



CHANGING PERCEPTION:
HOW IMRAN AHMED
OPTIMIZED HIS FLOOR
PLAN TO SUPPORT HIS
BUSINESS GOALS

CASE STUDY | APRIL 2020*

NEXTGEAR
CAPITAL

CASE STUDY OVERVIEW

DEALERSHIP

A.I. Monroe Auto Sales

TYPE

Independent

MARKET

Bountiful, Utah

EMPLOYEES

6

INVENTORY

55 vehicles a month

AVERAGE TURN TIME

29 days

UNITS FLOORED IN THE LAST 90 DAYS

151

FLOOR PLAN PROVIDER

NextGear Capital



TRYING A NEW STRATEGY

When Imran Ahmed decided to open A.I. Monroe Auto Sales in 2014, he initially decided to use his own capital because he hadn't heard positive things about floor planning. "Everything I had heard about floor plans before getting one was all negative including things like longer turn times and hidden fees, but I think that's because some dealers don't know how to manage them correctly. For example, before I started using a floor plan it only took me a couple days to sell a vehicle but that's because I was selling cheaper vehicles that were usually priced \$3,000 or less and those always sell quickly. It may take me a week or two to sell a vehicle now but that's because I'm selling better quality, higher-end inventory."

While Ahmed says he knows this now, it took a change in his personal life before deciding to look into floor planning. "After I got engaged, I decided it was a good time to investigate using other sources for funding my inventory because weddings are so expensive. I started by contacting traditional banks in my

local area and I soon realized that the only type of business loan they offer car dealers are floor plans. So even though I still had some hesitation, I knew that if I wanted to progress my business, floor planning was the route I was going to have to go. I then contacted Manheim and asked them for advice on where to get the best floor plan for my business goals and that's when they told me about NextGear Capital."

"I'M SURPRISED BY THE SUPERIORITY OF THE PRODUCT THEY OFFER COMPARED TO OTHER FLOOR PLAN COMPANIES. "

- Imran Ahmed, A.I. Monroe Auto Sales

Ahmed says that his concerns quickly went away almost as soon as he started working with NextGear Capital. "I was immediately contacted by my Performance Manager, Kat Six, and she helped me get set up. I then spent the next two years doing a lot of experimenting with my floor plan to see what

worked best for my business in regard to the amount and type of inventory I carry. I used to carry about 5 to 10 units on my lot before floor planning and now I average between 50 to 70, so there were some adjustments that I needed to make."

While Ahmed says that he's looked at competitors of NextGear Capital over the years, he's still convinced that he selected the best floor plan company from the start. "Now that I've used NextGear Capital for several years, I'm surprised by the superiority of the product they offer compared to other floor plan companies. Since they're part of the Cox Automotive family, I have easy access to a large variety of products that help me run my business. One of the products that I've found to be really useful is DealShield® which provides me with a warranty that I can use on any vehicle that I purchase from a Manheim auction."

FLOORING TRANSPORTATION CHARGES

There's another feature available with his NextGear Capital floor plan that Ahmed says he hasn't seen other floor plan companies provide. "The biggest thing that I've found to be beneficial to my business is that I'm able to floor my transportation charges. I'm not aware of any other floor plan companies that currently offer this feature. That's the main thing that sells me on NextGear Capital in general because they're constantly creating new products that their competitors aren't offering. They launched Transportation Financing about 2 to 3 years ago and I'm glad that they did because those fees can really start to add up especially when you have cars coming from a long distance like Michigan or Texas, it can cost \$1,000 to transport them."

TAKING ADVANTAGE OF THE RIGHT TOOLS

When it comes to tools to help support his business, Ahmed says he couldn't imagine getting through the day without Account Portal. "I get on Account Portal literally every day, usually 15 to 20 times a day if I'm being honest. One of the first things that surprised me when I first started using it was just how easy it was to floor a vehicle, especially if I purchased it through Manheim. It's literally just a push of a button. I've also found the valuation tools inside of Account Portal to be extremely helpful. I can easily find out exactly how much I spend on each vehicle so that when a customer comes in and tries to negotiate the price of a vehicle, I have that information right in front of me. I also use the Self Reconciliation tool so that anytime I get audited, I can quickly clear my vehicles. Account Portal has everything I need in one convenient place."

Since Ahmed is always looking for ways to make the management of his business more efficient, he appreciates tools like Simulcast that help him streamline his business. "I try to do the majority of my vehicle sourcing online because it's much more convenient and a real time saver. I think it also helps me offer my customers a bigger selection of vehicles to choose from since I can buy multiple vehicles from different locations in one day. It really helps me stay competitive in my market."

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ADVICE FOR OTHER DEALERS

Now that Ahmed’s been in the game for a while, he wants to encourage dealers to use floor planning and avoid some of the mistakes he made. “My advice for anyone who’s thinking about trying a floor plan for the first time is to start small until you get comfortable with the process. You’ll need to learn how to purchase the right inventory and manage your day-to-day business. I feel like I’m still learning someday and I’m by no means an expert. It’s important to figure out what’s going to work best for you and your dealership. I think that’s the mistake that most dealers make and why floor plans have such a negative stigma around them. Most dealers don’t know how to strategize or manage their floor plan correctly. I made mistakes in the beginning like maxing out my entire line of credit and that’s why I think it’s important to start

small and see what types of cars sell best. Then you can expand your inventory and check out different price points because if they aren’t managed correctly, they can be one of the contributing factors to a dealership going out of business.”

When it comes to planning for the future, Ahmed has a very pragmatic approach to growing his business. “I’ve always wanted to own a bigger dealership and the more NextGear Capital allows me to increase my line of credit, the more I can get done that gives me the ability to expand and someday, I’ll be able to have 200 to 300 cars in inventory. Even though I haven’t used other floor plans before, based on my experience I do believe that NextGear Capital is the best floor plan out there.”

ABOUT NEXTGEAR CAPITAL

NextGear Capital is the largest independent inventory finance company in North America, providing flexible lines of credit for auto dealers to buy used vehicles from over 1,000 auto and other vehicle sources throughout North America. With a client base of more than 20,000 dealers, NextGear Capital provides comprehensive services and support enabling dealers to buy and sell more inventory through self-service management tools, title services, records management and collateral protection. Headquartered in Carmel, Indiana, NextGear Capital is a Cox Automotive brand.

For more information, visit nextgearcapital.com.

*This case study and testimonial were received via interview, audio and/or video submission. It is based on the dealer’s individual experiences, reflecting real life experiences of that NextGear Capital dealer. NextGear Capital does not claim they are typical results that dealers generally will achieve. This dealer’s experiences may not be indicative of future performance or success of any other dealers. Some of the testimonials have been shortened so the whole message is not displayed due to length and/or relevance. All advances made in California by NextGear Capital are made pursuant to NextGear Capital’s California Finance Lender License #603G505.

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