



NAFA
Fleet Management Association

Remarketing Strategies to Maximize Retention Values

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The Big Picture



About GE Capital Fleet Services...

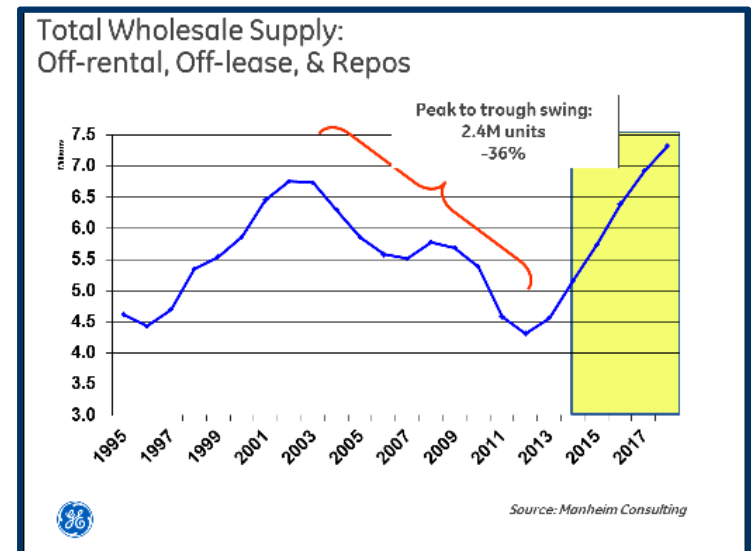
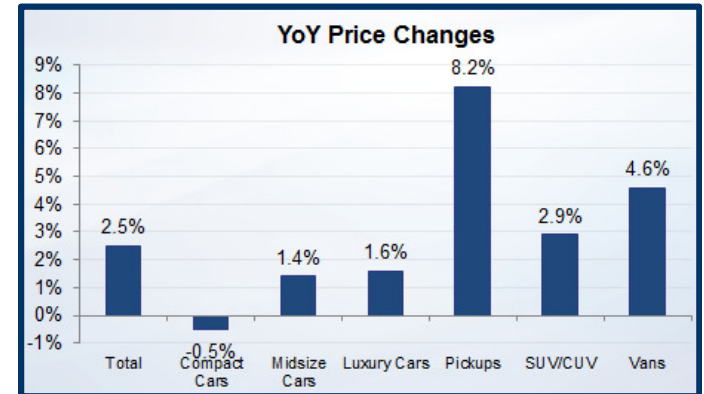
- Commercial car and truck financing & fleet management
- 1.4MM vehicles worldwide
- 65,000 customers
- 2,500 employees
- 70,000 fleet vehicles remarketed annually nationwide
- 40,000 third-party vehicles remarketed annually



The Big Picture



- Wholesale market continues to deliver strong prices overall
- Inventory expected to grow significantly
- More cars may mean negative pressure on wholesale prices
- Smart remarketing strategies will be critical
- Economies of scale support retention values



Source: Manheim Consulting

Remarketing Tactics – Auction



Best practices...

- Right vehicle, right market
- Create community of auction buyers
- Proactive marketing / promotions
- Buyer incentives
- Early run time / premium lane positioning
- On site representation
- Six Sigma-level measurement and analysis of metrics



Remarketing Sales & Fulfillment Dashboard Summary										
Metrics	Status	Current Month	Previous Month	Trend	Targets			Variance To "Good"	Period Of Measure	
					Good	Better	Best			
V1 to V5 are Key Customer Metrics										
V1	Net Proceeds to Block Book rolling 12 month average median	Better	104.9% Med.	105.1% Med.	↓	98.0	101.0	105.0	+6.9 % Block Book	Dec-14
V2	Outlet Days to Sell	Better	25 Day Med.	25 Day Med.	↔	30.0	25.0	21.0	-5 Days	Dec-14
V3	Outlet Days to Pick-up	Better	7 Day Med.	7 Day Med.	↔	9.0	8.0	6.0	-2 Days	Dec-14
V4	Client Days to Sell	Red	6 Day Med.	4 Day Med.	↑	4.0	3.0	3.0	+2 Days	Dec-14
V5	Driver Days to Sell	Good	5 Day Med.	5 Day Med.	↔	5.0	4.0	3.0	-2 Days	Dec-14
V6	Net Proceeds to Block Book	Best	105.8% Med.	101.8% Med.	↑	98.0	101.0	105.0	+7.8 % Block Book	Dec-14
V7	Gross Proceeds to Block Book	Better	109.6% Med.	105.1% Med.	↑	100.0	105.0	110.0	+9.6 % Block Book	Dec-14
V8	Outlet TRAC Adjustment	Best	\$3,688.70 Mean	\$2,697.80 Mean	↑	0.0	1500.00	2500.00	\$3,688.70	Dec-14
V9	Outlet WIP Inventory > 60 Days	Red	16.7%	13.6%	↑	5.0	4.0	3.0	+11.7 % Total Inventory	10/26/14

Remarketing Tactics – Auction, cont.



Best practices...

Smart repairs / reconditioning

- Clean, drivable, de-identified
- Auction certification, when appropriate
- Aim to spend \$1 to earn \$3



Robust online sale venues

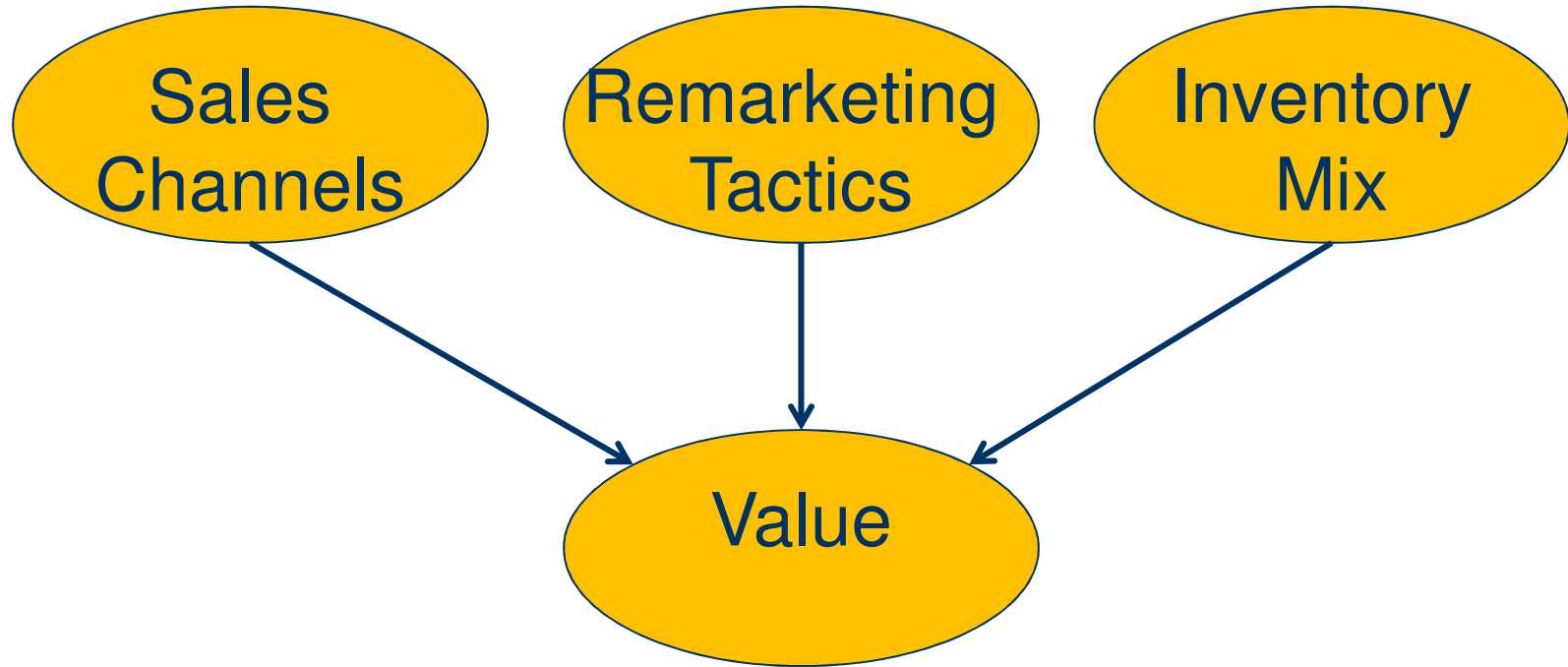
- OVE.com, Simulcast, DealerBlock



Test alternative channels, such as CarLotz



Discussion Topics



Proceeds + time + effort + risk = VALUE



Remarketing Objectives

- Proceeds
- Time
- Effort
- Risk
- Compliance with Policy or Law



**Of course all five are important...
but how do they rank in your organization?**

Remarketing Channels



Channel	Benefits	Examples
Auction	Speed & Efficiency	<ul style="list-style-type: none">• Transport• On-site recon• Capacity for broad range of asset types• Reach of promotions and online influence
Online	24/7 national buy-now exposure	<ul style="list-style-type: none">• In-lane no sales• Concentrated asset influx
Retail (direct-to-consumer)	Potential for higher sale price	<ul style="list-style-type: none">• GE Fleet Services exploring retail channel options



Remarketing Channels - Comparison



Channel	Value	Speed	Convenience	Risk Control
Donate/Scrap	X			
Wholesaler				
Auction				
Trade-In				
Employee Sale				
Retail/Consignment				



Remarketing Tactics



Remarketing tactics begin during the vehicle selection process...

Buying

- Vehicle Selection (Yr, Make, Model & Trim)
- Equipment / Aftermarket add-ons

Using

- Purpose
- Total Cost of Ownership

Selling

- Reconditioning
- Channel



Remarketing Tactics - Buying



Acquisition considerations include...

- Make/Model/Trim
- Year
- Equipment options
- Aftermarket add-ons



Remarketing Tactics - Utilizing



Utilization considerations include...

- Business purpose
- Term
- Maintenance schedule
- Corporate branding
- Employee recruiting
- Redeployment
- Use & Care policy



Remarketing Tactics - Selling



Reconditioning / channel considerations include...

- Getting the best ROI for reconditioning efforts
- Selecting the right remarketing channel / partner
- Understanding the corporate use & care policy

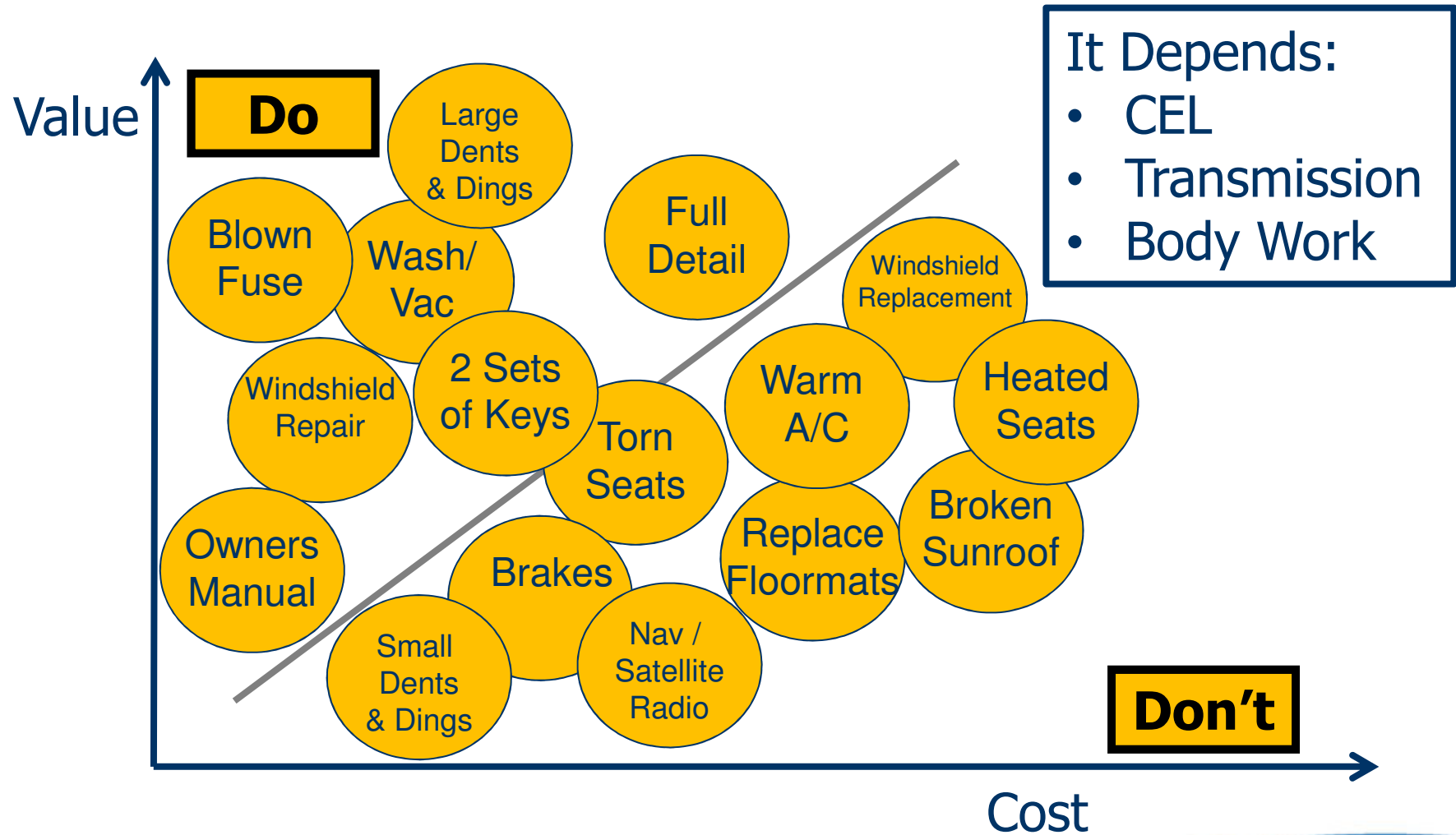
The logo for AutoTrader.com, featuring the word "AutoTrader" in a blue, italicized serif font, followed by ".com" in a green, rounded font with a registered trademark symbol.



Remarketing Tactics – Reconditioning



Reconditioning considerations include...



Remarketing Tactics – Retail



- Choose a partner with aligned incentives
- Invest moderately in reconditioning
- Price aggressively and adjust regularly as necessary
- Listen to the market
- Employ multi-site selling strategy if possible



Remarketing Tactics – Retail



- Tips & articles for selling vehicles privately
 - <http://www.edmunds.com/sell-car/10-steps-to-selling-your-car-pg8.html>
 - <http://blog.swapalease.com/11-photos-that-will-never-sell-your-car/>



Learn more:
RemarketingByGE.com
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Thank you for your time.

Please complete and submit your
evaluation forms!