

2026 **NADASHOW**

LAS VEGAS
FEBRUARY 3-6



Lot Logic

Investing Wisely in Pre-Owned Inventory



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Key Takeaways

1

Assess used vehicles based on return potential, not just price or availability

2

Build the right inventory mix to maximize turn rates and profit margins

3

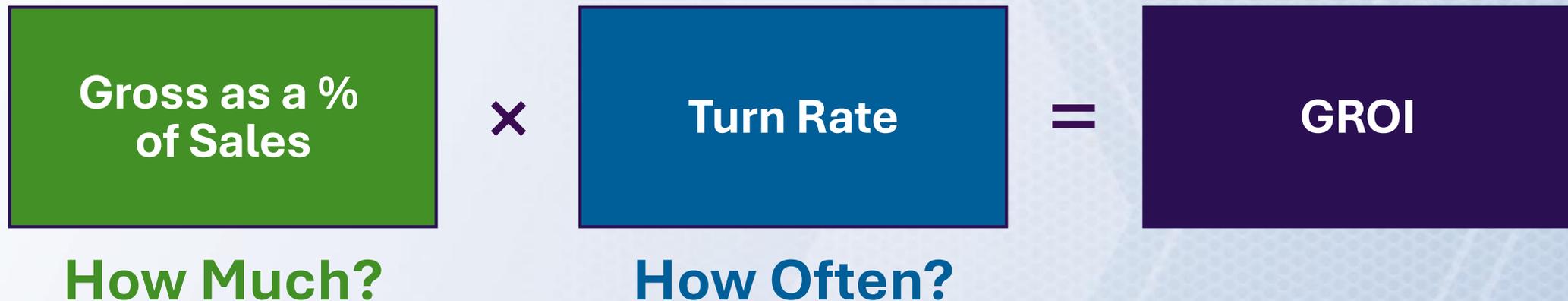
Use data-driven strategies to avoid overpaying, reduce risk, and improve overall inventory performance



Vehicles vs. Investments

Investments have an intentional:

- GROI
- Shelf Life



Calculating GROI

If a **\$10,000** vehicle sells after **1 year** in stock and generates a **\$1,000** profit...

What is the GROI?

$$\begin{array}{ccc} \begin{array}{c} \mathbf{10\%} \\ \text{Gross as a \% of Sales} \end{array} & \times & \begin{array}{c} \mathbf{1} \\ \text{Turn Rate} \end{array} & = & \begin{array}{c} \mathbf{10\%} \\ \text{GROI} \end{array} \end{array}$$

What if it sold after 90 days in inventory?

$$\begin{array}{ccc} \begin{array}{c} \mathbf{10\%} \\ \text{Gross as a \% of Sales} \end{array} & \times & \begin{array}{c} \mathbf{4} \\ \text{Turn Rate} \end{array} & = & \begin{array}{c} \mathbf{40\%} \\ \text{GROI} \end{array} \end{array}$$

What if it sold after 30 days in inventory?

$$\begin{array}{ccc} \begin{array}{c} \mathbf{10\%} \\ \text{Gross as a \% of Sales} \end{array} & \times & \begin{array}{c} \mathbf{12} \\ \text{Turn Rate} \end{array} & = & \begin{array}{c} \mathbf{120\%} \\ \text{GROI} \end{array} \end{array}$$



Become an Investment Analyst



Vehicle Acquisition

Sources:

- Trades
 - Set goals for new and used
- Service
- Curb buys

Considerations:

- Market days' supply
- Desirability in your marketplace
- Recon time

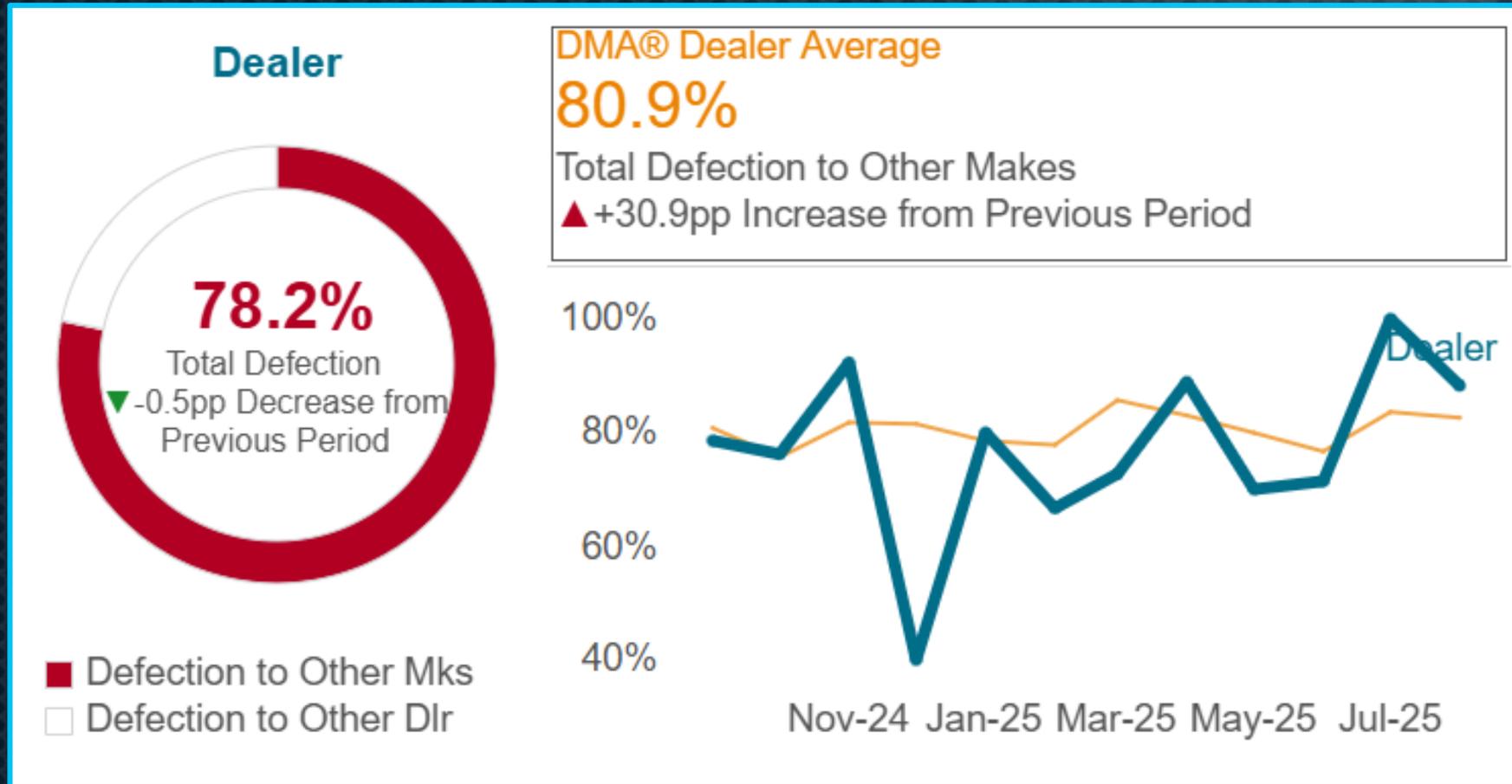


New Market Leaders

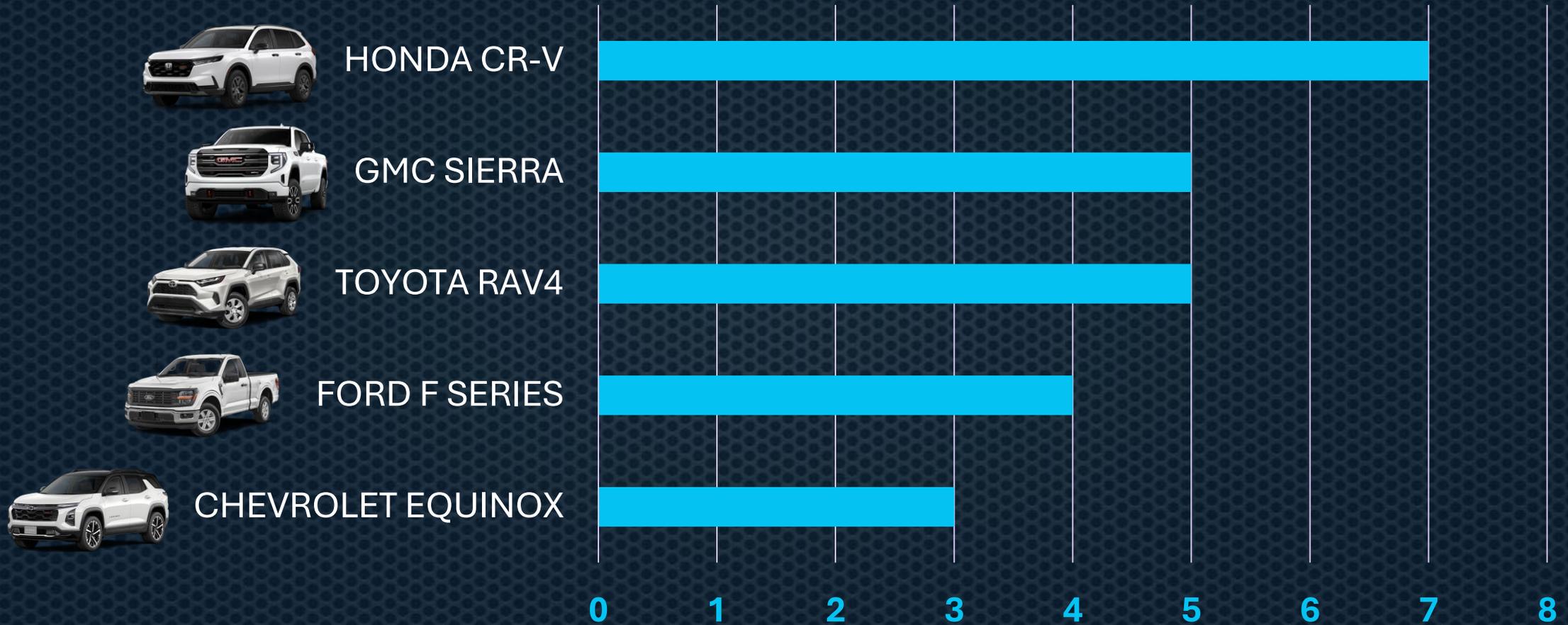
Top Models		Volume Market Share		Change from Previous
1	HONDA CR-V	1,159	4.6%	-0.3pp
2	CHEVROLET EQUINOX	828	3.3%	+0.4pp
3	CHEVROLET SILVERADO	737	3.0%	-0.3pp
4	TOYOTA RAV4	724	2.9%	+0.2pp
5	HONDA CIVIC	596	2.4%	+0.1pp

Top Models		Volume Market Share		Change from Previous
6	FORD F150	585	2.3%	-0.1PP
7	SUBARU CROSSTREK	581	2.3%	+0.5PP
8	GMC SIERRA	548	2.2%	-0.1PP
9	HONDA HR-V	527	2.1%	+0.0PP
10	CHEVROLET TRAX	470	1.9%	-0.1PP

Defection to Other Makes



Top Defector Models



Retail Vehicles by Days in Inventory

Days in Inv.	# Vehicles	Total Investment	Avg Investment	Adj % Cost to Market	% of Market	Market Days Supply
0-10 days	41	\$527,508	\$21,100	90%	105%	77
11-20 days	55	\$1,432,324	\$27,545	96%	103%	81
21-30 days	30	\$660,942	\$22,031	98%	109%	68
31-40 days	23	\$577,025	\$25,088	109%	123%	77
41-50 days	24	\$602,500	\$25,104	100%	108%	89
51-60 days	15	\$566,670	\$37,778	101%	105%	80
61-75 days	29	\$857,034	\$29,553	103%	107%	92
76-90 days	9	\$232,110	\$25,790	98%	95%	132
91-119 days	4	\$122,163	\$30,541	87%	88%	143
120+ days	6	\$307,045	\$51,174	104%	104%	57
Total days	236	\$5,885,321	\$27,121	99%	107%	83

Retail Vehicles by Days in Inventory

Days in Inventory	#	Average Investment	Adjusted % Cost to Market	% of Market	Market Days' Supply
0-10 Days	41	\$21,100	90%	105%	77

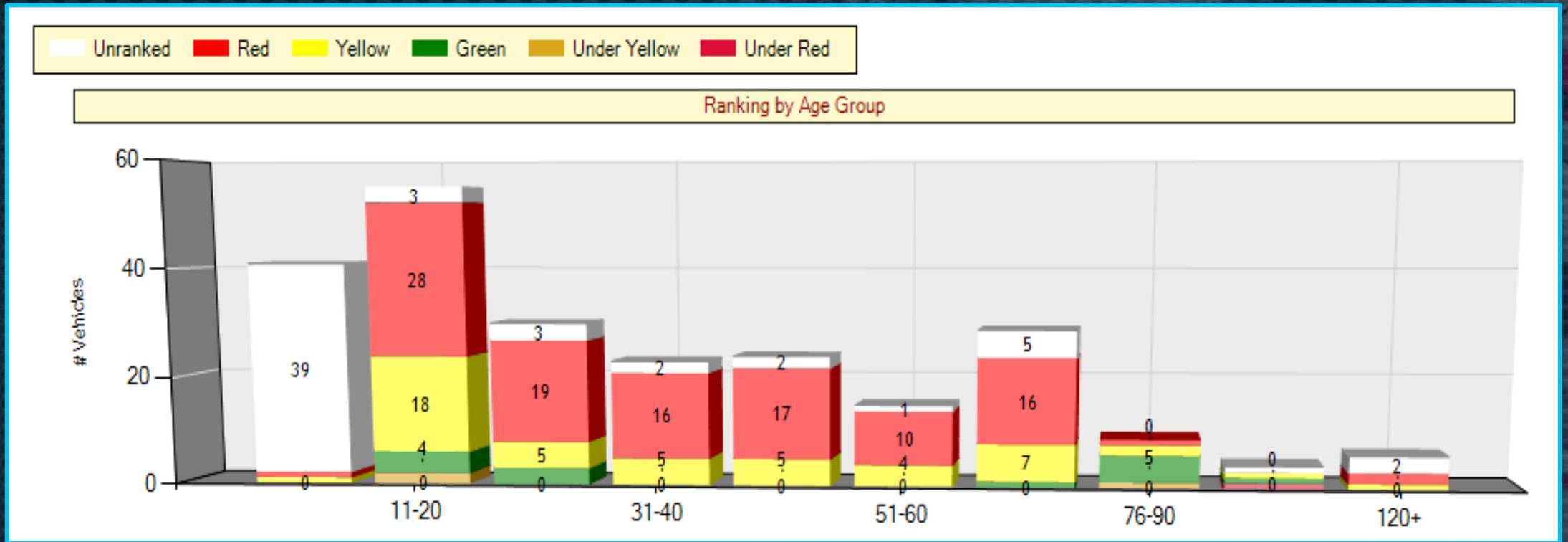
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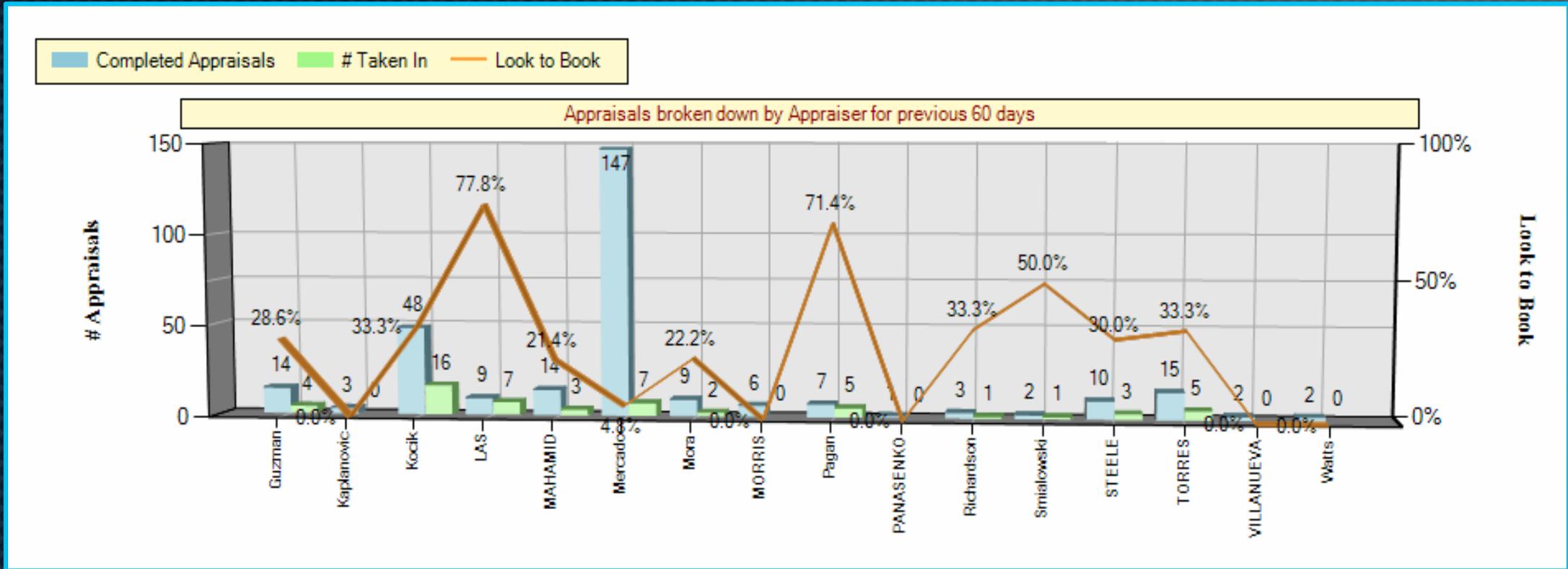
Needs Attention

No Price	40
No Price and No Pending	40
No Price Change in 7 Days	194
No Odometer	3
Slow Moving	129
Market Too Small	19
No Description Change in 7 Days	94
No Description Change After Price Change	40
Descriptions to Review	229
Open Recall Vehicles	28
Not Digital Frontline Ready	49

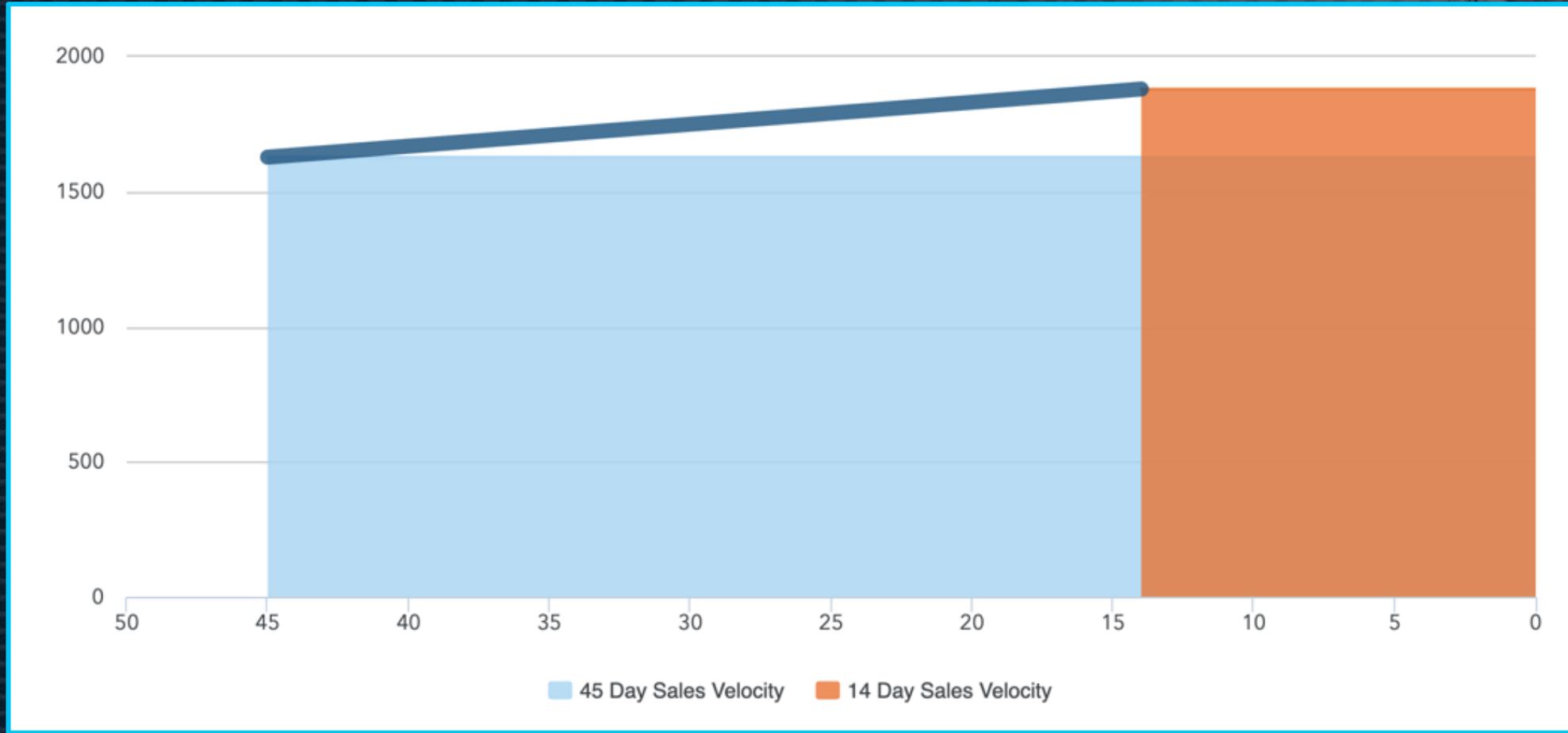
Days in Inventory



Appraisals by Appraiser for Last 60 Days



Per Day Sales Rate within 75 miles



Customer-Friendly Appraisals

- Appraise when they want to
- Be transparent
- Don't low-ball
- Offer online purchase options
 - Appraisal tools
- Low pressure: *We want to buy your car*
 - 100% of time with 100% of customers



Measuring Appraisal Success

Multiple Data Points:

- Look to Book
 - Buys per appraisal
 - Measure trends
 - Goal depends on sales process
- Trade Ratio
 - Trades per car sold
- Trades per Opportunity
 - Any customer in the dealership



Service Opportunities

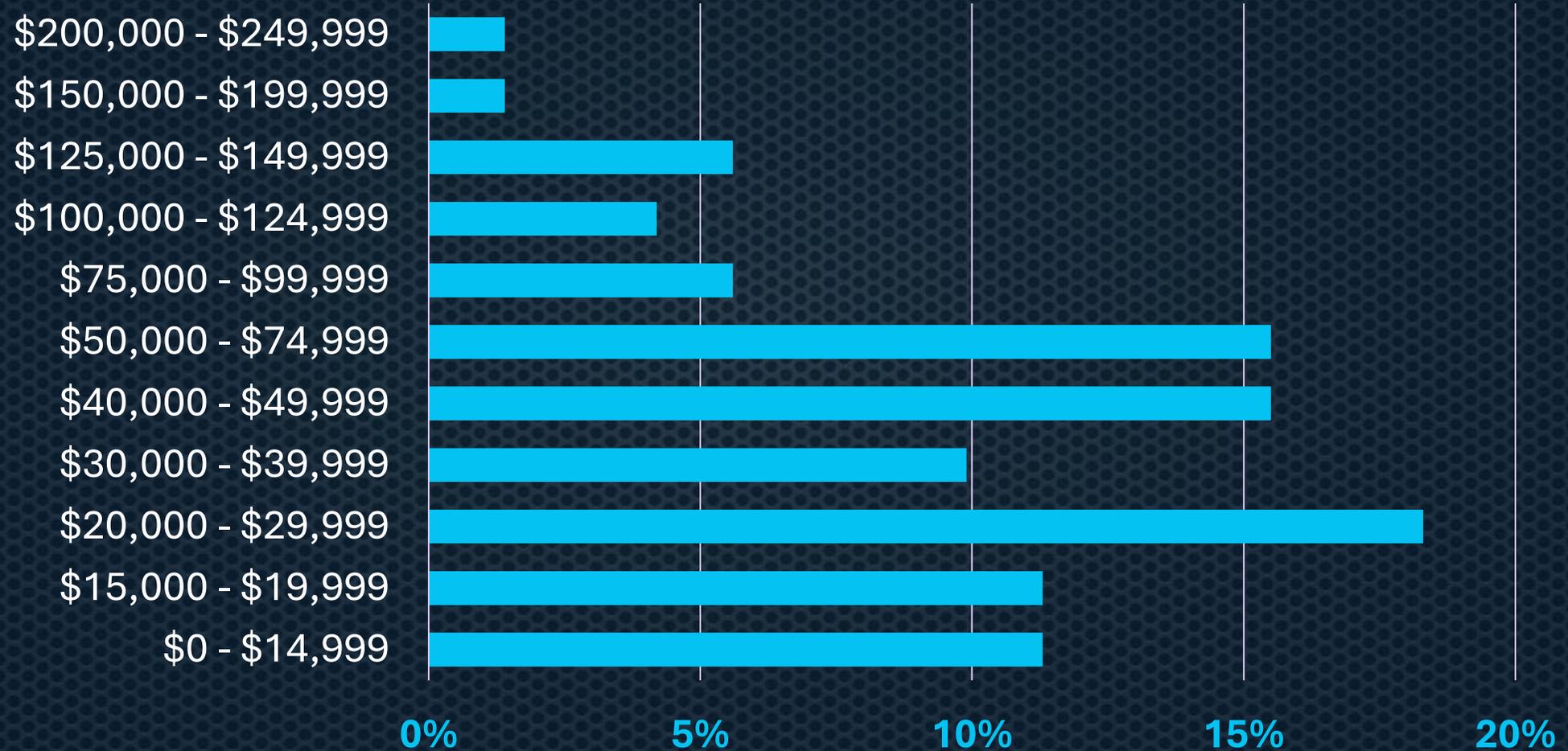
- Dedicated role to acquire cars in Service
 - Depends on size of dealership
 - Target 2% of Customer Pay ROs (including ESCs)
 - Example:
 - 1,000 ROs per month = 20 additional cars
 - How much staff time is that worth?
 - AI tools can support customer contact



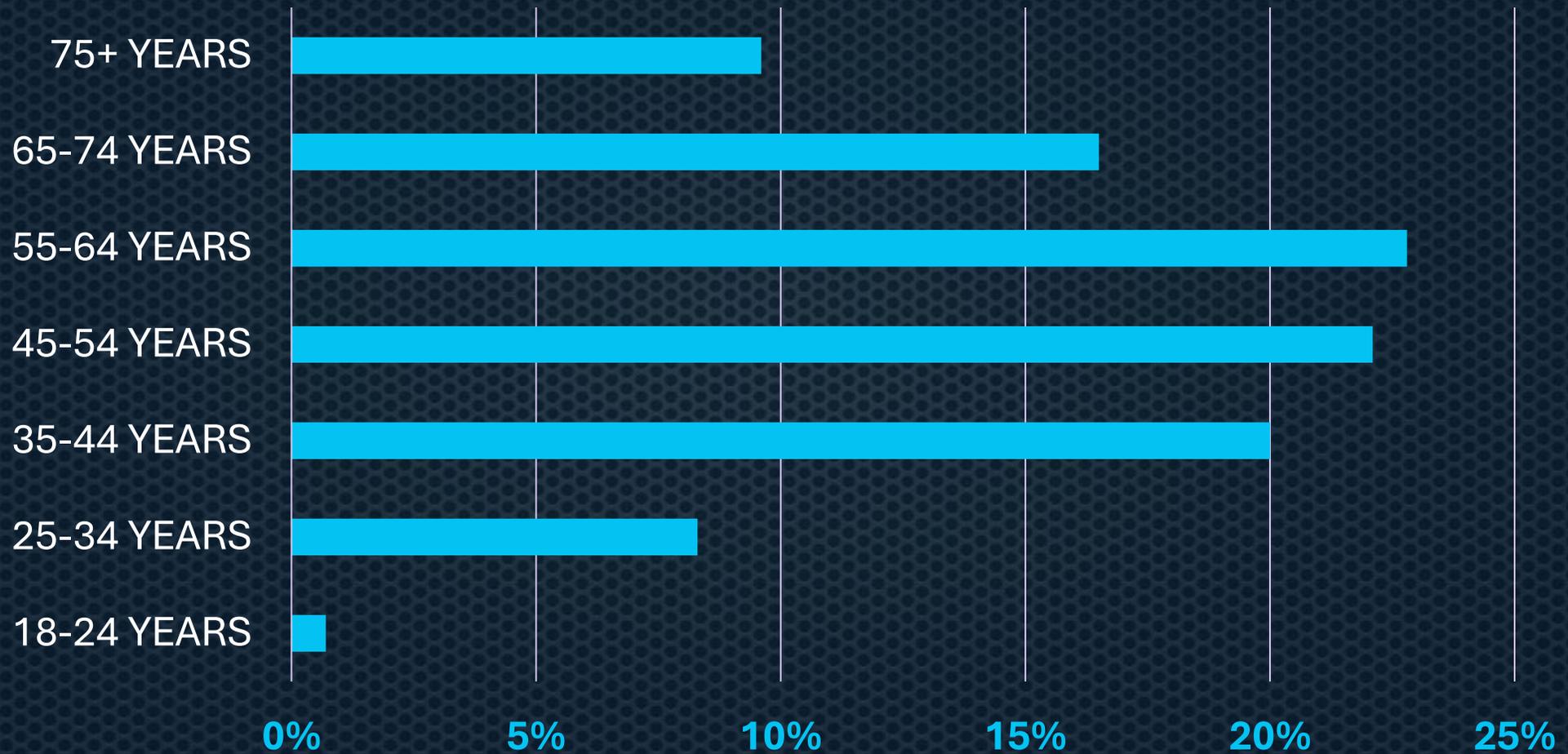
Low Price, High Turn

- Are you stocking for your market?
 - What's your market area?
 - What's your average price?
 - Are you stocking for your market?
- Fastest turning cars are 7-9 years old
- Stock less expensive cars and turn them fast
- Focus less on PUVR and more on GROI and Service

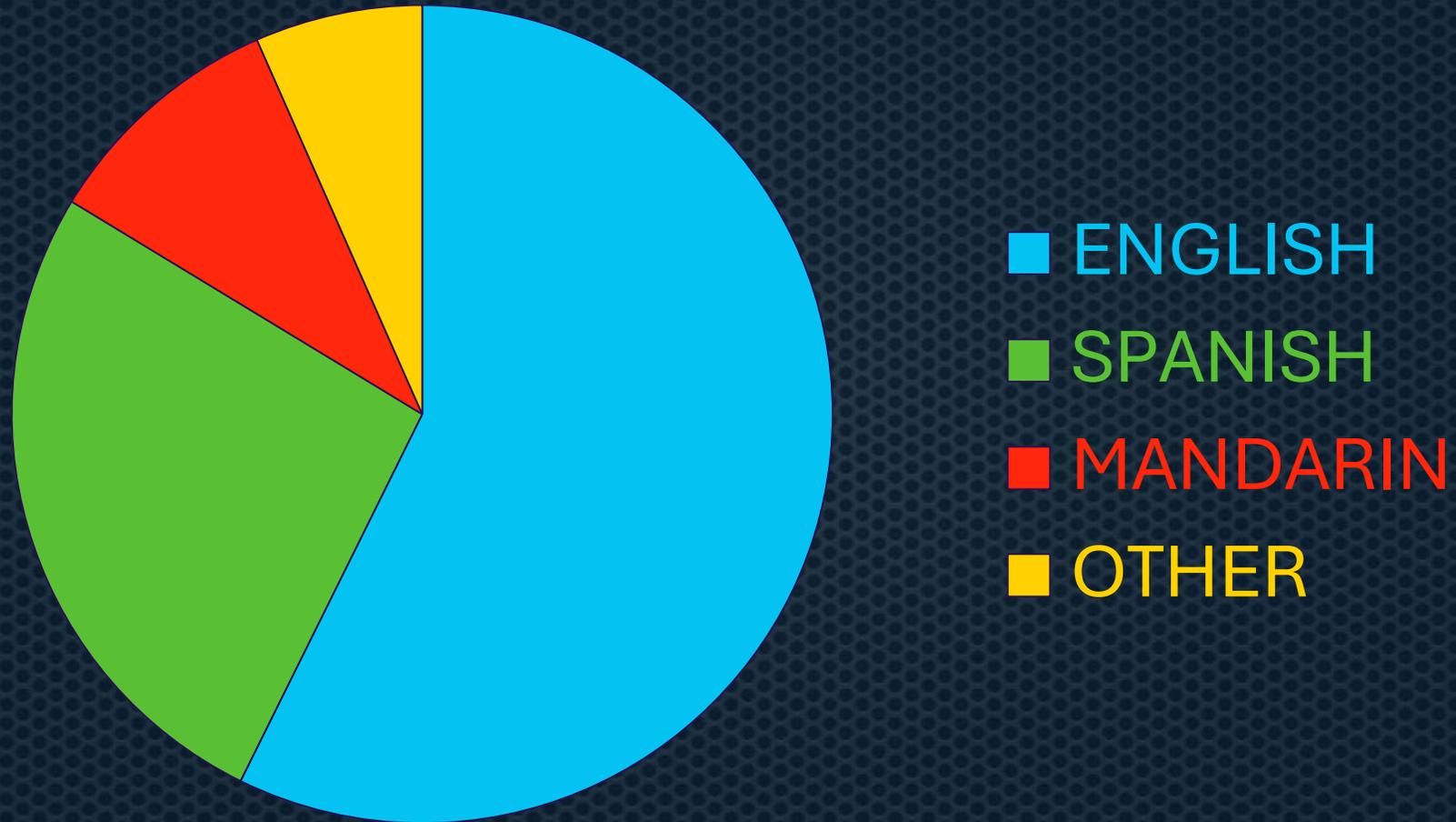
DMA Income



DMA Ages



DMA Language Spoken at Home



A \$15K Vehicle

- Factory parts?
- A-level tech?
- What are your competitors doing?

*Don't fall in love
with the car.*



QUESTIONS?

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