



**FLEXBUY**

# **Profitability Guide**

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## **FLEXBUY Profitability Guide**

There is a lot of profit to be made in self-funding transactions but only if the processes are set up correctly from the beginning. This is where most dealers fail; they start out managing the portfolio with basic accounting systems and some spreadsheets. However, these “tools” are not sophisticated enough to manage a portfolio and the collection process. Because every business is a combination of technology and people, the more you rely on one, the less work the other has to perform. When you have basic technology; you have to hire more employees. These employees are non-revenue producing as they only help manage the revenue already on the books. The holes in the process (due to a lack of proper technology) only magnify as the number of accounts increase. And then more employees are hired to handle the manual processes and your portfolio profits start to dwindle.

### **THIS IS WHERE FLEXBUY FILLS THE GAP...AND MAKES YOU MONEY!**

We want you to focus on what you do best...buy and sell cars. But, now you can sell more of those wholesale units for retail profit without handing the headaches and overhead of portfolio management. Vehicles are lasting longer but banks still have age/mileage limits on used cars forcing you to wholesale these at a wash (at best) instead of retailing them for a profit. But who are you selling them to? Another dealer that is funding their own deals and making retail profit on your trades! The buyers are out there so why not create this profit in-house for your business?

#### Let's look at an example deal

2010 Chevrolet Cobalt      Trade-In Value \$1,775      Retail \$5,000

**Option 1:**

Allow \$1,600 ACV on the trade and wholesale for \$1,700 for a \$100 profit.

**Option 2:**

Allow \$1,600 ACV on the trade and retail through your BHPH program and sell the unit for \$4,995. That's \$3,395 in front-end profit. Once you factor in the profit from interest/GAP/Warranty, **you could make \$4,293 (net) on a \$1,600 unit!**

**Option 3:**

Allow \$2,000 ACV on the trade (which is needed to make the first deal work) and sell the unit through your in-house finance program. Not only will you make retail profit on a wholesale unit, you actually sold two cars because you weren't limited to the wholesale market value of the trade!

**WHAT IF YOU DID THIS ONLY TEN TIMES A MONTH?**

## That's over \$515,000 in profit without hiring any new employees!

But that's blue sky if every customer pays their loan until term, isn't it? Let's not kid ourselves, there will be defaults; so let's look at that scenario (to keep the math simple, let's eliminate GAP/Warranty/Doc Fee and just focus on the unit:

2010 Chevrolet Cobalt		ACV \$1,600	24 months/weekly payments/29% APR		
Customer 1		Customer 2		Customer 3	
Retail:	\$4,995	Retail:	\$4,500	Retail:	\$4,000
ACV:	\$1,600	ACV:	\$1,184*	ACV:	\$814*
Down:	\$500	Down:	\$500	Down:	\$500
Exposure:	\$1,100	Exposure:	\$684	Exposure:	\$314
You collect net payments for two months before default.		You collect another two months of payments before default		...and another two months of payments before default	
Exposure:	\$1,100	Exposure:	\$684	Exposure:	\$314
Net Pays:	\$416	Net Pays:	\$370	Net Pays:	\$324
<b>New Exposure:</b>	<b>\$684</b>	<b>New Exposure:</b>	<b>\$314</b>	<b>New Exposure:</b>	<b>+\$10</b>

\*Assumes \$500 for repossession/reconditioning costs

As you can see (in a matter of six months) defaults/repossession actually work in your favor! The multiple customers will end up paying for not only the vehicle but also the repossession/reconditioning fees with their down payments! And you end up with a FREE unit you can continue to retail...again and again and again!

**If you want to make profit where it doesn't exist right now, then GFT Systems is the perfect partner for you!**

**FLEXBUY IS the missing link in automotive finance options!**

We have decades of experience in portfolio management and automotive financing...we handle the backend so you don't have to worry about it...and the technology we have developed is some of the most detailed and advanced you could ever imagine!

**All you do is sell the car and receive the payments. We handle the headaches!**

**You don't have to change anything about your sales process...**other than selling more wholesale units for retail profit! Our set up process includes the "best practices" consultation on the sales, finance and accounting processes. There's really not much to adjust and you can start booking deals the same day you sign up!

**CONTACT US AND START INCREASING PROFIT TODAY!**

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