

# Deriving the Highest Return from the Sale of Your Dealership



## POSITIONING FOR A SUCCESSFUL EXIT

## Dealer Dilemma: Get Bigger or Get Out?

A whirlpool of uncertainty is challenging and disrupting today's automotive industry. Dealers are faced with having to invest in significant EV programs, OEM facility upgrades and off-site digital selling and servicing...not to mention the threat of direct selling models. Throw in a tougher economic outlook, including higher interest rates, inflationary concerns, rattled consumer confidence, and roller coaster used vehicle pricing and 2023 appears to be the start of a challenging new phase.

Whether you are growing your dealership footprint via acquisitions, reaping the rewards that come from an established, mature operation, or exploring your exit options, it is important to have a pulse on your present business value as well as understand the drivers that will build future value. The purpose this of guide is to assist you in positioning your dealership to capture the highest return on your investment – either through continued value creation or planning a well-executed exit strategy when your timing is right. Thank you in advance for taking your valuable time to read on...

### Market Outlook

Despite ominous economic cloud cover, as well as lingering Covid impacts, supply chain disruptions, labor challenges, and a war in Europe, surprisingly, there are positive underpinnings. Dealership profits have most likely peaked but remain historically strong, the banking and capital markets are healthy (albeit with higher borrowing costs), and there is a massive level of pent-up consumer demand for new vehicles. The automotive buy-sell market has enjoyed a record setting pace over the last 24 months and will undoubtedly normalize but at a very high level of trading activity. In my 38 years in the global automotive business, I have never witnessed a more active, vital, and dynamic dealership buy-sell landscape than last year. Following are some of the key questions to monitor throughout 2023:

- **Will Microchip Supply and/or OEM Inventory Discipline Keep Inventory Tight?** — The microchip issues turned out to be a major catalyst in driving profits 2.4x times higher than in pre-Covid times. Will the OEMs maintain tight inventories with improving microchip supply thus providing continued margin protection for dealers?
- **Aging Dealer Demographics** — Will aging dealer body demographics, increased economic uncertainty, higher operating costs, slowing profitability, and significant EV investments combine to prompt more baby boomer owners to exit the industry in 2023?
- **Blue Sky Values Have Peaked** — Many factors drive blue sky values but buyer expectations are at the top of the list. As operating costs increase, dealership margins will be under greater pressure. In addition, higher interest rates and inflationary price pressures will impact customer confidence and necessitate cost cutting. Will a greater supply of “for sale” dealerships move the needle from a sellers’ market to a buyers’ market.
- **EV Investment/ Direct Selling Disruption** — Significant EV investments and their fragile business cases have some dealers re-thinking their exit timelines. OEM agency direct selling models, autonomous vehicles, ride sharing, and internet selling avenues are also weighing into dealership exit planning timing. Will this disruption fuel more dealers to sell?



- **How Much Consolidation is Enough?** — The drive for scale has been a powerful influencer in buy-sell activity starting first from the Public Companies, moving to Larger Regional Operators, and now migrating to Smaller Market Owners. Per Haig Advisors, there is a growing belief among dealers that 10 stores is required to gain the necessary economies of scale and brand diversity to be competitive in the future. Will the desire for scale continue to drive buyer demand in light of the expected lower margins and higher investments?

### Buyers' or Sellers' Market?

Based on a recent survey by Kerrigan Advisors ...

- Nearly 50% of dealers plan to buy one or more stores in the next 12 months while only 2% of dealers expect to sell in that timeframe.
- Only 20% of dealers stated they plan to increase store count versus last year at 61%. 60% of dealers plan to hold versus 33% last year. 20% indicated they will decrease their store count versus last year at 6%.
- Only 20% expect the value of their store(s) to increase ... the lowest since 2019 (26%).
- 75% of dealers predict profits will remain the same or come in higher in 2023 but the percentage expecting a rise has decreased sharply versus previous years.

The 2023 landscape is more cloudy than in previous years but I believe the driving factors contributing to a record buy-sell climate are still in place albeit with a more conservative backdrop. We appear to remain in a sellers' market but the balance is shifting with buyers becoming more discriminating, initiating tougher negotiations/values on blue sky, and more robust due diligence.

### If This Is Your Year to Exit ...

Choose an experienced, trusted advisor who will help you navigate the complexities of the business valuation, highlight your business value with a compelling marketing package, identify and qualify buyer prospects (protecting confidentiality and insuring OEM approval), and assemble a professional deal team that will execute a successful closing that delivers on your exit goals. If this is your time ... the first step in the process is a "no cost / no obligation" private consultation to review your situation, discuss your forward goals, and outline your options.

Thanking you in advance for your time, interest, and the opportunity to partner with you in 2023.

Managing Director/M&A Advisor  
Murphy Business & Financial Services, LLC



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## The 2023 Automotive Buy-Sell Market

Economic Factors	Implications
Inflation Remains Elevated and Stubborn →	2022 Inflation: Mid-7%; 2023 Federal Reserve Goal: 2%
Interest Rates Continue to Increase →	Fed must orchestrate a soft landing to avoid recession
Automotive Prices Growing Faster Than Wages →	Number of weeks to buy a vehicle: 42 vs 34 (pre-Covid)
Fuel Prices Normalizing But Remain Volatile →	A moving target ... war in Ukraine makes this one tricky
GDP Forecast Flirts at Recessionary Levels →	2022 YTD: 2.3%; 2023 Forecast: 0%
Unemployment Remains at Record Lows →	2022 YTD: 3-4%; 2023 Forecast: 5%
Consumer Sentiment is Rattled →	Consumer sentiment remains suppressed from year ago

Automotive Factors	Implications
Components Continue to Impair Production →	Shortages are improved but still impacting free demand
Pent-Up Demand Boosts Margins →	Demand forecasted to exceed supply for several years
Inventory Will Slowly Improve →	Better stocking levels predicted but historically lower
New Gross Profits Elevated but Dropping →	New gross remains high but lower than peak in Q1 2022
Used Gross Profits Have Fallen →	Supply, demand, and pricing correlated to new inventory
F&I Contribution Remains Robust →	As transaction prices remain high so do F&I grosses
Fixed Operations Are Higher →	Higher customer pay, recalls, labor rates are boosting
Overall Dealership Profits Have Peaked →	Trend is declining but very slightly ... business is healthy

### Factors Impacting Buy Sell Volume in 2023

- Near Record Profits / Blue Sky Values
- Consolidation & Portfolio Expansion
- Owner Retirements
- Inventory Shortages Throttling Demand
- Inflation and Rising Interest Rates
- Longer-term Economic Uncertainty
- Weakening Consumer Sentiment
- Factory “Direct Selling” Threat
- High EV and Facility Investment
- Disruptive Forces (Autonomous Vehicles, Ride Sharing, Subscription Models)
- Health / Illness / Death
- No Succession Plan – next generation is not interested in store ownership and/or not capable of running

## What Makes a Dealership Valuable?



### Internal Factors

- Consistently Strong Cash Flow
- Market Share and Volume Growth
- High-Performing Management Team
- Clean Financials and Audited Records
- Established Owner Loyalty and CSI Performance
- Market Longevity / Tenure
- Name Recognition & Brand Equity
- Customer Relationship Management Database
- Diversified Revenue Streams
- Image Complaint Facility
- Competitive, Market-Driven Rent Factor
- Strong Social Media Report Card/Community Service



### External Factors

- Under-Representation – Dealer Count or Performance
- Metro Markets / Larger Single Point Markets
- Rapid Growth Markets
- Affordable Real Estate Costs
- Favorable Government Policies – Income, Property and Sales Taxes
- Geography Suited to the Franchise (Trucks in Texas)
- Attractive Labor Pool / Non-Union Shops
- Manufacturer Brand Image and Market Classification (Luxury, Volume, or Specialty)
- Attractive Living Locations



## Preparing for the Sale



### Financial Statement

Reporting consistency, accuracy, and identifying/planning for allowable “add-backs” during the cash flow re-casting process.



### Working Capital

Assessing liquidity health and managing frozen capital in inventory and receivables. Tracking the value of equipment and other assets that will be central in the transfer. An independent parts inventory and equipment appraisal before the sale can remove a lot of negotiation hassle and save time when you go to market.



### Management Team

Maintaining and building a successful, results-oriented team will add value at the closing table. Invest in training and succession planning.



### Corporate Housekeeping

Reviewing corporate structure, policy guidelines, regulatory, and legal issues for compliance and good order.



### Tax Planning

Setting up for the management of tax liability associated with the sale. It is wise to consult with deal structuring professionals and have a point of view for the allocation of the purchase price prior to listing the business.



### Deal Team

Assemble a professional team of industry experts to oversee the valuation, marketing, selling and closing process, including legal, tax, wealth management and business intermediary.



### Facility

Ensuring proper maintenance, condition and appearance issues, and environmental compliance are in order. An independent real estate appraisal before the sale can remove a lot of negotiation hassle and save time when you go to market.



### Transition & Handover Process

Managing the speed and nature of the exit, degree of seller involvement in the new ownership transition, and seller financing (if applicable). Any sale will also require the signing of a Non-Compete Agreement.



### Your Next Challenge or Past Time

Moving from the fast-paced world of automotive ownership is not an easy task. Before deciding to sell, have a plan for how you will spend your time post-ownership.



# Determining Value

Any dealership transaction involves evaluating: 1) Investment; 2) Return; and 3) Risk.

Porter's Five Forces was developed in 1979 by Harvard professor Michael E. Porter, and is a valuable tool for understanding the competitive structure of a given business category, including franchise automotive businesses. It is based on the observation that, given that all companies evolve in a competitive environment, differentiation is essential if businesses want to attract and retain customers, generate above market average returns, and deliver profitable growth. When evaluating a buy-sell target, it is important for both sellers and buyers to understand the factors that impact risk to future cash flow.

## 1 Rivalry Among Existing Competitors

- Number of Competitors
- Diversity of Competitors
- Industry Concentration
- Industry Growth
- Quality Differences
- Brand Loyalty
- Barriers to Exit
- Switching Costs

## 2 Bargaining Power of Suppliers

- Number and Size of Suppliers
- Uniqueness of Each Supplier's Product
- Focal Company's Ability to Substitute

## 3 Threat of Substitute Products

- Number of Substitute Products Available
- Buyer Propensity to Substitute
- Relative Price Performance of Substitute
- Perceived Level of Product Differentiation
- Switching Costs



## 5 Threat of New Entrants

- Barriers to Entry
- Economies of Scale
- Brand Loyalty
- Capital Requirements
- Cumulative Experience
- Government Policies
- Access to Distribution Channels
- Switching Costs

## 4 Bargaining Power of Buyers

- Number of Customers
- Size of Customer Order
- Competitor Differences
- Price Sensitivity
- Buyer's Ability to Sub
- Buyer's Information Ability
- Switching Costs



## Value Drivers and Risk

Value Driver	Higher Risk	Medium Risk	Lower Risk
<b>Product Demand</b>	Low Demand	Some Demand	High Demand
<b>Business Growth</b>	Low	Steady	High & Steady
<b>Market Share</b>	Small Player	Average Player	Market Leader
<b>Profits</b>	Unstable	Consistent	Strong
<b>Management</b>	Understaffed/ Low Tenure	Competent/ Some Tenure	Experienced Pros/ Long Tenure
<b>Financial Reporting</b>	Owner Compiled	CPA Reviewed	Audited
<b>Customer Concentration</b>	One or Two Large	Several Large	Diversified
<b>Litigation Record</b>	Some	Occasionally	None in Years
<b>Economic Outlook</b>	Shrinking	Steady	Growth
<b>Competitive Density</b>	Many Competitors	Several Competitors	Few Competitors
<b>Rent Factor</b>	Above Market	Competitive	Below Market
<b>Government &amp; Business Cooperation (Taxes, etc).</b>	Little Linkage	Average Linkage	Favorable Linkage



# The Buyer's Test

Every Dealership Investment Should Pass This Test – Is the Cash Flow Enough to Cover:

1. Service the Debt of the Business
2. Cover Annual Capital Expenditures (EV, Facility, Equipment)
3. Pay the Desired Level of Owner Salary
4. Provide a Reasonable Rate of Return (based on the risk)

## Market Value and Risk Rates

A Basic Equation ...

$$\text{Business Value} = \frac{\text{Income Stream}}{\text{Risk of Stream Continuing}}$$

— OR —

$$\text{Business Value} = \text{Income Stream} \times \text{Multiple (measure of the risk)}$$

So ... Risk Rates are the Inverse of Market Multiples (and vice versa)

Risk Rate	Market Multiple
16.7%	6.0
20%	5.0
25%	4.0
33.3%	3.0
40%	2.5
50%	2.0

# Value Considerations

The key elements in the sale of the dealership are:

**1. Goodwill / Blue Sky**

The value of blue sky is one of the most highly negotiated components of the sale due to the multitude of influencing factors and its subjective nature. Based on both external and internal factors (see Page 12), a multiple of the weighted average adjusted cash flow comprises the blue sky calculation. Adjusted cash flow is the net operating income of the business after “adding back” lender-recognized items such as depreciation, interest expense (non-floor plan), and discretionary or one-time items. The weighting references a cash flow look over a period of time (say 3 years) with more weight being placed on more current performance.

**2. Parts Inventory**

The appraised or market value of the current OEM parts catalog inventory. Some buyers will specify those part numbers which have sold in the last 12 months. An independent appraisal will determine this value.

**3. Furniture, Fixtures, and Equipment (FFE)**

The market value of the FFE which, as a general rule, is approximately 50% of the original acquisition cost. An independent appraisal will determine this value.

**4. Real Estate**

If a loan is involved, the bank will require a professional real estate appraisal from a company familiar valuing special use properties such as an automotive dealership. A Phase 1 environmental assessment is also required.

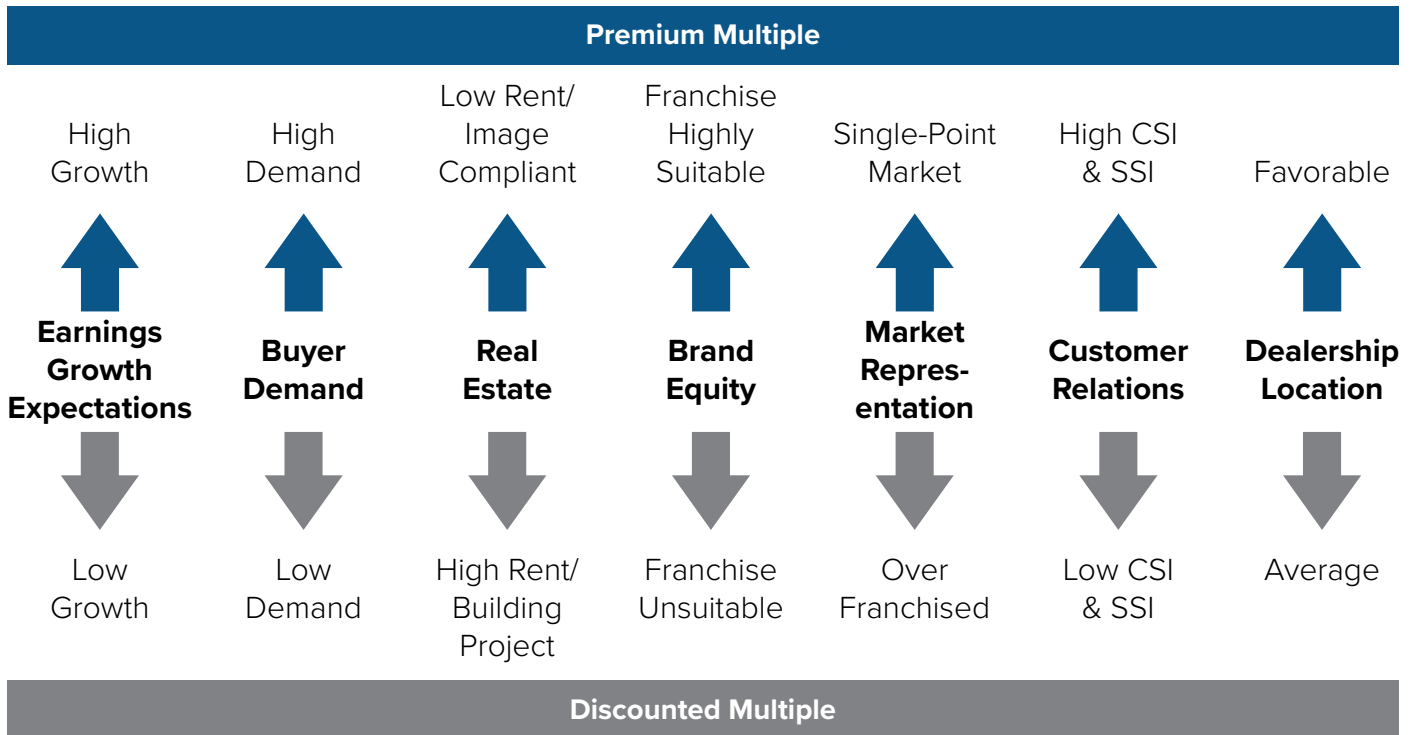
**5. Used Vehicles**

Generally this asset is excluded from the offering but the buyer is able to purchase the used vehicles at their own election using one of the industry recognized pricing guidelines to determine valuation.

**6. New Vehicles**

New vehicle inventory is floor-planned and is transferred from the seller’s banking source to the buyer’s source at dealer cost ... therefore not included in the sales price.

## Factors Impacting Blue Sky Multiples



## Other Factors

- Degree of Service Absorption
- Under Performance
- Metro vs. Rural Markets
- Low Tax/Real Estate Geography

## Allocation of Purchase Price – Tax Implications

Non-Stock "Asset" Sales		
Value Placed On	Seller	Buyer
Leasehold Improvements	If held more than one year, the gains in excess of depreciation previously deducted on the property are long-term capital gain; otherwise ordinary non-passive income.	Establishes new cost basis, depreciate per IRS established recovery periods (IRS publication 946)
Premise Lease saving (if the lease is at below market rent, it is an intangible asset)	If held for more than one year, is long-term capital gain.	Amortize value over 15 years.
Covenant not to Compete (include time and distance of covenant)	Ordinary non-passive income.	Amortize value over 15 years.
Training/Consultation (include schedule of time, hours, etc.)	Ordinary earned income. Income and self-employment taxes due.	Expense out as paid.
Registered Vehicles (do not include in Tangible Personal Property above)	If held more than one year, the gains in excess of depreciation previously deducted on the property are long-term capital gain; otherwise ordinary non-passive income.	Establishes new cost basis, depreciate per IRS established recovery periods (IRS publication 946).
Customer List	Ordinary income as received.	Amortize value over 15 years.
Goodwill	If held for more than one year, is long-term capital gain.	Amortize value over 15 years.
Buildings and Other Improvements	If held more than one year, the gains in excess of depreciation previously deducted on the property are long-term capital gain; otherwise ordinary non-passive income.	Establishes new cost basis, depreciate per IRS established recovery periods (IRS publication 946).
Land	If held more than one year is a long-term capital gain; otherwise ordinary non-passive income.	Land cannot be depreciated, thus no immediate deduction.
Inventory	Ordinary income, to the extent that it is over basis.	Treated as "cost of goods sold" upon sale of products.
Stock Sales		
Value Placed On	Seller	Buyer
Stock	Capital gains tax rate (currently at 15%) for stock held more than one year.	No write off; must accept assets at current book value (i.e., existing depreciation schedule). Purchase price of the stock is reflected in the buyer stock basis.
Covenant Not To Compete	Ordinary non-passive income.	Amortize value over 15 years.
Training/Consulting Agreement	Ordinary earned income. Income and self-employment taxes due.	Expense out as paid.

**Disclaimer:** This guideline was created by Jim Pease, CPA and reviewed by Monty Walker, CPA. Please contact your own CPA for your transaction tax implications. This is only a general guideline and should be utilized as such.

## A Special Note for Small Market Dealers

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## OPINION

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### The big deal about selling a small store

**Hal Feder**

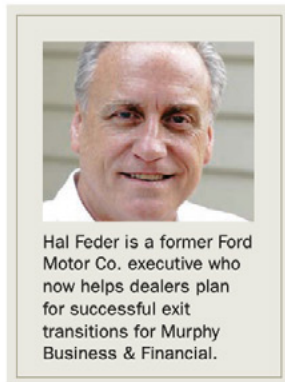
According to the National Automobile Dealers Association's NADA Data 2019 Midyear Report, more than half of the almost 17,000 U.S. dealerships sold fewer than 500 new vehicles, and over 93 percent of all dealer principals owned one to five stores. And with the graying of the baby boomers, it is estimated the average age of an auto dealer is now over 60 years old.

Conclusion: There are a lot of small, single-point dealerships in the U.S. that will transition over the next decade, and the consolidation wave is already underway.

But selling a car dealership is a more complex and challenging proposition than selling a car.

#### Small-dealer challenge

Selling any small business today is a challenge — it's a significant



Hal Feder is a former Ford Motor Co. executive who now helps dealers plan for successful exit transitions for Murphy Business & Financial.

financial decision that often involves an emotional life-stage change impacting the owner's family, employees and customers.

One of the most critical aspects of this transition involves maintaining confidentiality, which on the surface seems to be in direct conflict with the goal of finding a suitable buyer. But selling a small-market dealership is even tougher. In many cases, higher prospect standards, facility improvements and significant working capital requirements will come into play during the automaker's review of the transaction — that is, after you negotiate the purchase of the dealership assets.

#### Finding the right buyer

The 21st century dealership transition process is changing

There are more sellers in the market now, and buyers are becoming more selective and much better informed.

Strategic acquirers, individual buyers, private equity funds, public companies and regional consolidators — the diversity of potential buyers is overwhelming. With the advent of technology, these buyers are now equipped with more information than ever, including access to your employees and vendors, valuation comparables, third-party information resources and alternative acquisition opportunities.

Larger, metro market dealerships are generally sold "quietly" through the dealer's personal network or in the conference rooms of the dealer's CPA or attorney. Demand exceeds supply for these stores, so if an adviser is hired, most of their effort is spent on negotiation — not the more challenging tasks of buyer identification, qualification or factory approval.

Smaller, single-point dealers are in a much different position. Arguably, they have spent years creating dealership value but have to work harder to find the right buyer — one that meets the factory criteria, has the necessary capital resources and wants to operate a store in a smaller community. What happens when there is not a qualified, interested family member

to whom to pass on the small-dealership torch?

#### How do I land this plane?

Most small-market dealers know how to fly the plane well, but many don't know how to land it. To properly prepare for exit, small-market principals should partner with an experienced, trusted business adviser who can help the dealer remain objective, maintain confidentiality and navigate the complexities of the selling process while enabling the dealer to retain focus on running the business.

All of this change breeds opportunity, and the good news is, when it comes to selling your small-market dealership, there has never been more opportunity:

1. Buyers are active and plentiful.
2. Cash flow multiples remain steady.
3. Banks have capital to lend and are aggressively positioned.
4. Interest rates are near historical lows, which improves buyer affordability.
5. The near-term macroeconomic environment is stable and positive.

Choose your adviser wisely. Selling a smaller-market store requires a great deal of study and insight. Select a trusted advocate who will place your interests first, sweat the end-to-end details, including working with other brokers, and assemble a "deal team" to protect and preserve your hard-earned proceeds.

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## Challenges Dealers Encounter when Trying to Sell their Own Business

### Before the Sale

- Valuing the Business
- Developing the Marketing Campaign
- Preparing Marketing Materials
- Remaining Objective

### During the Sale

- Finding High-Exposure Listing Venues
- Broad Network of Brokers & Buyers
- Qualifying & Filtering Prospects
- Negotiation with Buyers

### Before the Close

- OEM Approval
- Structuring the Transaction
- Exploring Buyer Financing Options
- Managing Due Diligence Process
- Reviewing Closing Statements

### Business Broker Key Enablers

- Maintains Confidentiality
- Keeps Deal on Schedule
- Allows You to Run Your Business (While Selling It)
- Reduces Stress & Worry



## Buyer Hot Buttons



- Cash Flow – Earnings
- Verifiable Financial Records



- Loyal Customer Base
- Growth Potential



- Non-Compete Covenant
- Transition Plans



- Market Based Price



- Financing Package – Lender or Seller
- Image Compliant Facility



- Reasonable Lease Terms/Rent Factor
- Acceptable Salary/ROI

## Why Use a Business Intermediary?



- Trusted Advisor/Advocate
- Skilled Facilitator



- Knowledgeable Market Professional
- Extensive Network Background



- Discerning Prospect Qualifier
- Excellent Negotiating Skills



- Experienced At Making Deals Happen
- Enabler to a Successful Transaction and Close

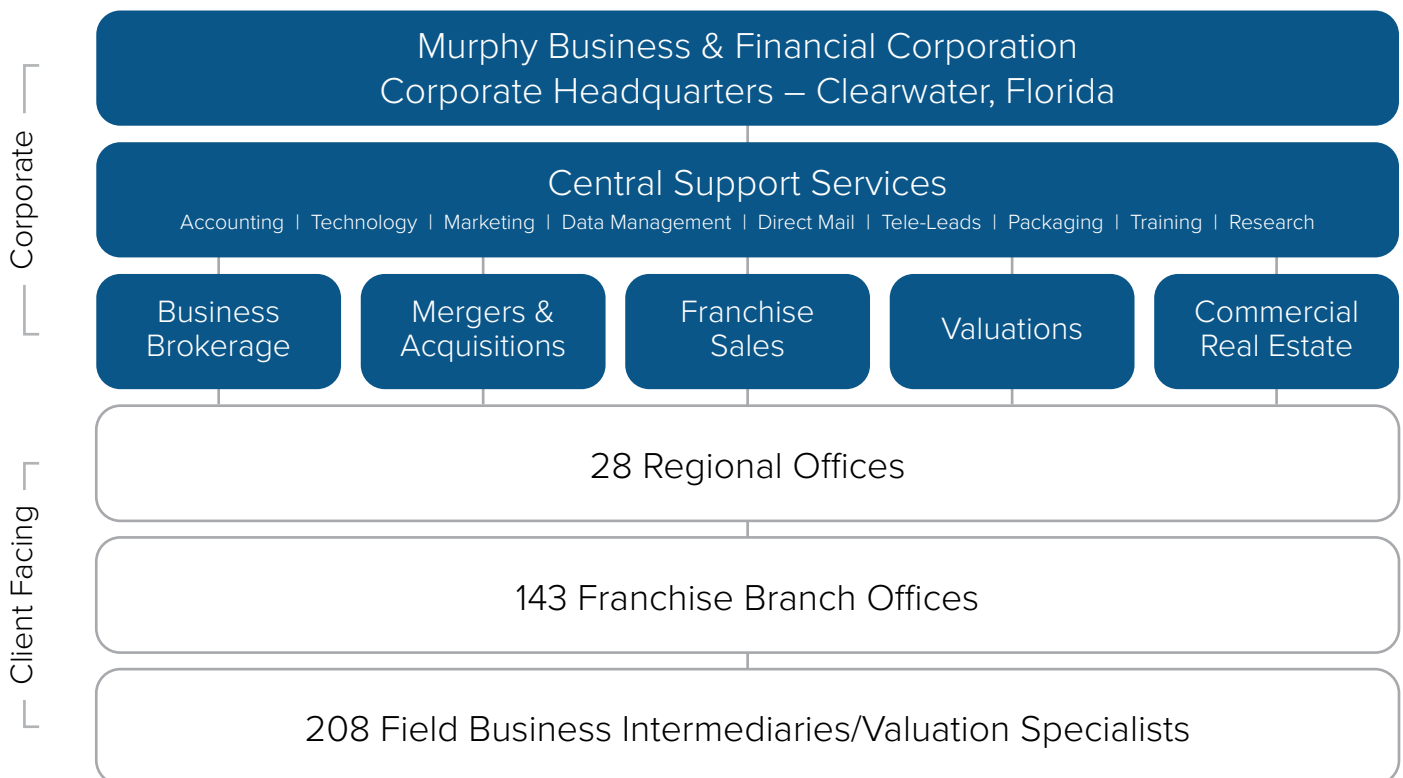


- Maintaining Confidentiality is a Key Consideration
- Expert at Factory Approval Process

## Murphy Business and Financial Corporation

- Founded in 1994 in Clearwater, Florida
- One of the Largest and Most Successful Business Brokerage Companies
- Full Complement of Business Services:
  - Business Valuations
  - Buy-Sell Consulting
  - Exit Strategies / Succession Planning
  - Franchises
  - Commercial Real Estate
- Unmatched Expertise with Highest Professional Standards

## Structure and Resources



# The Selling and Buying Process

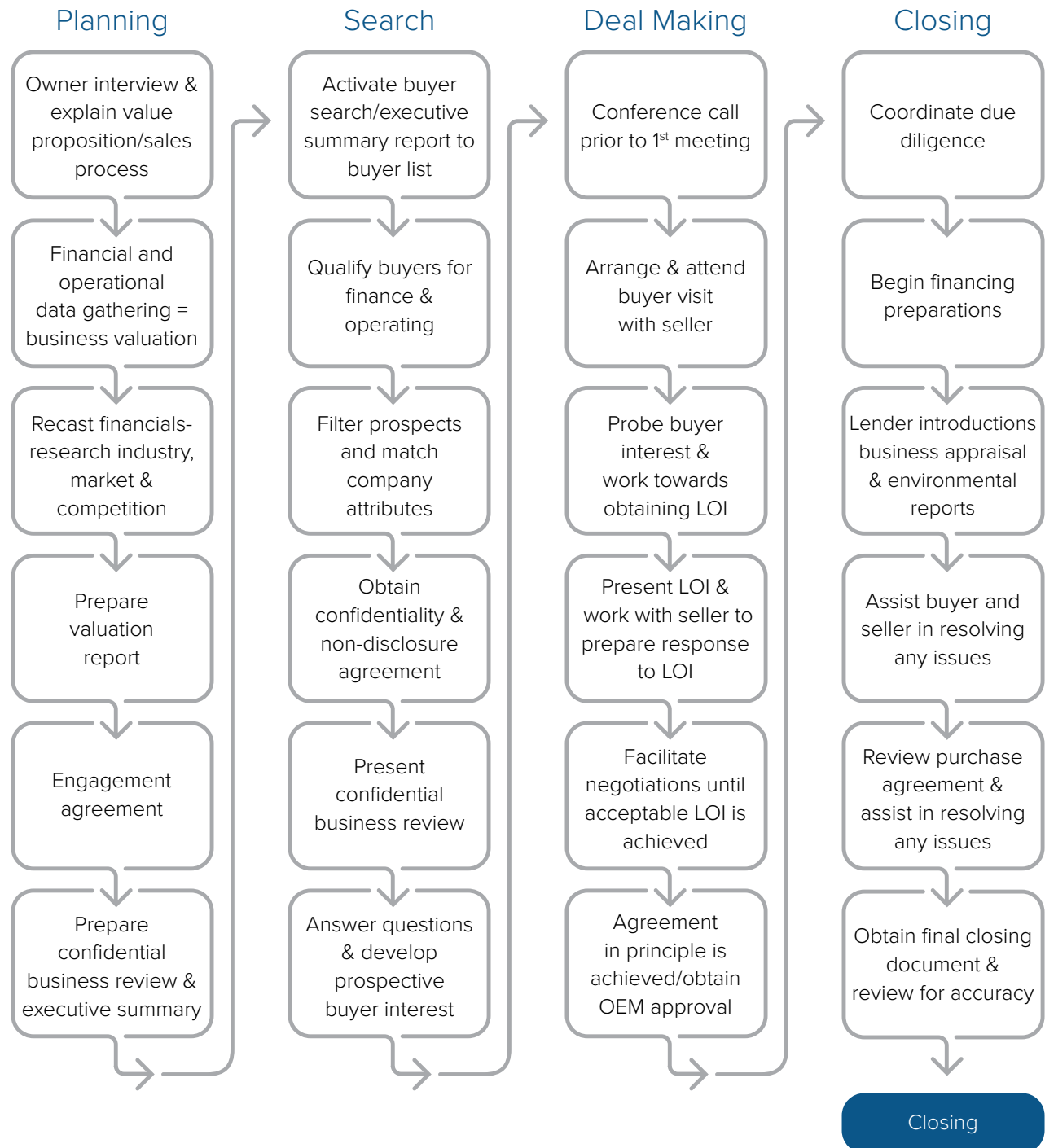
## The Selling Process



## The Buying Process



## Quarterbacking the Deal to Closing



## Where We Start – Your Business Story



### History

- Founding Date
- Mission
- Core Values
- Success Factors



### Ownership

- Business Structure
- Owners & Partners
- Operating Performance
- Key Partners



### Management

- Organization Structure
- Key Employees
- Compensation Plans
- CRM / BDC



### Market

- Competition
- Market Size
- Growth Options
- Demographics



### Real Estate

- Own or Lease
- Rent Factor
- Financing Options
- Image / Location



### Community

- Recognition/Reviews
- Community Image
- Social Presence
- Owner Loyalty

## Where We Finish – Your Goals



### Transition Topics

- Reasons For Selling
- Post-Sale Engagement Level
- Non-Compete Parameters
- Timeline for the Sale
- Real Estate Plan
- Tax Planning
- Deal Team
  - Spouse
  - CPA
  - Lawyer
  - Banker/Lender
  - Other Advisors

## Valuation, Marketing and Selling Milestones

- 1.** Seller Provides Background Documents
  - Current YTD/Past 3 Years Financial Statements
  - Current Balance Sheet
  - Parts Inventory and Equipment List
- 2.** Broker Conducts Opinion of Value (BOV)
- 3.** Refine BOV with Client “Add-Back” Input (Re-Cast Financials)  
Optional Valuation Products:
  - Calculation of Value Report,
  - Business Valuation Report (BVR)
  - Business Appraisal Report
- 4.** Alignment on Final Pricing, Transition Plan, Non-Compete Parameters
- 5.** Sign Listing Agreement
- 6.** Broker – Seller Business/Market Visit
  - In-Person Interview
  - Competitive Assessment / “Why Buys”
  - Team Review and Facility Plan
- 7.** Prepare Marketing Materials & Campaign Elements
- 8.** Lender Pre-Qualification – Develop Loan Term Sheets
- 9.** Listing Material Sign-Off By Client
- 10.** Listing Placement/Marketing Kick-Off
- 11.** Prospect Pre-Screening/Qualification
- 12.** Buyer – Seller Meeting (when requested)
- 13.** Purchase Agreement Preparation (Broker assists Buyer)
- 14.** Offer Presentation/Negotiation
- 15.** Buy-Sell Acceptance → Submit for OEM Approval(s)
- 16.** Due Diligence and Deal Structure
- 17.** Closing
- 18.** Business Transition

# Business Values and Guiding Principles

## Confidentiality

The protection of your personal data, business value/wealth, and stakeholder interests (family, employees and customers), is top priority and will be safeguarded throughout our engagement. To be effective, I must have access to my clients most confidential, sensitive, and secretive information and I take on this responsibility with the highest degree of care and concern.

## Integrity

I promise to be professional, respectful, honest, and trustworthy during our engagement partnership. I will listen intently to your needs, develop a plan to deliver on your goals, and genuinely care about you, your family, and your business. Actions speak louder than words and I will strive to develop a “relational” partnership that extends deeper and more meaningful than a typical “transactional” client focus.

## Communication and Accessibility

Effective communication is the hallmark value of any successful partnership and you have my unwavering commitment to timely, effective, and professional communication practices. The pace and success of a deal is highly dependent on responsiveness, timely problem solving, and management of expectations. I will respond to all buyer inquiries the day of the request, or if traveling, at latest by noon of the following day. I will be available to you within hours of your call, email, or text – most likely on the same day. You will never spend your valuable time trying to contact me or following up on a request.

## “Client-First” Mindset

I will always provide you with my best counsel, even if the message content is hard to deliver, or financially disadvantageous for me. I will provide you with the highest level of professional service by leveraging my many years of deal experience and extensive industry network. I will keep you informed along the way without subjecting you to the “noise” of the transaction.

## Co-Brokering

I will work with other professional business brokers (called “co-brokering”) in order to expose your business to the widest spectrum of available buyers or find you opportunities that extend beyond my personal network. Co-brokering many times involves sharing commission between listing and selling brokers...I will always place my client’s interest over my commission.

## Resiliency

I can almost promise there will be bumps in the course of the deal. I will do extensive work up-front to mitigate these or eliminate them from happening altogether. But when they occur, we will work through the obstacles and I will demonstrate emotional resiliency to get the deal back on track – swiftly and professionally. I will always look out for your best interests and do my best to filter worry, stress, and delay away from you and our deal.



## Business Values and Guiding Principles (CONTINUED)

### **Deal Team**

I will access and assemble (if required/directed) the best professionals in the business in order to become your full service, end-to-end advocate. Putting together a great deal often requires the expertise of specialists – CPA's, Tax Advisors, Real Estate Appraisers, Parts and Equipment Assessors, Legal Professionals, etc. To use a football analogy...when we need to kick a field goal, we will bring in an expert place kicker. When we need a key block to get in the end zone, we will bring in an all-pro tackle. The best team wins and I will assemble the best team to meet and exceed your goals.

### **Sense of Humor**

I believe it is important to enjoy the journey on the way to our destination. As such, there are times to be serious and focused and times to laugh and enjoy the moment. You will discover I have a sense of humor but when duty calls, I will be completely focused on the task at hand.

### **Value & Trusted Advisor**

I have learned that if I take care of your needs, I will be rewarded for my efforts. I will add value as your trusted advisor. This may come in the form of a higher sales price, a faster sale, reduced worry and stress, not overspending on an acquisition if you are a buyer, setting up a more effective business handover, conducting a smoother due diligence process, or saving your valuable time. Capable, trusted counsel should always be viewed as an investment; not an expense. My goal will be to prove that premise to you throughout our partnership.

## Hal S. Feder, Jr.

After 3 decades as a global leader with the Ford Motor Company, as well as serving as the President of RMA Automotive, a privately-held portfolio of retail automotive distributorships in Asian and African emerging markets, my aim is to leverage my experience working as your trusted advocate -- whether you are selling your store, investing in a new store, or need counsel getting the most out of your hard-earned investment.

Hal Feder grew up in the auto business as the son of a Ford District Manager, earned his Bachelor of Science in Business Administration and Masters of Business degrees at the University of Kansas and Florida respectively, and then set out on a very successful Ford career himself. Hal's sales and marketing background placed him in many dealer-facing positions both in the USA and abroad working directly with independent, entrepreneurial business owners in every functional discipline – sales, service, distribution, marketing and business development.



Hal served in Ford's Regional teams in the Louisville, Atlanta, Orlando, and Memphis field offices and was responsible for managing million dollar buy-sell transactions involving the ownership transfer of Ford and Lincoln franchises. Hal has consulted thousands of business owners across the USA and was named General Sales Manager in January 2010. Hal also served as President and CEO of Ford's South African operation (2007-2009), managed Ford's North American Fleet business (2003-2004), and led the Global Export business (2012-2013), overseeing 84 emerging markets.

Hal left Ford in May 2013 to pursue the retail side of the business and was appointed President of RMA Automotive, a privately held, family owned portfolio of retail distributorships. From 2013-2015, Hal oversaw all product development, manufacturing, marketing, sales, and service operations for an automotive business whose footprint spanned 20 countries and 5,000 employees. Headquartered in Bangkok, Thailand, Hal was responsible for the development, execution, and delivery of the automotive growth plan, including in-market retail dealerships in Thailand, Cambodia, Myanmar, Laos, Kenya, Afghanistan, and Kazakhstan representing eight automotive brands. In addition, Hal was responsible for oversight of 62 global markets for the Jaguar Land Rover brands through RMA's subsidiary company, Guava, located in the United Kingdom.

Hal brings a wealth of global experience, leadership, and consulting skills to any business partnership. His experience in both the wholesale and retail sectors of the automotive business enterprise, his consulting experience covering small and large dealers, and his proven leadership for delivering business results makes him an ideal candidate to assist you with any challenge you may be facing. In addition, Hal is a licensed commercial agent should your business interests involve the transfer of real property. Hal is married, has three grown kids, and resides in Williamsburg, Virginia where he enjoys his family, dogs, sports, and travel.

## Why Choose Hal as your Automotive Business Partner?



Global Automotive Experience – over 3 decades of both factory and dealer know-how; understands brands, products, pricing, customers, and distribution on a global landscape.



Dealer Advocate – has always valued the important role of the dealer and worked to deliver effective solutions.



Extensive Industry Network – has a built-in automotive prospecting network of dealers, factory colleagues and industry experts..



Hands-On Operational Knowledge – knows the inner-workings of the dealership financials, how the dealer creates value and how to convey that value to prospects.



Lender Network – has access to a variety of lending sources who can initiate business loans, create working capital credit lines, and fund used vehicle floor plans to finance the venture.



Confidential, Trustworthy and High Integrity – in every engagement, protects your data, reputation, and wealth ... never compromises you or your business interests.



Easy to Do Business With – will listen to understand your goals and work hard to deliver the results.



Success Based Pricing – never charges a buyer fee, retainer reimbursed at closing and will co-broke with reputable business brokers which translates to great value for your money.



Factory Approval Expert – knows the factory approval process and can qualify and package prospects to meet and exceed OEM approval criteria.



Deal Team – will assemble a “selling team” that will work with your CPA/Attorney to deliver higher proceeds from your sale (for example, deferred sales trusts to manage tax liability).



Murphy World-Class Resources, Processes, and Tools – over 200 national broker agents, utilizing top business transactional web-sites, with unmatched marketing reach/impact.



Customized 24/7 Service – personally delivered, never out-sourced, accessible service from the first engagement and thereafter.