



# THE MORITZ PROMISE

Capitalizing on family  
values

## PARTNER PROFILE

### Moritz Dealerships

1901 Camp Bowie West  
Fort Worth, TX 76116

### Objectives:

- Maximize PRU
- Increase Unit Sales
- Reduce Turnover

### Success:

- 27 percent increase in unit sales in 3 years
- 14% increase in PRU in 3 years
- Trained and recruited a team of Top Performers in 2011, and **maintained a 0% turnover rate from 2011 to 2015.**

## Economic Landscape



**2011 marked a year of slow economic growth coupled with fears of a double-dip recession.** The unemployment rate stood at 9 percent, and consumers found themselves unemployed for much longer periods of time than historical norms. In fact, the average duration of unemployment peaked at 40 weeks, or 77 percent of an entire year, in 2011.

The U.S. auto industry was still struggling to return to pre-2008 sales levels. While the year opened with optimism, auto dealerships did not begin making significant gains until the 4<sup>th</sup> quarter. The year closed with sales just north of 12 million vehicles.

During this time, Moritz Dealerships in Fort Worth was struggling to maximize sales and increase PRU with a high turnover rate in its sales force. As a long-time client of EFG Companies, the dealer group called upon EFG's expertise to revamp its



# EFG's Engagement

sales practices and culture to address this issue.

## **EFG's initial step was to perform a comprehensive review of dealership operations.**

To start, EFG performed online and in-store mystery shops to review every aspect, from online user experience and email follow-up to the customer experience in the F&I office. They also sat in on everything from sales and F&I presentations to reception to

**evaluate the dealership group's customer service standards and compliance practices.**

Lastly, they worked with upper management to truly understand the hurdles the dealership group was facing. With the review and analysis complete, **EFG created a tailored action and improvement agenda to meet Moritz's evolving needs** and equip the Moritz team with the skills, pay plans, and support needed to meet performance goals, reduce turnover and enhance the customer experience.

To address the high-turnover rate specifically, EFG took a very strategic approach to gaining a greater understanding of **aligning people in optimal roles for top performance:**



**A Professional DynaMetric Program (PDP) analysis,** which is proven EEOC-compliant behavioral scoring model, on the Moritz sales and F&I teams to understand the Moritz Dealerships baseline productivity and provide specific recommendations on behavioral changes and training.

**Recruitment to build their sales and F&I teams,** including planning and holding one-site recruiting events, attending campus recruiting events, screening candidates and providing management the top candidates for final interviews and offers.



**Integral training and on-boarding** of all new sales and F&I professionals.



# EFG's Engagement

EFG then backed up its recruiting and retention efforts with **extensive training**, based on custom performance metrics and evaluation criteria from Moritz management, including:



**Road to the Sale for the 21<sup>st</sup> Century**, where the Moritz team learned to take a customer-centric approach to selling and establishing relationships to increase customer retention.



**Finance workshop**, where EFG's F&I experts demonstrated how to replace customer concerns with reasons to buy, by determining their needs, listening reflectively to their concerns, and increasing the value proposition by positioning product features based on those needs and concerns.



**Compliance training**, where producers in every Moritz dealership learned compliance best practices, the ethics behind compliance law, and the magnitude of what lenders are facing. They also left with a greater understanding of how customer needs and driving habits set up the product presentation and benefit discussion, as well as provide a strategy for responding to customer concerns.

EFG's client representatives also conducted **onsite training, reinforcing the methods learned in the classroom**. They provided guidance and a sounding board to both the front lines and upper management. This continuous engagement ensured that the skills learned in the classroom setting remained sharp, generating a higher success rate and PRU.



## The Moritz Promise

Lastly, EFG worked with Moritz to address the dealer group's pay plan structure. Using the performance metrics from their training efforts, EFG helped Moritz formulate pay plans that would incentivize their team members to employ the tactics used in training and provide a significant reason to remain loyal to Moritz.



With EFG's help, **Moritz increased employee retention with long-term Top Performers®**. Their skills and tenure afforded invaluable opportunities to reduce risk, manage compliance and increase business opportunities for the dealership group.

Concurrently, Moritz worked with EFG to revamp its F&I product mix to better address the post-recession consumer. With optimistic DFW consumers slowly returning to dealerships, they were doing so under a different paradigm.

EFG conducted extensive market and demographic research, and found that **consumers who had held on to their cars for much longer due to the recession were returning to the auto market, looking for more value for their dollars**. Many post-recession consumers had permanently extended the life-cycle of their vehicle ownership and expected their vehicles to hold up to this new demand.

The good news was that this new paradigm of consumer spending meshed well with the Moritz culture. As a family-owned dealership, Moritz was already ahead of the game by having a long history of treating everyone as family. With this in mind, **EFG developed the Moritz Promise, a private-labeled program based on EFG's Drive Forever Worry Free Limited Lifetime Powertrain Protection.**



# The Moritz Promise

Moritz embodied the Promise of Moritz Promise by choosing to provide this consumer protection product complimentary on all eligible used vehicles for as long as their customers owned the car. This directly addressed consumer concerns about making their vehicles last and getting more value out of their investment, as well as providing the dealer group a market differentiator.

Outside of the Moritz Promise limited powertrain protection, Moritz also provides the following products to its customers:



MAINTENANCE VALUE PROGRAM



SIGNATURE FINISH<sup>®</sup>

TIRE & WHEEL PROTECTION



SIGNATURE FINISH<sup>®</sup>

DENT PROTECTION



SIGNATURE FINISH<sup>®</sup>

WINDSHIELD PROTECTION



# Consumer Engagement

**EFG then worked with Moritz to set the stage for adoption of the program** throughout the dealership group with ongoing training, and a formal program install and launch. During the three-day install, **EFG conducted training sessions in every Moritz rooftop across nine different brands**, training approximately **140 Moritz team members** across sales, service, management and reception. This laid the groundwork to create a cultural transformation by addressing selling techniques and behaviors that provided a cohesive delivery of their brand message during an on-site installation training program.

After the initial product install, **EFG implemented program reinforcement sessions to identify best practices, address gaps in behaviors and provide additional guidance** on ways to leverage the program in both sales and F&I presentations. Continuous improvement efforts included mystery shopping and bi-monthly one-on-one sessions with dealership personnel.

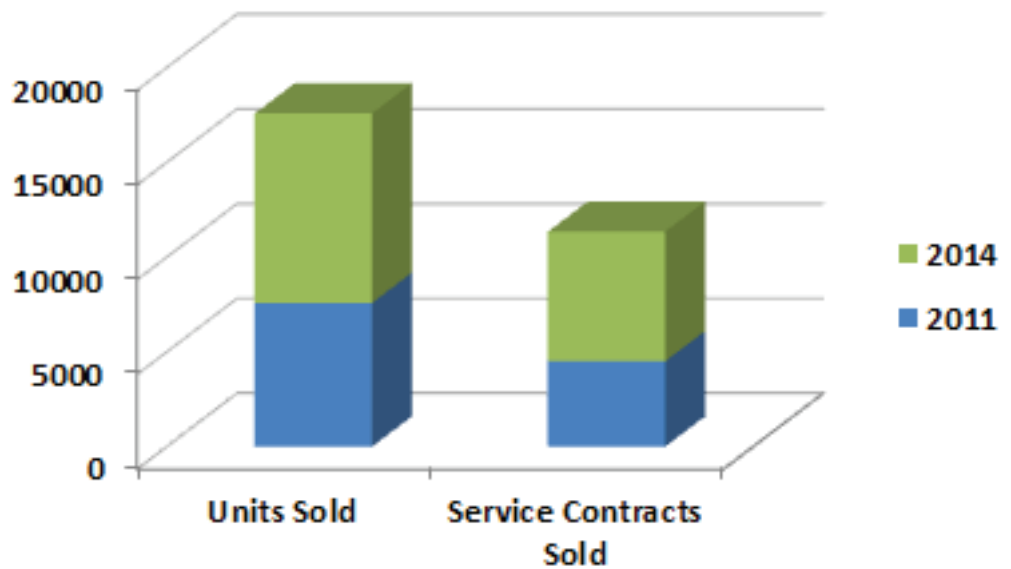
Along with the intense training and in-store engagement, EFG worked with Moritz to incorporate the Moritz Promise into all advertising efforts. By doing so, they created continuous engagement with DFW consumers. Consumers heard about the Moritz Promise through external advertising, were greeted with the Moritz Promise upon arriving at the dealership, and were informed about it during the sales and F&I process. **This cohesive marketing campaign included updating ad placements, optimizing the Moritz web presence, and incorporating the following private-labelled collateral in every Moritz dealership:**

- **Web banners**
- **Pull up banners**
- **Windshield banners**
- **Worksheet stickers**
- **Placemats**
- **Info cards**
- **Hang tags**
- **Door stickers**
- **Business cards**



# Results

**Beyond working specifically on the Moritz Promise, EFG engaged with every Moritz rooftop** to expand their web presence with updated content for their social media assets, including Facebook, Twitter, and blog feeds, as well as online reputation management services. EFG also provided PR services for select Moritz dealerships.



In 2011, Moritz was struggling to sell upwards of 8,000 units. In 2014, they closed the year at selling 9,993 units. This represented a **27 percent increase in unit sales**. Meanwhile, they also **increased VSC penetration from 59% in 2011 to 68% in 2014**.

In addition, with EFG's expert recruiting and training services, they maintained a steady sales force with a significantly reduced turnover rate.





## Results

With EFG's extensive client engagement, ranging from marketing, to recruiting, training and product development, Moritz created a new brand promise that resonated with both employees and customers. With revised pay plans incorporated into training and recruitment, Moritz employees knew that their dealership was taking care of them. Likewise, with the Moritz Promise, their customers also knew that they would be taken care of for the long haul. Because of this culture shift, Moritz ramped up sales and product penetration significantly while reducing employee turnover, which in-turn increased Moritz's bottom line exponentially.



To learn more about EFG Companies,  
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