY**

The question of how a customer plans to purchase a vehicle is one that either gets a knee-jerk response (“probably finance”) or gets a reply that the customer is actually unsure about.

Think about being a customer for a second...

You walk into a car dealership, somewhat guarded, knowing that you have educated yourself on what you are buying. You’ve done some research about the vehicles and the pricing, but what you are most interested in right now is actually touching and driving some vehicles. Now, as you chat with your salesperson, they ask you, “How are planning to buy the car?” You have to say something, and you need to show that you are educated, so you answer with what you think is the best choice: “Finance.”

Everything is fine in the scenario above, except for one thing: now that the customer has already said that they plan to finance, they would need to admit that they don’t actually know all their payment options in order for them to change directions and consider leasing. You are backing customers into a corner by asking them how they want to buy the vehicle. Instead, let them make an informed decision when the time is right: once they’ve been provided with all their options!

## **ACTION ITEM**

### **IMPROVE “HOW TO PAY” QUESTION**

Sit down with your sales staff, either as a group or individually, and ask them when they introduce the question of how the customer plans to pay for the vehicle (finance, cash, or lease).

Encourage them to try to avoid this question, and instead replace it with a statement like:

“Once we’ve found the right vehicle, we’ll show you all the ways you can purchase it!”

# 4

## **OFFER-TO-PURCHASE SHOULD ALWAYS COME FROM THE DESK**

Implementing an offer-to-purchase along with a talk track into your process will set you up to continue guiding your customers down their buying path. We are huge believers in a model where salespeople always visit the sales manager to get quotes. This allows your sales department to work as a team to find best possible solution for each customer on a deal-by-deal basis.

We know, customers have learned to hate the dreaded “trip to see the sales manager.” And for good reason: these trips can take upwards of 10-15 minutes. All that time spent waiting is just costing you CSI. Our goal is to improve the automotive retail experience by generating quotes faster and with total transparency. This means that your goal should be to touch the desk in under 3 minutes!

Even if your salespeople generate their own quotes, we still encourage you to find a way to get them to touch the desk at a specific point in the negotiation process. As the old saying goes:

“Two heads are always better than one!”

# 5

## BUILD A TALK TRACK AROUND YOUR OFFER-TO-PURCHASE

Using carefully-crafted talk tracks in your dealership will breed consistency among salespeople of all styles and skill levels. The offer-to-purchase can be used as a powerful sales tool that builds value in leasing. We encourage you to find a way to guide your salespeople into making an offer-to-purchase with every possible opportunity. Many of our dealers have had great success by making talk tracks a part of their process.

Take a look at the following examples:



*“My first job here at Autovance Motors is to make sure we have the perfect vehicle for you. Once we have that part solved, I will check availability and we will make you an offer-to-purchase.”*

**OR**

*“It is my responsibility here at Autovance Motors to help you find the right vehicle. If we accomplish that, my next job is to help you find the best way to purchase it. Allow me to go confirm stock availability and get you an offer-to-purchase.”*



# 6

## ALWAYS PRESENT CASH, FINANCE, AND LEASE

This one is pretty simple: always present cash, finance, and lease.

How many of your finance customers would have considered a lease had they known the potential per-payment savings they could have accessed? As we've discussed earlier in this book, many dealers have the terrible habit of asking customers how they want to pay. As a result, the customer ends up "deciding" on their purchase path too early in the process. The figure on the right demonstrates how we recommend you present payments, using our six-and-six model.

In the example image on the right, finance payments are placed directly above lease payments. The figure shows 48-, 60-, and 72-month finance payments, and 36-, 48-, and 60-month lease payments directly below. Notice how strong a 48-month lease payment looks when directly compared with a 60-month finance payment. For a customer, that's \$175 less per month! One hundred seventy-five dollars saved every month.

How many of your customers are unaware of the money they could be saving on their payment plan?



## SIX-AND-SIX PAYMENT MODEL

### \$0 Down

*Finance - Monthly*

48 Month 0.99%

**\$584.93**

60 Month 0.99%

**\$470.46**

72 Month 1.49%

**\$400.10**

*Lease - Monthly - Tax Included*

36 Month 0.99%

**\$338.60**

48 Month 0.99%

**\$295.92**

60 Month 1.99%

**\$305.96**

### \$2,000 Down

*Finance - Monthly*

48 Month 0.99%

**\$542.42**

60 Month 0.99%

**\$436.28**

72 Month 1.49%

**\$371.05**

*Lease - Monthly - Tax Included*

36 Month 0.99%

**\$282.24**

48 Month 0.99%

**\$253.45**

60 Month 1.99%

**\$270.97**

# 7

## GUIDE THE WAY THROUGH OFFER-TO-PURCHASE

Now that you know the importance of always making an offer-to-purchase and you have some new tricks to help lay out your payments, let's look at how we can leverage all of this into a closing tool.


The offer-to-purchase now becomes a guided path to a deal. The key is for each of your salespeople to begin to build a talk track that they can use to steer this ship to success!

On the next page we're going to walk you through a sample worksheet generated using **Autovance Desk**.

### 1 >> DEAL INFORMATION

### 3 >> PAYMENT PRESENTATION

### 2 >> DEAL NUMBERS

		1-855-388-0145 3582 30th St. North, Lethbridge, AB www.autovance.com	
PURCHASER INFORMATION			
John Smith	DOB	175	November 10, 2017
NAME	STOCK NUMBER	DEAL NUMBER	DATE
425 Oak Bay Circle	Springfield	AB	FTL BLD
ADDRESS	CITY	PROVINCE	POSTAL CODE
(403) 555-7787	(403) 555-4443	fr@midwestbank.com	Bill Murray
HOME PHONE	CELL PHONE	WORK PHONE	E-MAIL ADDRESS
NEW VEHICLE INFORMATION			
2017	Honda	Accord Coupe LX EX CVT	Crystal Black Pearl
YEAR	MAKE	MODEL	COLOR
FAVE IN INFORMATION			
2010	Honda	Civic Coupe LX	2HGCF1A6AH001120
YEAR	MAKE	MODEL	COLOR
VEHICLE FINING - LEASE			
\$0 Down			Sales Amount \$29,543.00
Finance - Monthly			Accessories \$254.90
48 Month 0.99%	60 Month 0.99%	72 Month 1.43%	Options & Fees \$111.00
<b>\$584.93</b>	<b>\$470.46</b>	<b>\$400.10</b>	Trade-In Amount \$1,500.00
Lease - Monthly - Tax Included			Residual \$28,324.90
			DOT \$1,428.85
			Other Tax Rebates \$1,500.00
			Total After Tax <b>\$28,443.88</b>
OPTIONS & FEES			
			A/C & Tire \$120.00
			Wheel Locks \$10.80
			APVIC \$4.25
ACCESSORIES			
			Engine Block Heater \$254.90
REBATES			
			Consumer Cash Rebate \$1,500.00
CUSTOMER APPROVAL		MANAGEMENT APPROVAL	
INTERNAL USE ONLY			
© 2016 Autovance Technologies, Inc.			

# 1 » DEAL INFORMATION



**1-855-388-0145**  
 3582 30th St. North, Lethbridge, AB  
[www.autovance.com](http://www.autovance.com)

PURCHASER INFORMATION						
John Smith		33345G	173	November 10, 2017		
NAME		STOCK NUMBER	DEAL NUMBER	DATE		
405 Oak Bay Circle		Springfield	AB	T1L 5A5		
ADDRESS		CITY	PROVINCE	POSTAL CODE		
[403] 555-9787	[403] 555-6441	jrsmith@outlook.com		Bill Murray		
HOME PHONE	CELL PHONE	WORK PHONE	E-MAIL ADDRESS	SALESPERSON		
NEW VEHICLE INFORMATION						
2017	Honda	Accord Coupe L4 EX CVT	CT1B7HJ	26	Crystal Black Pearl	1HGCR3F97HA004886
YEAR	MAKE	MODEL	MODEL CODE	MILEAGE	COLOUR	VIN
TRADE-IN INFORMATION						
2010	Honda	Civic Coupe LX	298,544	Silver	2HGFG1A66AH001120	
YEAR	MAKE	MODEL	MILEAGE	COLOUR	VIN	



“Great news John, the Accord you’re interested in is still available! Here I have the offer-to-purchase I mentioned to you earlier. I’ll start from the top and work my way down. Obviously, you’re here at Autovance Motors- this is our contact information. Directly below that you’ll see your information. This is the information we use for registration, so can you give this a look and make sure we have your details correct?”

From here, move down and ensure that you have the correct information for both the vehicle John is purchasing and his trade (if he has one).

Once you’ve got vehicles all sorted, you can move into the numbers.

## 2 » DEAL NUMBERS



"Next, if we take a look over here on the right, you'll see that we have a complete breakdown of the pricing if you were to pay cash for this vehicle. Sales amount, accessories, options and fees, and your trade-in, giving us a difference of \$28, 536. Then, if you add your taxes and take away the cash rebate, your total would be \$28, 463. However, I don't suspect you'll be writing us a cheque today for that amount, given the excellent lease and finance options this month."

### \$0 Down

*Finance - Monthly*

48 Month 0.99%	60 Month 0.99%	72 Month 1.49%
<b>\$584.93</b>	<b>\$470.46</b>	<b>\$400.10</b>

*Lease - Monthly - Tax Included*

36 Month 0.99%	48 Month 0.99%	60 Month 1.99%
<b>\$338.60</b>	<b>\$295.92</b>	<b>\$305.96</b>

### \$2,000 Down

*Finance - Monthly*

48 Month 0.99%	60 Month 0.99%	72 Month 1.49%
<b>\$542.42</b>	<b>\$436.28</b>	<b>\$371.05</b>

*Lease - Monthly - Tax Included*

36 Month 0.99%	48 Month 0.99%	60 Month 1.99%
<b>\$282.24</b>	<b>\$253.45</b>	<b>\$270.97</b>

VEHICLE PRICING - CASH	
Sales Amount	\$29,563.00
Accessories	\$256.90
Options & Fees	\$217.05
Trade-In Amount	\$1,500.00
Subtotal	\$28,536.95
GST	\$1,426.85
After-Tax Rebates	\$1,500.00
<b>Total After Tax</b>	<b>\$28,463.80</b>

OPTIONS & FEES	
A/C & Tire	\$120.00
Wheel Locks	\$90.80
AMVIC	\$6.25

ACCESSORIES	
Engine Block Heater	\$256.90

REBATES	
Customer Cash Rebate	\$1,500.00

# 3 » PAYMENT PRESENTATION

Now you are into the final and most crucial section of your offer-to-purchase:

## PRESENTING PAYMENTS

We mentioned it earlier, and we will mention it again: lots of research into human behaviour has gone into the development of our worksheets, and this extends even to where things are placed on the page. For example, each lease payment is located directly beneath a (more expensive) finance payment. We've placed the lowest payment in the bottom right corner, and this is for good reason! As North Americans we read from left-to-right and from top-to-bottom; meaning our eyes will always naturally end up in the bottom right corner. And this is exactly where we've showcased our lowest (and strongest) payment.



"Over here on the left, you will see we are showing you a number of different down payment options, and some different monthly payment options. On the top, \$0 down, we have 48-, 60-, and 72-month finance payment. Directly below, you'll see we have some outstanding options for leasing. Here we are showing you 36-, 48-, and 60-month lease options."

### \$0 Down

*Finance - Monthly*

48 Month 0.99%

**\$584.93**

60 Month 0.99%

**\$470.46**

72 Month 1.49%

**\$400.10**

*Lease - Monthly - Tax Included*

36 Month 0.99%

**\$338.60**

48 Month 0.99%

**\$295.92**

60 Month 1.99%

**\$305.96**

### \$2,000 Down

*Finance - Monthly*

48 Month 0.99%

**\$542.42**

60 Month 0.99%

**\$436.28**

72 Month 1.49%

**\$371.05**

*Lease - Monthly - Tax Included*

36 Month 0.99%

**\$282.24**

48 Month 0.99%

**\$253.45**

60 Month 1.99%

**\$270.97**

# 8

## NOW STOP TALKING

We just spent the last few sections looking at a series of great things you can do to make your customer feel more comfortable, to give leasing the showcase it deserves, and to move your customer down the path of purchase. Here's the most important thing: all of your hard work can be completely undone if you don't stop talking. After you present the payment options, finish with, "Which of these options suits your budget the best?" And then stop! Let your customer tell you where they want to go.

Sometimes customers, especially couples, will want to have a discussion—on their own. Make sure your sales staff has a strategy to give customers an opportunity to have a buying conversation without staff present.



# 9

## TRY TO TAKE OFFERS ON LEASE PAYMENTS INSTEAD OF FINANCE

Most deals require a couple of trips, and it's pretty common for customers to make an offer following first payment presentation. And herein lies the next reason we love leasing so much: payment discounts cost us upwards of 50% less!

Let's have a look at the following example:

On first payment presentation, we gave a customer the following two payments:

Finance x 72 months  
**\$405**

Lease x 36 months  
**\$345**

Now let's assume your customer asks for a \$25 reduction in their payment. This is what it will cost you:

Finance - 72 months  
**\$405 → \$380**  
\$25 PAYMENT REDUCTION  
**\$1552**  
DISCOUNT REQUIRED

Lease - 36 months  
**\$345 → \$320**  
\$25 PAYMENT REDUCTION  
**\$784**  
DISCOUNT REQUIRED

As you can see, you are saving \$768 by negotiating on a lease payment versus the same on a finance payment!

# 10

## RINSE AND REPEAT

Ask anyone who's really good at something and they tell you that repetition creates consistency, and consistency breeds success.

Now that you have some new strategies to improve your leasing penetration, the most important step is to make sure that all of your managers are on board. Here's why:

Imagine that you're a salesperson at your store, and every time you come to the desk for numbers you get the same sheet with the same information (different customer and car obviously). You get comfortable with the process—you know where to steer the ship.

Now take the same scenario as above and imagine that two different managers give you two different sets of numbers and want you to approach your deals differently. This makes it much more difficult to get great at your close.



## **ACTION ITEM**

### **ESTABLISH HOW TO DESK A DEAL**

Get a couple of your salespeople to bring you a few worksheets for deals they've recently worked with different managers.

Have a look at them and see if you notice differences in how things are written.

Reach an agreement between your management team on the go-to method of presenting, and then hold them accountable!

# WRAPPING THINGS UP

Thanks for taking the time out of your busy day to read this book, we know that changing a process in a dealership is challenging, but the rewards can be great. We encourage you to push through the initial resistance! Even if you don't make any major changes in your store, we hope we've encouraged you to review your existing processes.

Here is a quick recap of the 10 Proven Strategies to Leasing More Vehicles:

1. Get sold on leasing
2. Define and outline your process
3. Stop asking your customers how they plan to pay
4. Offer-to-purchase should always come from the desk
5. Build a talk track around your offer-to-purchase
6. Always present cash, finance, and lease
7. Guide the way through the offer-to-purchase
8. Now stop talking
9. Try to take offers on lease payments instead of finance
10. Rinse and repeat

Our final suggestion is that you come back to this book in 6 months and run through each of the **Action Items** again to see if you can spot any changes you've made to your process. It can be very rewarding to see change over time.

# About Autovance

Rick Johnston founded Autovance in 2010. He saw that there was a large disconnect between consumers and dealers during negotiation, and he believed he could find a solution that served both parties. While having dinner with a friend and fellow sales manager, Rick shared his idea with excitement. His friend told him that if it worked for Honda, they would have to buy it! And that was it. Over the next 4 months, Rick embarked on the journey to make his vision a reality.

After he had completed his first prototype in Excel, he began showing it to dealers. The first 10 customers came pretty fast, and his first two stores became advocates for work. Rick continued to build the product, and eventually he was able to hire his first employee in July of 2014, and they began to work on the next version of Autovance Desk. Today, Autovance serves nearly 200 dealers across Canada with a fully web-based mobile and desktop platform.

Learn more about us at [www.autovance.com](http://www.autovance.com)



“Leasing is one of the few things that a lot of dealers are still missing the mark on.”

**Rick Johnston, Founder of Autovance**

# WHAT OUR CUSTOMERS HAVE TO SAY

*"Autovance Desk has had an immediate positive impact on our leasing penetration. It's the most intuitive desking tool I've ever used; our management team picked it up right away."*

**KELLY SHIGEHIRO**

GSM, Davis GMC Buick

*"We've cut the time it takes to quote a deal in half, and we're providing our customers with more information than ever! Autovance delivers rates, residuals and rebates that we can rely on, and as soon as they're available!"*

**JOSH NORMAN**

GM, Indian Head Chrysler

**Learn more today at:**

[autovance.com](http://autovance.com)



**Autovance**