

Sales Performance: Growing Your Parts Business 1



Freightliner LLC

The material within the *Sales Performance: Growing Your Parts Business 1* module is for Freightliner LLC instructional purposes only.

Reference to an “authorized” dealer signifies a dealer under contract with Freightliner LLC via signed dealer agreement.

Introduction

Competitive times have always been with us, and always will be. It is the nature of a deregulated, market-driven economy. Rising fuel costs and operating expenses are additional factors that have produced fleet closures and consolidations. Many larger fleets are purchasing direct in an attempt to lower operating costs. All these factors drive dealerships to be more strategic, more capable, and more responsive.

Your dealership is the vital connection between truck owners and drivers, and Freightliner LLC. Dealer parts and service operations are the link to fleets. You maintain the relationship and nurture the business. Healthy, growing parts sales are the foundation of a strong, thriving dealership. You succeed by doing the right things, not by being lucky.

This topic—Sales Performance—consists of two modules.

- This first module presents methods for gathering information and making a sound, market-based analysis that improves sales performance.
- The second module demonstrates how to devise a strategy and tactics that truly increase sales performance.

By mastering the information in these modules, you will know how to make your dealership more competitive, more profitable, and more successful in parts sales. Use it to strengthen your operation and build the future.

The material in this module is directed to Parts Managers, and Outside Parts Sales (OPS) personnel, with special “tips” for Outside Parts Salespeople noted.

How This Module Can Help You

At the conclusion of this module, you will understand how to:

- Think beyond traditional approaches for greater opportunity.
- Look carefully at whom you serve and how well you're doing it.
- Take a thorough and realistic look at your current situation.
- Assess and build fences against competition.
- Determine the actual, measurable market opportunity that exists in your "area of responsibility" (AOR).
- Calculate confidence-building potentials based on practical targets and real assets.

This module will help you dramatically increase parts sales, but it can only happen if you are willing and committed to study and apply the materials. Now is the time to wipe the slate clean and make a fresh start. Don't just go through the motions. Get involved, apply what you learn, and you will achieve results!

The answers to all of the certification questions at the end of this module are readily found within its contents.

Think Beyond the Routine

The dealership is a sales organization. Vehicle, parts, and service departments are all driven by proactive sales. Sales are generated because everyone in the dealership diligently supports customer needs, meets competitive challenges, and adds value to the business transaction. Use this foundation to drive the business.

Plan for the Future

An intelligent plan is the key to positive sales performance. With the help of others, the Parts Manager develops the plan that directs the decisions and actions of Salespeople, Counter Personnel, Telemarketers, people in other departments—anyone who handles parts or has contact with the customer—in short, everyone in the dealership. A complete, well-reasoned plan is vital.

“I can’t waste the time,” you say to yourself. “I have work to do. It’s piled all around me in reports and phone call slips and projects that fill my office. I can’t see beyond tomorrow, much less dream about next year.”

Planning is important work because, done right, it can make future work easier. Ignored, it can make everything harder. Take the time to plan. Step away from the daily routine to really think about your business.

Planning generates power in several ways.

- A plan provides a way to compare results against expectations. A plan sets objectives to measure against so you know how well the effort is succeeding.
- A plan is an excellent tool to communicate to others what needs to be accomplished. It summarizes the expectations of the Dealer Principal and Department Managers. It indicates how resources will be used and what kinds of activities are expected.
- A plan delivers both incentive and reward. A plan motivates people to strive as individuals working in concert as a team. And because a plan sets objectives, it offers a rewarding sense of accomplishment when things get done.
- A plan is absolutely necessary if the department wants to grow stronger and more stable by significantly increasing its parts business.

Plan With a Structure

There are probably as many ways to plan as there are people to do it. A practical, proven approach to planning for increased truck parts sales contains these elements:

- Develop a business plan based on key opportunities in your AOR.
- Translate those opportunities into measurable and realistic sales goals.
- Set a strategy that demonstrates value and benefits to individual target prospects.
- Turn sales planning tools and concepts into tactics that create competitive differentiation and value to the customer.

Plan for All Makes

Successful dealerships are oriented to all-makes parts sales. The high content of “vendor-common” or non-proprietary parts installed on medium- and heavy-duty trucks is, in itself, an opportunity. This is coupled with the fact that most fleets are composed of several truck brands. Fleets elect to do business with those suppliers who can provide “single source” parts availability for all makes. This reduces their time and costs of doing business.

This is important to the dealership because some of these same economies flow to you. For example, a dealership focus on medium- and heavy-duty trucks produces crossover or “spillover” benefits because they have parts in common. This makes your existing inventory more productive and reduces the cost of incremental inventory to serve both audiences.

An all-makes perspective is fundamental to your success. The opportunity is huge. Don't give it away.

- Promote the fact that many of the parts you sell can be used on Peterbilt, Kenworth, Navistar, Mack, Volvo, and other competitive vehicles.
- If you are primarily heavy-duty focused, consider offering and promoting parts for medium-duty vehicles, especially those in common with heavy-duty over-the-road trucks. Class 6 and 7 customers are local, offering a steady revenue stream. Don't overlook the vocational opportunities in your market area.
- If your parts marketing initiatives typically target the medium-duty buyer, consider expanding your focus to reach long-haul or severe-duty customers who need parts support in your area.

✓ Your Department

A. Are you committed to building a practical, powerful plan?

Do you...

YES NO

- | | | |
|---|--------------------------|--------------------------|
| • See the parts department as a SALES organization? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Recognize the importance of a parts sales plan? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Take sufficient time from the routine to think about your business? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Set objectives to measure against expectations? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Organize the plan and put it in writing to communicate to others? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Link your plan to incentives and rewards to motivate people? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Develop a real strategy that focuses on value to the customer? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Select tactics from sales tools that demonstrate that value? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Fully support sales opportunities in all makes? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Look for opportunities and sell in Class 6 and 7, as well as 8? | <input type="checkbox"/> | <input type="checkbox"/> |

Every “Yes” answer is a step in the right direction. Add up your “Yes” answers and record the total in the first column of the Performance Chart on page 31 of this module.

Clarify the Mission

Revisit the Department's Business Purpose

As you begin to plan, look at the dealership and parts department as though seeing them for the first time. Consider the customers you serve and how well you are serving them. Ask—and answer—these important questions:

- Who are we in business to serve?
- What classes and vocations (truck uses or professions) are out there to pursue?
- What are our roles and responsibilities to meet our customers' needs?

Xercise

Call a meeting to develop ideas about the parts department's mission.

There is great value in having people join in the process because it helps create agreement and mutual goals. By being part of this thinking, employees take ownership of the results, feel included and respected, and offer insights that improve everyone's understanding.

Bring leaders in the parts department together in a team-building exercise to discuss the questions shown below. Encourage fresh thinking. Act as a facilitator by stimulating people to get involved and offer opinions. Put ideas on a chalkboard or white board. Have a volunteer record and organize what is discussed.

- Why are we here (what are the parts department's business purposes)?
- Who are we in business to serve?
- Who is our ideal customer; how do we define them?
- What is our specialty or areas where we excel?
- What makes us different?
- What is our emphasis (heavy duty, medium duty, vocational, etc.)?
- How well are we serving our current customers?
- What should we do or change to appeal to ideal prospect customers?
- How do we improve sales performance?

Use the meeting to build agreement and foster buy-in on the roles and responsibilities of the parts department as it currently exists, and as it will develop in the foreseeable future.

Prepare a Mission Statement

A mission statement is a brief, clear explanation of the organization's main mission. The organization can be the dealership or an individual department. In some industries, groups, divisions, working teams, or even individuals may have separate, but integrated mission statements.

Mission statements should not exceed 25 words. They set the tone for everyone in the group subscribing to that mission statement. When the dealership has a mission statement, the parts department aligns its own statement within its boundaries.

Example: Dealership Mission Statement

Deliver value through unmatched support—
first to owners of Freightliner LLC branded vehicles—
to ensure lifetime customer satisfaction and repeat loyalty.
Our goal is to be an integral part of the customer's business,
from the first to the last owner of the vehicle.

There's a saying, "If you don't know where you're going, any road will take you there." It is the reason for having a plan—so that you know how to reach your business objectives. A mission statement is the most concise presentation of your plan.

Using only a few words, an appropriate mission statement underscores many things. It:

- States the goals of the organization and what it considers most important.
- Reflects the reality and values of the organization.
- Reinforces the dealership's image and reputation.
- Sets the organization's purpose and direction.
- Builds a consistent understanding among employees.
- Reinforces the dealership image or reputation.

The dealership's mission statement links to the franchise. And the departmental mission statement should fit into the dealership and Freightliner LLC missions.

Tip for the Outside Parts Salesperson

Because of your contact with customers, you have timely, inside knowledge to help sharpen and focus the mission statement.

Exercise

Prepare the parts department mission statement.

You may do this as a group exercise, with leaders in the department, or by yourself. In general, the smaller the group, the more quickly you will reach a productive result.

Step 1: Review the conclusions of the team-building meeting when the group discussed the mission of the parts department. Look for key thoughts that incorporate the largest ideas.

Step 2: As you order the thoughts, ask yourself:

- Are they relevant; do they truly reflect the department's agreed-on purposes?
- Do they fit within the stated (or unstated) mission of the dealership?
- Are they based on the real world; do they seem genuine and make good sense?
- Do they offer something to strive for as well as something that's being done?
- Do they reflect what most people think and feel?
- Are they personalized; do they have some inspirational power?
- Do they reflect both an internal (department) and external (customer) focus?

Step 3: Put the elements together and make edits so that the statement addresses these questions and projects a focus that is strongly oriented to customers.

Step 4: Distribute the mission statement so that people can react, suggest changes, and have input. It may take several rounds or even another department meeting, but the result will be both satisfying and direction setting.

Sample Parts Department Mission Statement

"We provide our customers with prompt, seamless parts-related support regardless of the day or hour."

—provided courtesy Freightliner LLC Region Parts Manager
and former dealer Parts Manager, Mike Adams

✓ Your Department

B. Do you have a direction-setting mission statement?

Do you...

YES NO

- | | | |
|--|--------------------------|--------------------------|
| • Know and agree internally on who is your target customer? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Agree on where your dealership excels and where it's different? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Clearly understand the organization's goals and values? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know that all employees understand the organization's goals? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Have a written dealership mission statement? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Have a written parts department mission statement? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Have a brief, but compelling statement of fewer than 25 words? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Reflect the dealership's mission in the parts department's statement? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Have a mission statement that truly reflects the organization's goals? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know that everyone agrees with and promotes the mission statement? | <input type="checkbox"/> | <input type="checkbox"/> |

Every "Yes" answer is a step in the right direction. Add up your "Yes" answers and record the total in the second column of the Performance Chart on page 31 of this module.

Set the Foundation

The parts department is a business within a business, and thus, has its own quantitative results that should be measured and monitored. Take the time to determine your current baseline so that you have a foundation from which to measure future results.

Record Recent Business Performance

Take a realistic look at where you are. Compare this time a year ago against today. Look at the numbers for:

- Parts sales
- Gross profit
- Gross inventory turn
- Absorption
- Level of service
- Number of personnel
- Sales per employee

Exercise

Calculate the parts department's business results.

You need to know business history, but don't let the past automatically set the direction. Measuring key business trends shows tendencies, not conclusions. Take action to sustain a positive trend, or correct a negative one. With the help of your accounting department and your own records, determine results in the areas indicated below.

- **Parts Sales and Gross Profit** (available on the Freightliner LLC financial statement)

	SALES	GROSS PROFIT	GP PERCENT
Wholesale	_____	_____	_____
+ Counter Retail	_____	_____	_____
+ Repair Shop	_____	_____	_____
+ ESP	_____	_____	_____
+ Road Service	_____	_____	_____
+ Warranty & Policy	_____	_____	_____
+ Internals	_____	_____	_____
+ Sublet	_____	_____	_____
+ Other	_____	_____	_____
+ Body Shop – metal	_____	_____	_____
– paint	_____	_____	_____
– warr & pol	_____	_____	_____
– internals	_____	_____	_____
– materials	_____	_____	_____

TOTALS

Average Inventory (from balance sheet or ask controller; ask if it includes cores) = _____

Inventory Turns (calculate by $\frac{\text{Total Annual Cost of Sales [Annual Sales – Gross Profit]}}{\text{Average Inventory}}$) = _____

Absorption (calculate by $\frac{\text{All Dealership Costs – N \& U Variable costs}}{\text{Fixed Operations Revenue}}$) = _____

Level of Service (calculate by $\frac{\text{COS [Cost of Sales] + Lost Sales}}{\text{COS – Emergency Purchases}}$) = _____

Number of Personnel (include part timers and shared workers as “fractions”) = _____

Sales per Employee (calculate by $\frac{\text{Total Sales}}{\text{Total Department Personnel}}$) = _____

Take the time to know where you were so that you can move forward from that starting point. This is the foundation for creating and managing future objectives.

Examine Your Capabilities

Every truck dealership (and every competitor) has its own strengths and hidden assets. What are areas of excellence in the parts department and the dealership? Take the time to list them. Ask others for input. The question was already included in the team-building meeting when you talked about the department's mission. Look at the notes to see what people said.

Exercise

Determine where the parts department excels.

What is the department and dealership really good at? Where are you exclusive or superior to competitors? Use this exercise to determine and define these building blocks. Be specific. This is what makes your organization unique and adds value.

Reputation for truck service	_____
Advertising/marketing	_____
General reputation	_____
Warranty	_____
Size/stability	_____
Management support	_____
Sales/product training	_____
All-makes product knowledge	_____
Outside part sales	_____
Counter sales	_____
Remanufactured parts/core returns	_____
Service certifications	_____
Market-based pricing	_____
Purchasing practices	_____
Relationships (customer, supplier)	_____
Breadth of customers	_____
Attracting new customers	_____
Delivery/service hours	_____
Inventory management	_____
Immediate parts availability	_____
Other?	_____

Review your list and complete it by answering these questions.

- Are each of these true strengths or do they need support?
- Are they specific enough to seem unique to a customer? (For example, if you say "Our people are better" can you back that up with facts, competitive comparisons, and actual examples?)
- What could be done to increase your competitiveness with any of these strengths?

Study the Competition

Competitors offer insight as well as challenge. Outside Parts Salespeople, Counterpeople, delivery drivers, suppliers, and customers can all help gather information on the competition.

You are looking for each competitor's weaknesses against your strengths. These places mark openings where you can take the advantage or can remove a competitor's advantage. Use the form below to help organize your thinking.

Competitive Analysis

Competitive Area	Competitor A	Competitor B	Competitor C	Competitor D
Hours open				
Number of employees				
Number of OPS professionals				
Delivery service				
Special services				
Special equipment				
Inventory selection				
Vocation or class focus				
All-makes capabilities				
Advertising				
Pricing position				
Estimated sales				

Tip for the Outside Parts Salesperson

Include what you hear on the street about competitors as well as what customers tell you to build a clear picture of where competitors are strong and where they are not.

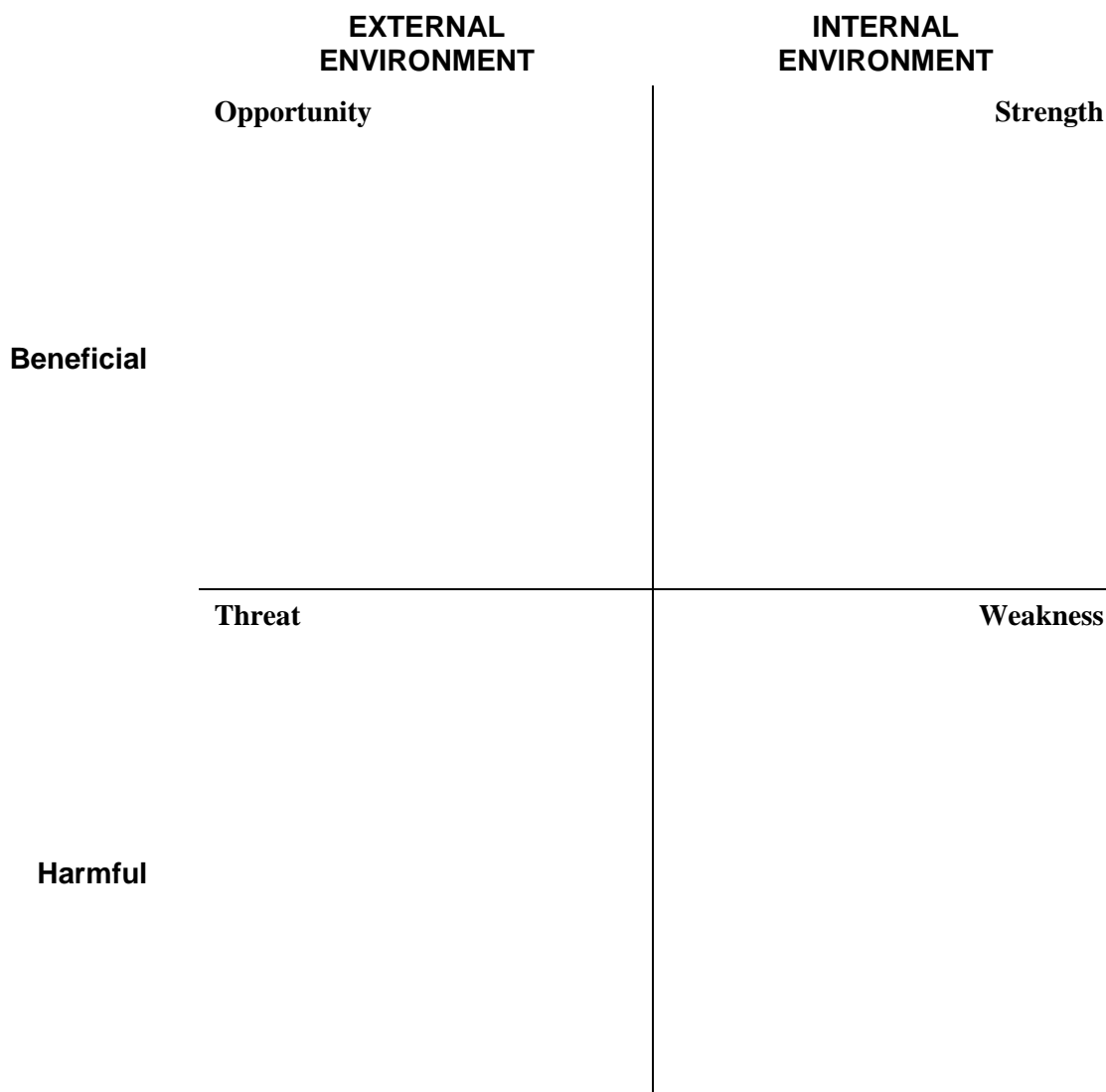
Conduct a SWOT Analysis

SWOT stands for “Strengths, Weaknesses, Opportunities, and Threats.” It is a popular business tool to help you look differently at the dealership, parts department, competitors, and local market.

A SWOT Analysis occurs in two steps.

1. Review your own strengths and weaknesses, independent of the world outside.
2. Examine opportunities and threats that exist in your AOR.

The matrix below will help you develop lists for each quadrant. Use the information from the Competitive Analysis on the previous page to get started. (If you have already completed the *PartsExpert* module “Outside Parts Sales: A Guide to Success,” you can use the findings from its SWOT Analysis.)



Strengths

A strength is anything that the dealership or department is good at or expert in. Look for unique capabilities that come from the organization itself or from exclusive or superior product or service offerings relative to competitors.

Weaknesses

A weakness is anything internal to the dealership that reduces your ability to serve customers such as poor procedures or attitude, or lack of competency, expertise, training, or support.

Opportunities

An opportunity can be anything in your AOR that offers additional sales based on a high level of compatibility with your operations, in areas such as location, marketing approach, OEM programs, or unique dealership strengths.

Threats

Any market conditions or changes that reduce your ability to sell should be considered a threat. This includes a fleet consolidation that moves to another nameplate, competitive OPS hires or training—anything that affects or influences your AOR.

Each of the individual items you list is a factor that influences your competitiveness. Emphasize strengths and opportunities; work hard to eliminate or neutralize weaknesses and threats.

Tip for the Outside Salesperson

You probably have a lot of valuable knowledge about any current opportunities or threats in your AOR... more than you might think!

Be sure to bring this information forward so that the Parts Manager and the dealership have the most complete picture possible of what's going on in your market.

✓ **Your Department**

C. Are you taking advantage of every competitive opportunity?

Have you ...	YES	NO
• Prepared a snapshot of business performance from a year ago?	<input type="checkbox"/>	<input type="checkbox"/>
• Looked at parts sales, gross profit, inventory turn, absorption, and level of service?	<input type="checkbox"/>	<input type="checkbox"/>
• Calculated business trends including employee counts and sales?	<input type="checkbox"/>	<input type="checkbox"/>
• Carefully determined the areas in which the parts department excels?	<input type="checkbox"/>	<input type="checkbox"/>
• Listed specific examples of those strengths that you can back up?	<input type="checkbox"/>	<input type="checkbox"/>
• Carefully looked at your main competitors?	<input type="checkbox"/>	<input type="checkbox"/>
• Asked for input from others who know the competition well?	<input type="checkbox"/>	<input type="checkbox"/>
• Examined their possible weaknesses to create your opportunities?	<input type="checkbox"/>	<input type="checkbox"/>
• Developed and discussed a SWOT Analysis?	<input type="checkbox"/>	<input type="checkbox"/>
• Identified strengths to emphasize and weaknesses or threats to reduce?	<input type="checkbox"/>	<input type="checkbox"/>

Every “Yes” answer is a step in the right direction. Add up your “Yes” answers and record the total in the third column of the Performance Chart on page 31 of this module.

Measure Market Opportunity

It's hard to be completely accurate about the overall sales potential in a given market. There are too many variables and qualifiers. However, there are ways to look at your AOR and apply good information to arrive at a reasonable estimate. You develop this estimate in order to have something tangible to help you identify and quantify the opportunities available. It's also important to have a benchmark against which to measure your progress.

Estimate Parts Potential

A quick way to arrive at a market potential number is to determine the number of vehicles operating within your AOR and multiply that by the average annual parts consumed per truck. This gives you a rough estimate for the overall market. (You can get truck population numbers through the TIP® [Trucking Industry Profile] Access system from R.L. Polk & Company. More about that resource at the end of this discussion.)

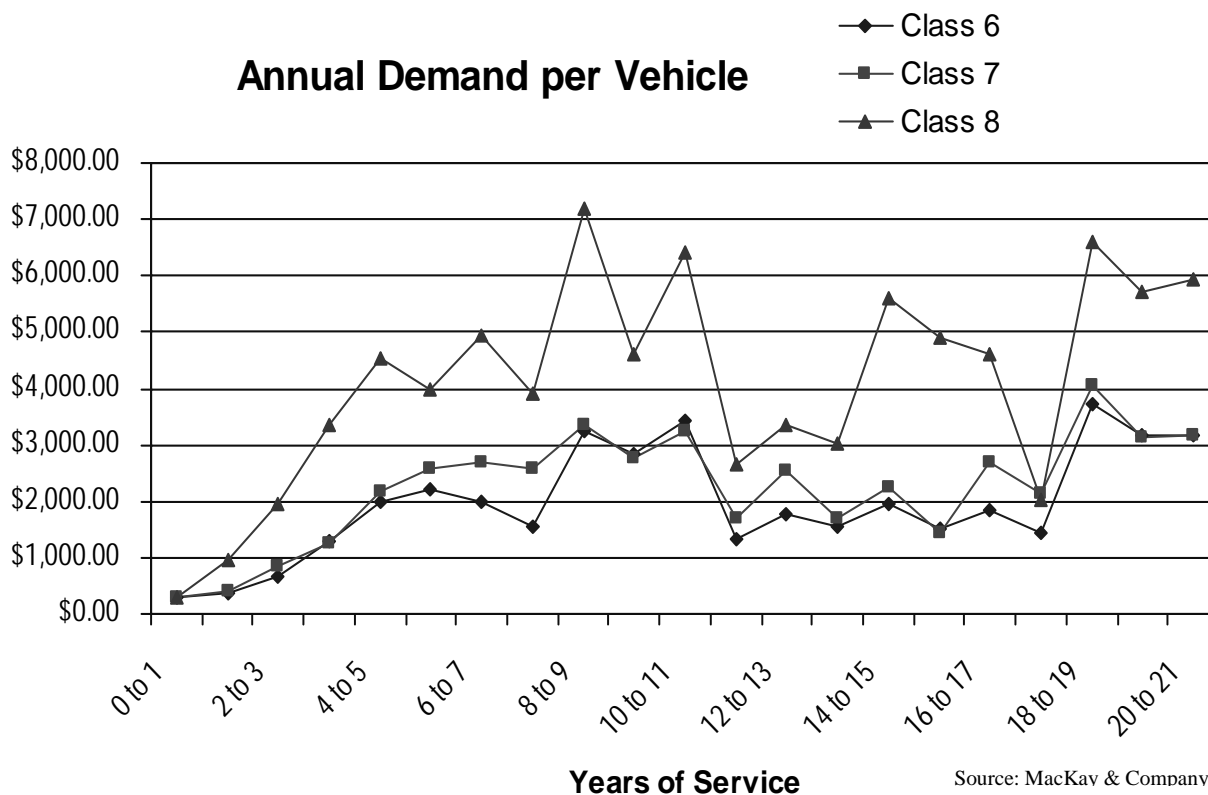
For a more accurate estimate, segment the total vehicle population by Gross Vehicle Weight (GVW) and vocation type. "Vocation" is the job for which a truck is designed and equipped such as "construction" (dump trucks) or "refuse" (garbage haulers). This information is also available from TIP® Access data.

Vocational applications can produce significant spikes in average annual parts consumption rates, particularly in high-wear parts categories. An intra-city beverage hauler, for example, may put more wear and tear on the brake system than a long-haul operator who spends his time on freeways or interstates.

The age of a vehicle is another key variable. Parts consumption varies from year to year over the life of a vehicle and reflects wide variation in replacement intervals or overhaul cycles. The graph (on the next page) shows average parts consumption (dollar demand per vehicle) for Classes 6, 7, and 8 over a 20-year span.

Average Annual Parts Consumption

This graph shows the average annual parts consumption for U.S. Class 6, 7, and 8 vehicles across a 20-year time span. Annual values for years 3 to 21 are centered on 3-year averages (2001 prices and starting point.)



- These general curves indicate the years when a vehicle tends to require additional maintenance. Note that the curves also reflect the result of multiple replacement cycles occurring coincidentally in the same year, or when major overhaul cycles occur.
- For Class 6 vehicles additional maintenance is often required when they are 4 to 6 years old, again when they are 8 to 10 years old and when they near the end of their useful life.
- For Class 7 vehicles, this occurs when they are 8 to 10 years old and as they near the end of their useful life.
- For Class 8 vehicles, this occurs as steps in which maintenance costs rise and plateau in the fourth year and again in the eighth year. Once a Class 8 truck is 10 years old, its maintenance costs fluctuate through the rest of its life cycle.

Determine Your Truck Population

Polk TIP® Access is a turnkey customer database system that includes a “Vehicles In Operation” (VIO) database. It identifies current United States and Canadian owner/operator and fleet business registration holders of all vehicles for all makes and models. With this market information, you can identify those operators who register their vehicles in your AOR. While some of these vehicles are likely domiciled outside your AOR, you can readily identify those customers. In many cases, these fleets centralize parts purchasing at their headquarters location, so knowing the total vehicle count is still helpful.

The table below shows the total value in replacement parts that trucks of different vocations and classes generally require each year. These estimates provide a starting point for building a picture of the potential in your AOR.

All-Makes Parts (includes engine and auto transmission)		Annual Parts Expenditures		
Vocation	Abbreviation	Class 6	Class 7	Class 8
Owner/Operator	O/O	\$1,976	\$2,948	\$4,579
Truckload/LTL Carriers	FHC (for-hire carriers)	\$1,670	\$2,009	\$3,979
Manufacturers, Wholesalers, Retailers	PRIV (private haulers)	\$1,591	\$1,706	\$3,918
Construction, Mining, Refuse	C/M/R	\$1,799	\$2,735	\$4,025
Agriculture	AG	\$1,210	\$1,515	\$3,259
Full Service Lease and Rental	L/R (lease/rental)	\$1,296	\$1,620	\$2,504
School Bus	S/B	\$1,642	\$1,300	NA
Government, Utilities, Forestry	OTH (other)	\$1,807	\$1,798	\$2,283
Average of All Vocations (rounded)		\$1,600	\$1,750	\$3,600

Source: MacKay & Company

Exercise

A quick way to estimate parts sales potential in your AOR:

Step 1: Use TIP Access or vehicle registration numbers to determine the number of medium-duty and heavy-duty trucks in your AOR.

Class 6 Vehicles

Class 7 Vehicles

Class 8 Vehicles

Step 2: Multiply those numbers by the estimated average consumption per vehicle.

X (times)

\$1,600

\$1,750

\$3,600

= (equals)

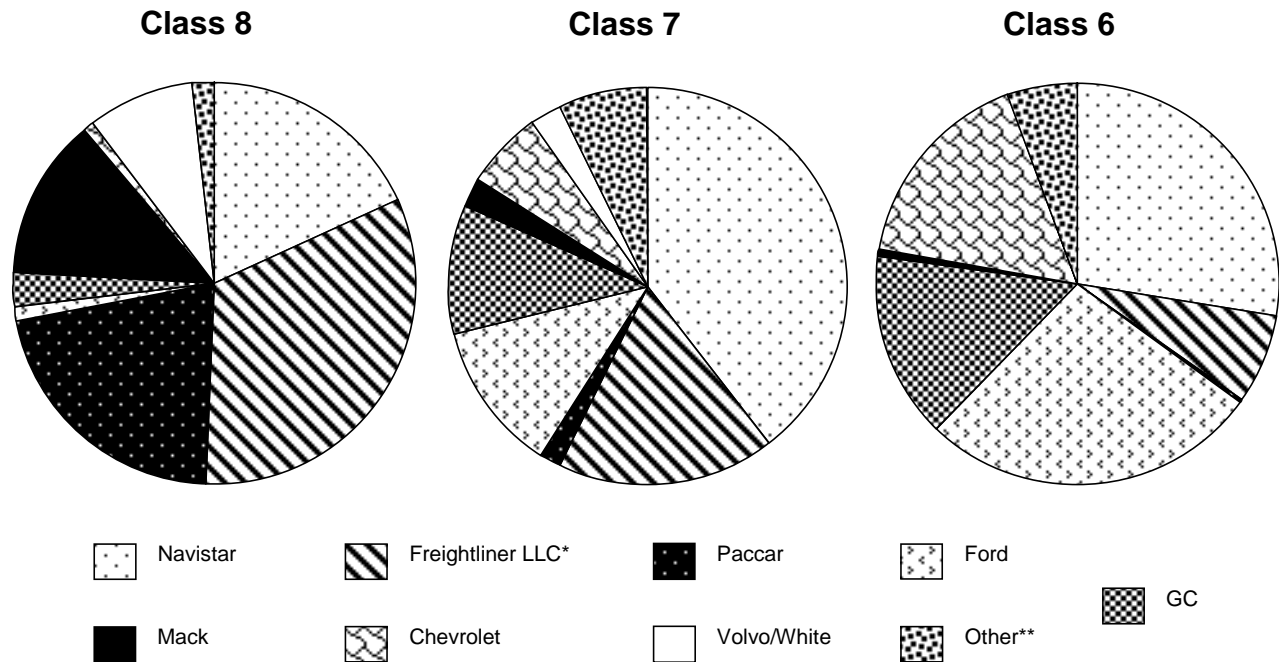
Total (add all classes together) _____

Step 3: If your dealership wants to estimate the entire fixed operations potential that includes service consumption, double the number because for every dollar in parts there is an additional dollar in labor.

Total Fixed Operations (multiply Total by 2) _____

Address Your Franchise and All-Makes Market Potential

Freightliner/Sterling/Western Star accounts for nearly one-quarter (22.5%) of all vehicles operating across the United States (see pie charts). Thus it follows that as a rough estimate about one-quarter of all parts sold in the United States are consumed by Freightliner LLC vehicles. However, market research shows that as franchised dealers, you capture only about one-half of that aftermarket business. The remaining half of this potential goes to aftermarket competitors. This is your first line of opportunity; look for ways to increase your share of these sales.



Manufacturer	Class 8 ⁽³⁾	Class 7 ⁽⁴⁾	Class 6 ⁽⁴⁾	Total Class 6–8 Field Population
Navistar	18.2	39.5	27.5	25.7
Freightliner LLC ⁽¹⁾	32.4	17.8	7.3	22.5
Paccar (Peterbilt/Kenworth)	21.4	1.5	0.2	11.3
Ford (Non-Legacy)	1.1	12.4	27.3	10.4
GMC	2.6	10.4	14.8	7.5
Mack	13.1	2.3	0.7	7.4
Chevrolet	1.0	6.5	16.6	6.1
Volvo/White	8.4	2.3	0.0	4.9
Other ⁽²⁾ – 6.6%	1.8	7.3	5.6	

(1) Freightliner LLC includes Freightliner, Ford Legacy, Sterling, Western Star, Thomas Built Buses, and Mercedes-Benz

(2) Other includes Bluebird, Hino, Mitsubishi, Isuzu, UD Trucks, Iveco, and others

(3) Based on 20-year vehicle registration population

(4) Based on 25-year vehicle registration population

Source: R.L. Polk registration data

Even if franchised dealers capture the entire Freightliner LLC potential—roughly one-quarter of the total parts market—that still leaves the remaining three-quarters to others. You are certainly not limited to parts sales for only Freightliner LLC vehicles. Fleet acceptance—and often preference—for vendor parts provides the chance to compete regardless of the OEM brand.

Like Freightliner LLC, other truck makers such as Volvo, Navistar, Mack, Kenworth, and Peterbilt have control over their own captive parts. But the vast majority of parts are available from sources other than the OEM. These equal-opportunity parts make up the “addressable” market, meaning that it is adjusted to not include parts your dealership does not distribute. Examples include engine parts dealers are not certified to distribute, and automatic transmissions.

The bottom line: your market potential goes far beyond Freightliner LLC sourced parts to service the vehicles sold by your dealership alone. Your dealership can legitimately compete for all makes, in all the top classes, among all the vocations. You can reach beyond Class 8 trucks and be competitive with General Motors and Ford, for example. Their Class 6 and 7 trucks need parts that your dealership can provide through the many Parts Distribution Center (PDC) and direct-ship programs available.

National figures provide an initial estimate. But you can increase accuracy with the aid of AOR Parts Potential reports. These reports put your own area of responsibility into perspective. That approach is the next topic.

Use Your AOR Parts Potential Reports

Accurately sizing the market potential in your AOR requires more than a passing thought. That's why, at no charge, Freightliner LLC furnishes a complete market share report every quarter to simplify your calculations. The purpose of these AOR Parts Potential Reports is to identify key market opportunities and current share so that you can establish goals and measure progress. These summaries are currently available to Freightliner LLC and Sterling franchised dealers; Western Star dealers will be coming on board in the near future.

The Report provides valuable information so you can systematically analyze market share performance and determine ways to maximize your potential. And because it is quarterly, it provides benchmarks for performance over time, reveals trends, and exposes opportunities that may be as yet untapped.

The report is vehicle-activity based, not vehicle-registration based and measures purchases made through Freightliner LLC, excluding non-addressable parts. It uses a process that refines numbers through several levels described below.

- National truck and tractor population numbers provide a baseline of current medium- and heavy-duty vehicles. These population figures are then allocated to individual counties (census districts in Canada) through the use of SIC (Standard Industrial Classification) codes and local economic indices.
- Average, annual parts replacement cost estimates are applied to generate retail parts potential at the county level (per vehicle, by vocation, by year). Actual demand is estimated by annual miles traveled, vocation or application, average replacement intervals, age of the vehicle, and by whether a replacement is a new, remanufactured, rebuilt, or used part. End-user feedback provides real-world estimates of parts replacement costs per vehicle by class. The estimates are averaged into national figures.

- It is important to note that local market potential is not based on registration data because trucks registered in one AOR can permanently operate out of another. So vehicle populations are allocated by county, based on economic activity indicators. This approach more realistically reflects the actual population of trucks operating in a given AOR.
- Market figures are refined to only include “addressable” products defined as those products distributed through Freightliner LLC. Thus, market potential figures exclude engine parts from Detroit Diesel, Cummins, and Caterpillar, as well as automatic transmission parts from Allison, and captive proprietary parts from other truck and trailer OEMs.
- The figures are also adjusted to eliminate dealer margin on the retail transaction, using a national dealer average. This converts the addressable “retail” dollar market potential to an equivalent “dealer net,” to compare parts potential to actual parts purchases.
- Finally, total parts potential is segmented by product lines: Cab/Chassis, Electrical, Power Generation, Power Transmission, and Undercarriage.

Your AOR Parts Potential Reports automatically perform all these calculations to arrive at an estimate. While no market assessment is foolproof, we believe the approach is a fundamentally realistic and logical method to measure parts sales potential.

How to Use the AOR Parts Potential Report

Start With the Overview

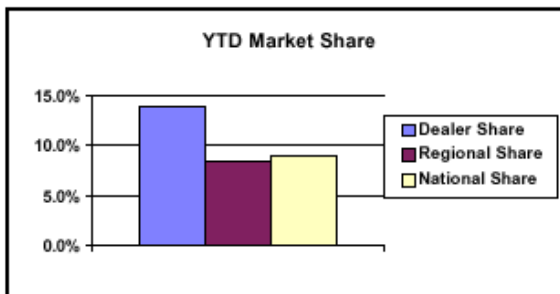
The first page of this three-page report is a snapshot of the dealership's product sales potential, share, and trends. It gives you a quick read on overall AOR market share compared to regional and national averages. As was previously mentioned, all figures are stated in dealer net dollars.

Quarterly Individual Dealership Market Share Report 2nd Quarter 2002

Dealer Code
DEALER NAME
CITY STATE

2002 Dealer Net Potential	\$50,042,171
YTD 2002 Dealer Net Potential	\$25,171,213
YTD Sales:	\$3,475,897
YTD Market Share:	13.8%
Regional Market Share:	8.5%
National Market Share:	9.0%

YTD 2001 Sales: \$3,924,761
% Change; 2002 vs. 2001 -11.4%



Review Market Share Results

The second and third pages break the potential into key product groups and specific product categories relative to your AOR. The right three columns indicate your dealership's AOR market share with regional and national comparisons. (Regional comparisons are based on your designated Region Parts Manager's territory.) These give you at-a-glance benchmarks.

June 2002 YTD Target Product Market Share						
		DEALER NAME				
		CITY				
		STATE				
Group	Product	YTD Dealer Net Potential	YTD Sales	YTD Market	Regional Market Share	National Market Share
CAB/CHASSIS/ACCESSORIES/OTHER						
	A/C Compressors	\$359,992	\$111,991	31.1%	19.3%	21.6%
	A/C Other Major Components	\$583,624	\$212,860	36.5%	17.6%	17.0%
	Glider Kits	\$13,224	\$0	0.0%	136.1%	134.4%
	Other	\$509,958	\$1,225,768	240.4%	130.1%	122.2%
	Seats	\$594,085	\$71,040	12.0%	5.8%	5.5%
	Service Cabs	\$20,388	\$22,657	111.1%	108.6%	81.0%
Total		\$2,081,271	\$1,644,316	79.0%	45.4%	43.2%
ELECTRICAL						
	Alternators - New	\$68,370	\$62,766	91.8%	51.2%	63.7%
	Alternators - Reman	\$558,237	\$33,796	6.1%	4.2%	3.9%
	Batteries	\$918,436	\$39,413	4.3%	3.7%	4.7%
	Electrical Other	\$950,501	\$94,589	10.0%	6.8%	6.1%
	Headlights	\$129,338	\$30,280	23.4%	12.6%	12.9%
	Starter Motors - New	\$34,342	\$8,819	25.7%	9.4%	16.4%
	Starter Motors - Reman	\$517,127	\$10,245	2.0%	4.3%	6.0%
	Stop/Trail/Turn	\$410,234	\$17,635	4.3%	2.4%	3.2%
Total		\$3,586,585	\$297,543	8.3%	5.8%	6.5%
POWER GENERATION						
	Air Filters	\$801,349	\$39,508	4.9%	3.5%	4.6%
	Complete Engines	\$122,748	\$0	0.0%	1.0%	2.0%
	Coolant Filters	\$165,938	\$11,019	6.6%	2.4%	2.6%
	Engine Belts	\$162,031	\$38,623	23.8%	11.4%	12.9%
	Fan Clutch - New	\$118,584	\$48,036	40.5%	29.4%	38.3%
	Fan Clutch - Remanufactured	\$249,899	\$3,905	1.6%	1.6%	2.1%
	Fuel Filters	\$430,403	\$16,061	3.7%	2.9%	4.4%
	Hoses	\$154,596	\$43,835	28.4%	14.6%	15.8%
	Lube Oil Filters	\$1,035,716	\$47,083	4.5%	2.6%	3.7%
	Mufflers & Other Exhaust Parts	\$664,489	\$103,127	15.5%	9.3%	7.6%
	PG Other	\$474,575	\$209,290	44.1%	28.0%	30.2%
Total		\$4,380,329	\$560,487	12.8%	7.8%	8.9%
POWER TRANSMISSION						
	Clutch - New	\$134,001	\$117,322	87.6%	65.5%	71.2%
	Clutch - Remanufactured	\$246,465	\$13,170	5.3%	3.8%	6.7%

Monday, October 7, 2002

Page 2 of 3

Target Product Lines

A key purpose of the report is to expose those products in your AOR that show high revenue potential against a traditionally low market share. Product categories shown as “new” include both complete assemblies as well as related piece parts. A category indicated as “reman” means remanufactured components only.

June 2002 YTD Target Product Market Share						
DEALER NAME CITY STATE						
Group	Product	YTD Dealer Net Potential	YTD Sales	YTD Market	Regional Market Share	National Market Share
	Differential Carrier (New)	\$466,940	\$31,217	6.7%	3.7%	5.5%
	Differential Carrier (Reman)	\$1,027,810	\$16,795	1.6%	1.1%	1.8%
	Manual Transmission (New)	\$181,009	\$98,447	54.4%	36.7%	41.3%
	Manual Transmission (Reman)	\$554,383	\$18,636	3.4%	3.4%	4.9%
	PT Other	\$550,984	\$25,032	4.5%	3.6%	4.5%
	U-Joints	\$219,118	\$11,332	5.2%	5.7%	8.0%
	Wheel Bearings	\$326,679	\$11,988	3.7%	2.0%	2.5%
	Wheel Seals	\$391,591	\$13,496	3.4%	3.9%	4.9%
Total		\$4,098,980	\$357,435	8.7%	6.5%	7.9%
UNDERCARRIAGE						
	Air Bags	\$692,117	\$14,068	2.0%	1.6%	2.2%
	Brake Drums	\$515,110	\$79,146	15.4%	9.0%	7.5%
	Brake Hardware	\$339,224	\$4,625	1.4%	1.1%	1.6%
	Brake Other	\$720,875	\$63,320	8.8%	5.7%	6.1%
	Brake Shoes	\$1,581,652	\$76,383	4.8%	3.3%	4.1%
	Brake Valves (New)	\$376,940	\$37,382	9.9%	7.8%	8.5%
	Brake Valves (Reman)	\$513,900	\$62	0.0%	0.1%	0.2%
	Compressors (New)	\$59,783	\$109	0.2%	0.4%	0.7%
	Compressors (Reman)	\$304,406	\$1,877	0.6%	0.7%	0.8%
	Dryers (New)	\$167,039	\$19,402	11.6%	6.8%	9.6%
	Dryers (Reman)	\$88,353	\$8,025	9.1%	4.7%	4.2%
	Front Axle	\$881,415	\$50,034	5.7%	2.9%	3.2%
	Shock Absorbers	\$919,923	\$36,775	4.0%	2.9%	3.2%
	Spring Brakes & Chambers	\$596,910	\$13,472	2.3%	2.4%	1.8%
	Springs	\$1,435,972	\$39,379	2.7%	1.5%	1.3%
	Steering Gears - New	\$136,707	\$24,688	18.1%	8.5%	9.5%
	Steering Gears - Reman	\$751,562	\$20,182	2.7%	1.4%	1.5%
	Steering Pumps - New	\$83,118	\$13,807	16.6%	9.9%	10.1%
	Steering Pumps - Reman	\$207,911	\$0	0.0%	0.0%	0.0%
	UC Other	\$431,443	\$91,287	21.2%	15.2%	16.5%
	Wheels	\$219,691	\$22,093	10.1%	4.8%	6.8%
Total		\$11,024,048	\$616,116	5.6%	3.6%	3.9%
Total		\$25,171,213	\$3,475,897	13.8%	8.5%	9.0%

Monday, October 7, 2002

Page 3 of 3

Your AOR Parts Potential Report is a significant tool because it provides insight into where your opportunities are as well as an estimate of the rewards your efforts can yield. Over time it can show trends and trajectories to help direct your parts sales initiatives.

✓ Your Department

D. Have you critically reviewed your parts market potential?

Do you ...	YES	NO
• Use Polk's TIP Access system to identify locally registered VIO?	<input type="checkbox"/>	<input type="checkbox"/>
• Generate vehicle population numbers for Class 6 and Class 7, as well as Class 8 trucks?	<input type="checkbox"/>	<input type="checkbox"/>
• Separate truck classes into their registered vocations?	<input type="checkbox"/>	<input type="checkbox"/>
• Calculate and apply estimated parts expenditures by truck class?	<input type="checkbox"/>	<input type="checkbox"/>
• Know how much of the Freightliner LLC nameplate parts business you're getting?	<input type="checkbox"/>	<input type="checkbox"/>
• Have a plan for competing against all Classes (6, 7, and 8) in your AOR?	<input type="checkbox"/>	<input type="checkbox"/>
• Regularly orient your department to an all-makes perspective?	<input type="checkbox"/>	<input type="checkbox"/>
• Review your AOR Parts Potential Report to note market share and trends?	<input type="checkbox"/>	<input type="checkbox"/>
• Identify potential market opportunities by component group and individual product classifications?	<input type="checkbox"/>	<input type="checkbox"/>
• Use these reports to develop concrete opportunities among vocations in your AOR?	<input type="checkbox"/>	<input type="checkbox"/>

Every "Yes" answer is a step in the right direction. Add up your "Yes" answers and record the total in the fourth column of the Performance Chart on page 31 of this module.

Build Your Customer List

It takes time and money to prepare a customer list that accurately reflects the potential in your local market. It is an investment. It's also important to recognize that your customer lists—and customer profiles—are a valuable and highly sensitive asset.

Many of you participate in Freightliner LLC-sponsored direct mail programs, and manage on-line customer lists. These lists are derived from the most recent update of the Polk VIO file combined with data from the National Motor Carrier Directory and the Private Fleet Directory. The names and addresses on these lists are updated to remain current. Most dealers combine Polk file customer data with their own in-house lists of current customers, as a foundation for effective marketing.

Whenever possible, include truck serial numbers as part of the database for each customer. This adds value and convenience when customers come in for maintenance or repairs. You'll know the serial number as part of the PartsPro process.

Process ✓

Keep your customer list under your control at all times.

Keep a duplicate copy under lock and key in an off-site safety deposit box or other highly secure location.

Here are some additional resources to prepare a customer list.

- **Accounts receivable** – Begin with a base of all your current customers.
- **Recent truck buyers** – From the sales department, add the names and addresses of new or used truck buyers. Contact all these recent sales customers because they are good prospects for future parts and service and should be introduced to your department.
- **Recent service customers** – Add the names of customers at the dealership for service. Many will return for warranty service but perform maintenance in their own shop, making them key customers for Outside Parts Salespeople.
- **Promotional drawings** – Capture critical customer information by offering in-store promotions that require customers to complete entry cards in order to win prizes.
- **Truck registrations** – Use Polk data (TIP® Access) and/or county and state vehicle registrations to screen for model years and nameplates that represent potential all-makes markets.

- **Phone books** – Get on the mailing list for every phone book in your area, including electronic ones. Pore through them carefully for likely parts customers. (This is where an eye for vocations may reveal possible candidate fleets such as landscape firms, garbage haulers, etc.)
- **Customer applications** – Create brief, card-sized applications that customers can fill out to be on your mailing list. Make them visible in high-traffic areas of the dealership. Add them to your customer list for potential profiling.

All of this information becomes knowledge you use to develop sales action plans. Based on the results of your AOR Parts Potential Report and market analysis, you can determine what will most effectively boost your share. It could mean vendor training for Counterpeople and Outside Parts Salespeople. It might mean improving stocking coverage or adjusting pricing to be competitive. It may suggest products to feature on direct mail promotion flyers.

There is a complete process for determining the best target customers and building a sales approach for them. That is the topic of the companion module, “Sales Performance: Growing Your Parts Business 2.”

✓ Your Department

E. Are your market share figures and customer lists complete and current?

Do you ...

YES NO

- | | | |
|--|--------------------------|--------------------------|
| • Summarize actual sales by product line? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Analyze market share by product line at least annually? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Compare actual sales to total potential sales in your AOR? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Know what the average mix and market share is by product line? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Develop action plans to increase market share in under-performing areas? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Maintain a complete and secure customer list for new opportunities? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Include new or used truck buyers from the sales department in that list? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Capture serial numbers for every vehicle purchased or serviced? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Follow up to introduce the parts department to recent truck buyers? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Regularly check Polk data or registration lists for candidate customers? | <input type="checkbox"/> | <input type="checkbox"/> |

Every “Yes” answer is a step in the right direction. Add up your “Yes” answers and record the total in the fifth column of the Performance Chart on page 31 of this module.

Summary

As a sales organization, the dealership must create and execute a plan for positive sales performance. The plan should have an all-makes orientation, be driven by a clear business purpose, and reinforce the mission statement. A record of recent business performance establishes the foundation from which to measure growth. Then the dealership departments examine their strengths and weaknesses, comparing them to the competition to look for differentiating features and benefits.

The sales plan includes an accurate estimate of overall sales potential for a given market by considering average annual parts consumption, area truck population, vocations, and all-makes potential. All of these factors are automatically calculated in the dealership's quarterly AOR Parts Potential Reports to provide insight into opportunities and to help focus parts sales initiatives. This knowledge, combined with an accurate customer list, provides a sound, market-based approach to improve sales performance.

Chart Your Performance

This exercise helps establish your current readiness for improving sales performance and measuring against market potential. To set the level of readiness, take these four steps:

1. Complete each of the “✓ **Your Department**” overviews in this module. Each has ten questions. Don’t be easy on yourself; answer the questions openly. You aren’t going to share this with anyone.
2. Count the number of “Yes” answers for each overview in this module and mark that number in the column on the Performance Chart below.
3. Connect the numbers to create a kind of mountain range that shows peaks and valleys of performance.
4. The goal is to raise everything to 100%—able to answer “Yes” to all ten questions for each overview. To bring up a valley, go back to that overview and determine what you can do to turn any “No” into a “Yes.”

SALES PERFORMANCE PLANNING					
Number of “Yes” Answers	10				
	9				
	8				
	7				
	6				
	5				
	4				
	3				
	2				
	1				
	A. Building the Plan	B. Mission Statement	C. Competitive Analysis	D. Market Analysis	E. Customer List/Share

Congratulations! You have done the hard thinking and completed the self-assessment. It is a solid foundation. This preparation will yield rewards when you develop your strategy and tactics for significantly increasing parts sales. How to develop the strategy and tactics is the topic of the second module on Sales Performance.

Appendices

Appendix 1: Xercise: Calculate the Parts Department's Business Results
Appendix 2: Xercise: Determine Where the Parts Department Excels.....
Appendix 3: Competitive Analysis
Appendix 4: SWOT Analysis

Appendix 1: Exercise: Calculate the Parts Department's Business Results

Exercise

Calculate the parts department's business results.

You need to know business history, but don't let the past automatically set the direction. Measuring key business trends shows tendencies, not conclusions. Take action to sustain a positive trend, or correct a negative one. With the help of your accounting department and your own records, determine results in the areas indicated below.

- **Parts Sales and Gross Profit** (available on the Freightliner LLC financial statement)

	SALES	GROSS PROFIT	GP PERCENT
Wholesale	_____	_____	_____
+ Counter Retail	_____	_____	_____
+ Repair Shop	_____	_____	_____
+ ESP	_____	_____	_____
+ Road Service	_____	_____	_____
+ Warranty & Policy	_____	_____	_____
+ Internals	_____	_____	_____
+ Sublet	_____	_____	_____
+ Other	_____	_____	_____
+ Body Shop – metal	_____	_____	_____
– paint	_____	_____	_____
– warr & pol	_____	_____	_____
– internals	_____	_____	_____
– materials	_____	_____	_____
TOTALS	_____	_____	_____

Average Inventory (from balance sheet or ask controller; ask if it includes cores) = _____

Inventory Turns (calculate by $\frac{\text{Total Annual Cost of Sales [Annual Sales – Gross Profit]}}{\text{Average Inventory}}$) = _____

Absorption (calculate by $\frac{\text{All Dealership Costs – N \& U Variable costs}}{\text{Fixed Operations Revenue}}$) = _____

Level of Service (calculate by $\frac{\text{COS [Cost of Sales] + Lost Sales}}{\text{COS – Emergency Purchases}}$) = _____

Number of Personnel (include part timers and shared workers as “fractions”) = _____

Sales per Employee (calculate by $\frac{\text{Total Sales}}{\text{Total Department Personnel}}$) = _____

Take the time to know where you were so that you can move forward from that starting point. This is the foundation for creating and managing future objectives.

Appendix 2: Exercise: Determine Where the Parts Department Excels

Exercise

Determine where the parts department excels.

What is the department and dealership really good at? Where are you exclusive or superior to competitors? Use this exercise to determine and define these building blocks. Be specific. This is what makes your organization unique and adds value.

Reputation for truck service	_____
Advertising/marketing	_____
General reputation	_____
Warranty	_____
Size/stability	_____
Management support	_____
Sales/product training	_____
All-makes product knowledge	_____
Outside part sales	_____
Counter sales	_____
Remanufactured parts/core returns	_____
Service certifications	_____
Market-based pricing	_____
Purchasing practices	_____
Relationships (customer, supplier)	_____
Breadth of customers	_____
Attracting new customers	_____
Delivery/service hours	_____
Inventory management	_____
Immediate parts availability	_____
Other?	_____

Review your list and complete it by answering these questions.

- Are each of these true strengths or do they need support?
- Are they specific enough to seem unique to a customer? (For example, if you say “Our people are better” can you back that up with facts, competitive comparisons, and actual examples?)
- What could be done to increase your competitiveness with any of these strengths?

Appendix 3: Competitive Analysis

You are looking for each competitor's weaknesses against your strengths. These places mark openings where you can take the advantage or can remove a competitor's advantage. Use your Outside Parts Salespeople, Counterpeople, delivery drivers, suppliers, and customers to help gather information on the competition. Use the form below to help organize your thinking.

Competitive Analysis

Competitive Area	Competitor A	Competitor B	Competitor C	Competitor D
Hours open				
Number of employees				
Number of OPS professionals				
Delivery service				
Special services				
Special equipment				
Inventory selection				
Vocation or class focus				
All-makes capabilities				
Advertising				
Pricing position				
Estimated sales				

Appendix 4: SWOT Analysis

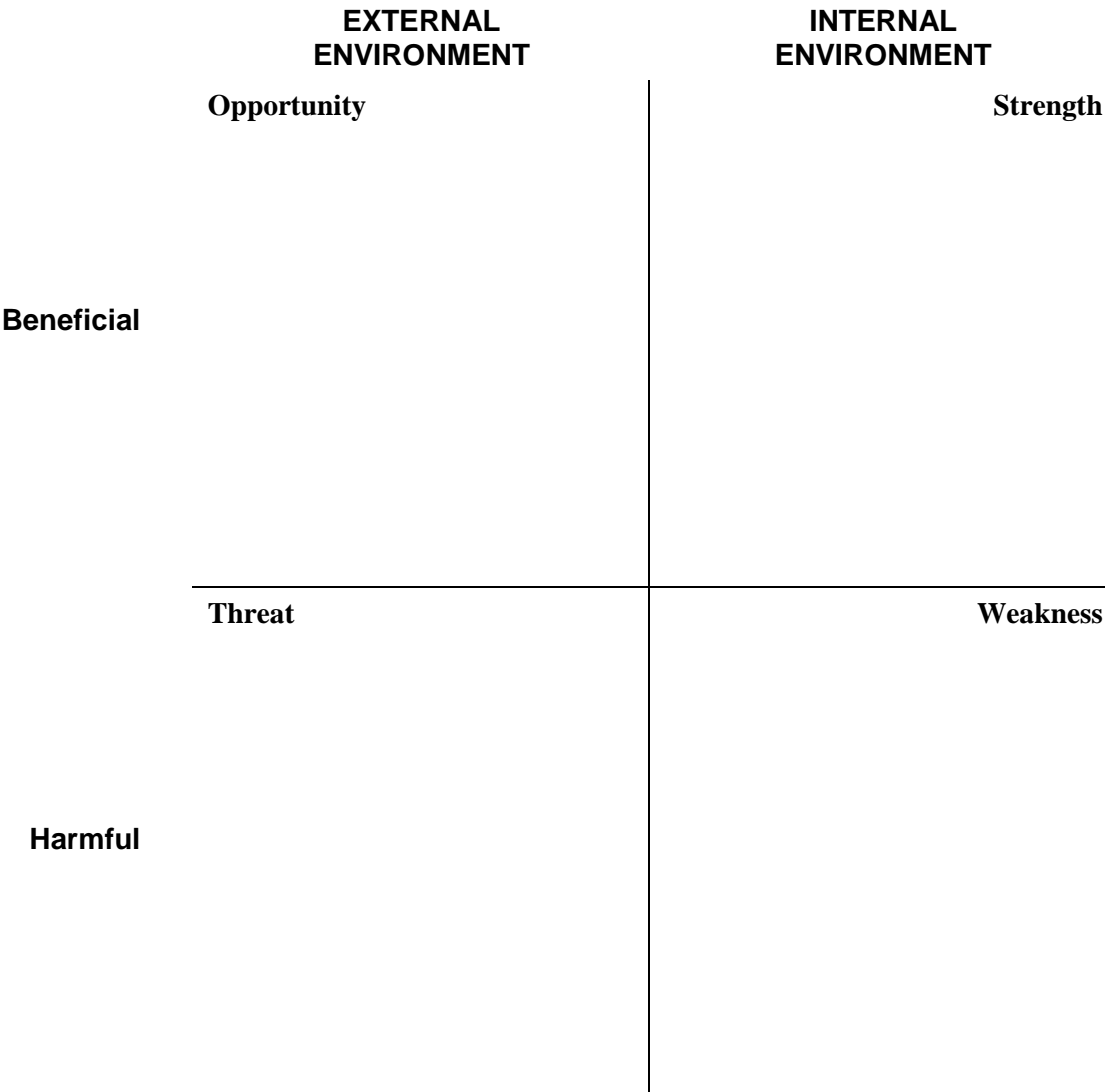
SWOT Analysis

SWOT stands for “Strengths, Weaknesses, Opportunities, and Threats.”

A SWOT Analysis occurs in two steps.

- 1. Review your own strengths and weaknesses, independent of the world outside.
- 2. Examine opportunities and threats that exist in your AOR.

The matrix below will help you develop lists for each quadrant. Use the information from the Competitive Analysis (form on the previous page) to get started.



Certification Questions

1. Successful dealerships are oriented to _____ sales.
 - a. Heavy-duty parts
 - b. High-margin parts
 - c. All-makes parts
 - d. Captive-only parts

2. "Accounts receivable," "promotional drawings" and "phone books" are sources for _____.
 - a. Customer lists
 - b. Truck serial numbers
 - c. Competitive information
 - d. All of the above

3. What are the "Threats" you examine in a SWOT Analysis?
 - a. Problems inside the dealership such as poor attitude or lack of training
 - b. The "T" stands for "Time"—there are no threats in a SWOT Analysis
 - c. Market conditions that reduce your ability to sell or affects your AOR
 - d. Department conditions that reduce margin or erode profit

4. Class 6 vehicles tend to require additional maintenance when they are _____ years old.
 - a. 4 to 6
 - b. 8 to 10
 - c. More than 10
 - d. Both a and b above

5. As you set the foundation, which of these areas are also recommended for you to consider?
 - a. Capabilities at which the department or dealership excels
 - b. Competitive weaknesses and capabilities
 - c. Personalities and weaknesses of individual employees
 - d. Both a and b above

6. According to R.L. Polk registration data, Freightliner LLC (including all its brands) accounts for nearly _____ of all Class 6, 7, and 8 vehicles operating across the United States.
- a. One-fifth
 - b. One-quarter
 - c. One-third
 - d. One-half
7. The “Competitive Analysis” helps you compare their _____ to your _____.
- a. Inventory / delivery response
 - b. Estimated revenue / margin
 - c. Weaknesses / strengths
 - d. Strengths / weaknesses
8. What is the recommended source of information on truck population numbers?
- a. Truck Industry Operations Guides
 - b. TIP Access from R.L. Polk & Company
 - c. AOR vehicle counts by the Department of Transportation
 - d. There is no single source
9. Mission statements should not exceed _____ words.
- a. 10
 - b. 25
 - c. 50
 - d. 100
10. In general, the average annual parts expenditure for a Class 8 truck is over _____ that of a Class 6 truck.
- a. Four times
 - b. Two times
 - c. The same as
 - d. One-half

11. A truck dealership is, first and foremost, a _____ organization.
- a. Sales
 - b. Service
 - c. Parts
 - d. All of the above
12. Which of these is NOT a key variable for estimating the potential of your parts market?
- a. Vehicle vocational application
 - b. Vehicle maintenance schedule
 - c. Gross Vehicle Weight (GVW)
 - d. Vehicle age
13. What is the recommended way to set the foundation for planning your growth?
- a. Compare business performance against a year ago to set a baseline
 - b. Increase your sales staff, including telemarketers
 - c. Get rid of all obsolete inventory
 - d. Review and set your margins
14. The “O” in “SWOT” stands for _____ .
- a. Opportunities
 - b. Opposition
 - c. Orders
 - d. None of the above
15. Which of these is/are true about your dealership’s AOR Parts Potential Report?
- a. It is available at no charge
 - b. It provides a quarterly report on your dealership’s market share
 - c. It is based on vehicle populations allocated by county
 - d. All of the above